

ANNUAL FINANCIAL REPORT
HARTSVILLE/TROUSDALE
COUNTY GOVERNMENT, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2014



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FOR THE YEAR ENDED JUNE 30, 2014

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

**HARTSVILLE/TROUSDALE
COUNTY GOVERNMENT, TENNESSEE
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Summary of Audit Findings

Annual Financial Report
Hartsville/Trousdale County Government, Tennessee
For the Year Ended June 30, 2014

Scope

We have audited the basic financial statements of Hartsville/Trousdale County Government as of and for the year ended June 30, 2014.

Results

Our report on Hartsville/Trousdale County Government is unmodified.

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ Material audit adjustments were required for proper financial statement presentation.

OFFICES OF COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, AND CLERK AND MASTER

- ◆ Multiple employees operated from the same cash drawer.

OFFICES OF COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Hartsville/Trousdale County Officials
June 30, 2014

Officials

Jakie West, County Mayor
Billy Scruggs, Superintendent of Roads
Clint Satterfield, Director of Schools
Kay Celsor, Trustee
Dewayne Byrd, Assessor of Property
Rita Crowder, County Clerk
Kim Taylor, Circuit and General Sessions Courts Clerk
Shelly Jones, Clerk and Master
Mary Holder, Register of Deeds
Ray Russell, Sheriff

Hartsville/Trousdale County Government Commissioners

Mark Beeler, Chairman	Mike Keisling
Freddie Banks	Clyde Mansfield
Wayne Brown	James McDonald
Steve Burrow	David Nollner
James Chambers	John Oliver
Don Coker	Johnny Kerr
William Fergusson	Carol Pruitt
Terry Gregory	Phillip Taylor
Andy Jellison	Robert Thurman
Richard Johnson	Marshall White, Jr.

Highway Commission

Jakie West, County Mayor, Chairman
Billy Scruggs, Superintendent of Roads
Bobby Joe Lewis

Board of Education

Regina Waller, Chairman
Anthony Crook
Denice Jackson
Randy Linville
Mary Helen McGowan

Audit Committee

Bill Fergusson, Chairman	James McDonald
Mark Beeler	John Oliver
Steve Burrow	Carol Pruitt
Clyde Mansfield	

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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Independent Auditor's Report

Hartsville/Trousdale County Government Mayor and
Board of County Commissioners
Trousdale County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Trousdale County Government Emergency Communications District, which represent six percent, seven percent, and two percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Trousdale County Government Emergency Communications District, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted

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

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the metropolitan government as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for the General, Urban Services, Ambulance, 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., the metropolitan government has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plan and other postemployment benefits plans on pages 68-70 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 the metropolitan government’s basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the 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.

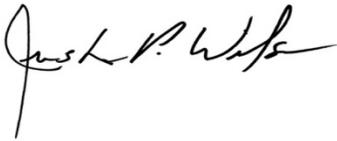
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the School Department (a discretely presented component unit), and miscellaneous schedules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

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

Other Reporting Required by *Government Auditing Standards*

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 18, 2014

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Hartsville/Trousdale County Government, Tennessee
Statement of Net Position
June 30, 2014

	Primary Governmental Activities	Component Units	
		Hartsville/ Trousdale County School Department	Trousdale County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 8,225	\$ 0	\$ 1,149,565
Equity in Pooled Cash and Investments	5,600,362	3,603,927	0
Accounts Receivable	307,640	71,169	1,703
Allowance for Uncollectibles	(73,460)	0	0
Due from Other Governments	524,342	230,503	0
Due from Other Funds	3,934	0	0
Property Taxes Receivable	3,715,452	1,357,713	0
Allowance for Uncollectible Property Taxes	(169,358)	(61,331)	0
Capital Assets:			
Assets Not Depreciated:			
Land	1,048,159	629,383	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	1,245,506	13,993,044	0
Infrastructure	3,965,921	0	0
Other Capital Assets	1,321,598	450,262	201,758
Intangibles	0	87,345	0
Total Assets	<u>\$ 17,498,321</u>	<u>\$ 20,362,015</u>	<u>\$ 1,353,026</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 257,460	\$ 7,713	\$ 2,767
Accrued Payroll	32,607	7,105	0
Payroll Deductions Payable	35	0	0
Accrued Interest Payable	4,671	0	0
Due to State of Tennessee	2,000	0	0
Noncurrent Liabilities:			
Due Within One Year	1,064,739	0	0
Due in More Than One Year	7,181,427	167,119	0
Total Liabilities	<u>\$ 8,542,939</u>	<u>\$ 181,937</u>	<u>\$ 2,767</u>

(Continued)

Exhibit A

Hartsville/Trousdale County Government, Tennessee
Statement of Net Position (Cont.)

	Primary Government Governmental Activities	Component Units	
		Hartsville/ Trousdale County School Department	Trousdale County Emergency Communications District
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,277,775	\$ 1,204,819	\$ 0
Total Deferred Inflows of Resources	<u>\$ 3,277,775</u>	<u>\$ 1,204,819</u>	<u>\$ 0</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 6,855,184	\$ 15,160,034	\$ 201,758
Restricted for:			
General Government	545,275	0	0
Administration of Justice	112,643	0	0
Public Safety	100,905	0	0
Public Health and Welfare	57,285	0	0
Social, Cultural, and Recreational Services	52,414	0	0
Highway/Public Works	459,503	0	0
Capital Outlay	46,929	0	0
Debt Service	1,138,210	0	0
Capital Projects	68,509	0	0
Education	0	163,405	0
School Federal Projects	0	9,613	0
Unrestricted	<u>(3,759,250)</u>	<u>3,642,207</u>	<u>1,148,501</u>
Total Net Position	<u>\$ 5,677,607</u>	<u>\$ 18,975,259</u>	<u>\$ 1,350,259</u>

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

Exhibit B

Hartsville/Trousdale County Government, Tennessee
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Program Revenues			Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Hartsville/Trousdale County School Department	Trousdale County Emergency Communications District
Primary Government:						
Governmental Activities:						
General Government	\$ 934,565	\$ 182,422	\$ 39,849	\$ 0	\$ 0	\$ 0
Finance	331,402	244,820	0	0	0	0
Administration of Justice	361,004	239,894	13,965	0	0	0
Public Safety	2,526,557	336,118	152,398	220,801	0	0
Public Health and Welfare	1,649,583	625,083	108,056	131,086	0	0
Social, Cultural, and Recreational Services	195,373	19,596	14,592	0	0	0
Agriculture and Natural Resources	52,687	0	0	0	0	0
Highways/Public Works	1,928,860	0	1,233,052	256,180	0	0
Education	115,530	0	0	534,499	0	0
Interest on Long-term Debt	160,245	0	0	0	0	0
Total Primary Government	\$ 8,255,806	\$ 1,647,933	\$ 1,561,912	\$ 1,142,566	\$ 0	\$ 0
Component Units:						
School Department	\$ 10,605,239	\$ 24,371	\$ 1,749,672	\$ 74,942	\$ (8,756,254)	\$ 0
Emergency Communications District	96,799	164,360	52,837	9,545	0	129,943
Total Component Units	\$ 10,702,038	\$ 188,731	\$ 1,802,509	\$ 84,487	\$ (8,756,254)	\$ 129,943

(Continued)

Exhibit B

Hartsville/Trousdale County Government, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Component Units		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Hartsville/ Trousdale		
				School Department	County Emergency Communications District	
		Total Governmental Activities				
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes		\$ 3,200,614	\$ 1,173,448	\$ 0	0	0
Property Taxes Levied for Debt Service		198,282	0	0	0	0
Local Option Sales Tax		388,304	455,498	0	0	0
Wheel Tax		316,528	0	0	0	0
Wholesale Beer Tax		147,744	0	0	0	0
Litigation Tax		111,374	0	0	0	0
Business Tax		25,646	11,907	0	0	0
Interstate Telecommunications Tax		738	859	0	0	0
Adequate Facilities/Development Tax		34,000	0	0	0	0
Grants and Contributions Not Restricted for Specific Programs		418,603	7,336,549	0	0	0
Unrestricted Investment Income		66,265	0	0	2,414	0
Miscellaneous		4,719	24,726	0	0	0
Total General Revenues		\$ 4,912,817	\$ 9,002,987	\$ 2,414		
Change in Net Position		\$ 1,009,422	\$ 246,733	\$ 132,357		
Net Position, July 1, 2013		4,668,185	18,728,526	1,217,902		
Net Position, June 30, 2014		\$ 5,677,607	\$ 18,975,259	\$ 1,350,259		

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

Exhibit C-1

Hartsville/Trousdale County Government, Tennessee
 Balance Sheet
 Governmental Funds
June 30, 2014

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Urban Services	Ambulance Service	Highway / Public Works	Education Debt Service	Other	Governmental Funds	
ASSETS								
Cash	\$ 100	\$ 0	\$ 8,125	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,225
Equity in Pooled Cash and Investments	2,087,111	942,810	351,037	238,714	1,247,024	733,666	0	5,600,362
Accounts Receivable	42,920	18,688	200,927	35,779	0	9,326	0	307,640
Allowance for Uncollectibles	0	0	(73,460)	0	0	0	0	(73,460)
Due from Other Governments	300,542	0	0	222,465	0	1,335	0	524,342
Due from Other Funds	11,327	0	0	56,399	0	0	0	67,726
Property Taxes Receivable	2,070,811	499,945	616,946	0	0	527,750	0	3,715,452
Allowance for Uncollectible Property Taxes	(96,273)	(20,065)	(28,714)	0	0	(24,306)	0	(169,358)
Total Assets	\$ 4,416,538	\$ 1,441,378	\$ 1,074,861	\$ 553,357	\$ 1,247,024	\$ 1,247,771	\$ 0	\$ 9,980,929
LIABILITIES								
Accounts Payable	\$ 211,766	\$ 16,115	\$ 8,258	\$ 1,439	\$ 0	\$ 19,882	\$ 0	\$ 257,460
Accrued Payroll	0	0	0	32,607	0	0	0	32,607
Payroll Deductions Payable	35	0	0	0	0	0	0	35
Due to Other Funds	0	59,233	1,385	0	0	3,174	0	63,792
Due to State of Tennessee	0	0	0	2,000	0	0	0	2,000
Total Liabilities	\$ 211,801	\$ 75,348	\$ 9,643	\$ 36,046	\$ 0	\$ 23,056	\$ 0	\$ 355,894
DEFERRED INFLOWS OF RESOURCES								
Deferred Current Property Taxes	\$ 1,826,426	\$ 440,934	\$ 544,007	\$ 0	\$ 0	\$ 466,408	\$ 0	\$ 3,277,775
Deferred Delinquent Property Taxes	141,189	36,446	42,158	0	0	35,304	0	255,097
Other Deferred/Unavailable Revenue	46,000	0	118,041	114,684	0	0	0	278,725
Total Deferred Inflows of Resources	\$ 2,013,615	\$ 477,380	\$ 704,206	\$ 114,684	\$ 0	\$ 501,712	\$ 0	\$ 3,811,597

(Continued)

Exhibit C-1

Hartsville/Trousdale County Government, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Urban Services	Ambulance Service	Highway / Public Works	Education Debt Service	Other Governmental Funds		
FUND BALANCES								
Restricted:								
Restricted for General Government	\$ 17,522	\$ 609,472	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 626,994
Restricted for Administration of Justice	112,643	0	0	0	0	0	0	112,643
Restricted for Public Safety	72,593	0	0	0	0	0	28,312	100,905
Restricted for Public Health and Welfare	24,706	32,579	0	0	0	0	0	57,285
Restricted for Social, Cultural, and Recreational Services	52,414	0	0	0	0	0	0	52,414
Restricted for Highways/Public Works	0	0	0	355,698	0	0	0	355,698
Restricted for Capital Outlay	0	0	0	46,929	0	0	0	46,929
Restricted for Debt Service	10,515	0	0	0	967,799	0	148,504	1,126,818
Restricted for Capital Projects	0	0	0	0	0	0	68,509	68,509
Committed:								
Committed for General Government	0	240,579	0	0	0	0	0	240,579
Committed for Public Safety	2,034	0	0	0	0	0	0	2,034
Committed for Public Health and Welfare	0	6,020	361,012	0	0	0	347,282	714,314
Committed for Social, Cultural, and Recreational Services	43,029	0	0	0	0	0	0	43,029
Committed for Debt Service	0	0	0	0	279,225	0	130,396	409,621
Unassigned	1,855,666	0	0	0	0	0	0	1,855,666
Total Fund Balances	\$ 2,191,122	\$ 888,650	\$ 361,012	\$ 402,627	\$ 1,247,024	\$ 723,003	\$ 5,813,438	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,416,538	\$ 1,441,378	\$ 1,074,861	\$ 553,357	\$ 1,247,024	\$ 1,247,771	\$ 9,980,929	

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

Exhibit C-2

Hartsville/Trousdale County Government, 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)		\$ 5,813,438
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,048,159	
Add: buildings and improvements net of accumulated depreciation	1,245,506	
Add: infrastructure net of accumulated depreciation	3,965,921	
Add: other capital assets net of accumulated depreciation	<u>1,321,598</u>	7,581,184
(2) Long-term liabilities are not due and payable in the current-period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (157,000)	
Less: notes payable	(569,000)	
Less: other loans payable	(6,768,099)	
Less: landfill postclosure care costs	(390,793)	
Less: other postemployment benefits liability	(278,855)	
Less: compensated absences payable	(82,419)	
Less: accrued interest on bonds	(1,033)	
Less: accrued interest on notes	<u>(3,638)</u>	(8,250,837)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>533,822</u>
Net position of governmental activities (Exhibit A)		<u>\$ 5,677,607</u>

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

Exhibit C-3

Hartsville/Trousdale County Government, 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	Urban Services	Ambulance Service	Highway / Public Works	Education Debt Service	Other	Governmental Funds	
<u>Revenues</u>								
Local Taxes	\$ 2,645,438	\$ 535,207	\$ 571,811	\$ 0	\$ 350,528	\$ 502,816	\$ 4,605,800	
Licenses and Permits	62,096	16,346	0	0	0	0	78,442	
Fines, Forfeitures, and Penalties	93,369	0	0	0	0	4,399	97,768	
Charges for Current Services	39,282	175,060	272,969	0	0	144,955	632,266	
Other Local Revenues	142,177	375	0	934	12,535	35,071	191,092	
Fees Received from County Officials	413,095	0	0	0	0	0	413,095	
State of Tennessee	798,801	3,596	0	1,486,794	0	5,604	2,294,795	
Federal Government	226,288	0	0	0	0	286,680	512,968	
Other Governments and Citizens Groups	27,291	0	0	0	75,000	339,174	441,465	
Total Revenues	\$ 4,447,837	\$ 730,584	\$ 844,780	\$ 1,487,728	\$ 438,063	\$ 1,318,699	\$ 9,267,691	

Expenditures

Current:								
General Government	\$ 586,479	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 586,479	
Finance	330,638	0	0	0	0	0	330,638	
Administration of Justice	360,008	0	0	0	0	0	360,008	
Public Safety	2,190,966	259,961	0	0	0	9,659	2,460,586	
Public Health and Welfare	86,453	167,130	931,606	0	0	410,879	1,596,068	
Social, Cultural, and Recreational Services	183,602	13,963	0	0	0	0	197,565	
Agriculture and Natural Resources	52,687	0	0	0	0	0	52,687	
Other Operations	295,659	118,659	0	0	0	16,863	431,181	
Highways	0	93,396	0	1,528,855	0	0	1,622,251	
Debt Service:								
Principal on Debt	0	24,545	0	0	455,000	523,331	1,002,876	
Interest on Debt	0	8,121	0	0	11,545	141,301	160,967	
Other Debt Service	0	0	0	0	36,421	11,354	47,775	

(Continued)

Exhibit C-3

Hartsville/Trousdale County Government, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Urban Services	Ambulance Service	Highway / Public Works	Education Debt Service	Other	Governmental Funds	
<u>Expenditures (Cont.)</u>								
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 358,815	\$ 358,815
Total Expenditures	\$ 4,086,492	\$ 685,775	\$ 931,606	\$ 1,528,855	\$ 502,966	\$ 1,472,202	\$ 1,472,202	\$ 9,207,896
Excess (Deficiency) of Revenues Over Expenditures	\$ 361,345	\$ 44,809	\$ (86,826)	\$ (41,127)	\$ (64,903)	\$ (153,503)	\$ (153,503)	\$ 59,795
<u>Other Financing Sources (Uses)</u>								
Notes Issued	\$ 0	\$ 0	\$ 80,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 80,000
Insurance Recovery	7,916	16,499	0	0	0	0	0	24,415
Transfers In	0	0	0	0	0	0	121,892	121,892
Transfers Out	(112,591)	(9,301)	0	0	0	0	0	(121,892)
Total Other Financing Sources (Uses)	\$ (104,675)	\$ 7,198	\$ 80,000	\$ 0	\$ 0	\$ 0	\$ 121,892	\$ 104,415
Net Change in Fund Balances	\$ 256,670	\$ 52,007	\$ (6,826)	\$ (41,127)	\$ (64,903)	\$ (31,611)	\$ (31,611)	\$ 164,210
Fund Balance, July 1, 2013	1,934,452	836,643	367,838	443,754	1,311,927	754,614	754,614	5,649,228
Fund Balance, June 30, 2014	\$ 2,191,122	\$ 888,650	\$ 361,012	\$ 402,627	\$ 1,247,024	\$ 723,003	\$ 723,003	\$ 5,813,438

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

Hartsville/Trousdale County Government, 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)		\$	164,210
(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 outlays purchased in the current period	\$	371,234	
Less: current-year depreciation expense		<u>(424,427)</u>	(53,193)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: capital asset disposals			(1,902)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2013	\$	(536,285)	
Add: deferred delinquent property taxes and other deferred June 30, 2014		<u>533,822</u>	(2,463)
(4) The issuance of long-term debt (e.g., notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Less: note proceeds	\$	(80,000)	
Add: principal payments on bonds		23,000	
Add: principal payments on notes		163,545	
Add: principal payments on other loans		<u>816,331</u>	922,876
(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	\$	722	
Change in landfill postclosure care costs		(854)	
Change in other postemployment benefits liability		(22,545)	
Change in compensated absences payable		<u>2,571</u>	<u>(20,106)</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 1,009,422</u>

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

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,645,438	\$ 2,721,099	\$ 2,604,144	\$ 41,294
Licenses and Permits	62,096	25,600	30,600	31,496
Fines, Forfeitures, and Penalties	93,369	80,382	80,382	12,987
Charges for Current Services	39,282	26,525	26,525	12,757
Other Local Revenues	142,177	111,000	135,422	6,755
Fees Received from County Officials	413,095	368,700	368,700	44,395
State of Tennessee	798,801	319,900	726,801	72,000
Federal Government	226,288	131,316	234,125	(7,837)
Other Governments and Citizens Groups	27,291	14,500	22,151	5,140
Total Revenues	\$ 4,447,837	\$ 3,799,022	\$ 4,228,850	\$ 218,987
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 12,276	\$ 20,980	\$ 20,980	\$ 8,704
Beer Board	192	250	250	58
County Mayor/Executive	173,190	171,579	179,872	6,682
County Attorney	27,127	17,400	32,400	5,273
Election Commission	99,862	80,943	103,193	3,331
Register of Deeds	82,091	86,694	86,852	4,761
Planning	70,503	71,393	72,307	1,804
Codes Compliance	234	5,000	5,000	4,766
County Buildings	121,004	176,010	182,127	61,123
Preservation of Records	0	500	500	500
<u>Finance</u>				
Property Assessor's Office	105,756	115,752	116,234	10,478
County Trustee's Office	118,512	113,085	122,928	4,416
County Clerk's Office	106,370	109,838	110,320	3,950
<u>Administration of Justice</u>				
Circuit Court	157,448	158,322	159,434	1,986
General Sessions Court	85,428	89,312	89,312	3,884
Chancery Court	79,036	79,867	79,979	943
Judicial Commissioners	20,740	23,793	24,122	3,382
Courtroom Security	17,356	26,302	26,707	9,351
<u>Public Safety</u>				
Sheriff's Department	989,122	1,017,110	1,114,618	125,496
Drug Enforcement	49,826	49,977	54,185	4,359
Administration of the Sexual Offender Registry	2,746	3,200	3,200	454
Jail	912,010	803,113	1,065,221	153,211
Workhouse	58,586	63,125	64,900	6,314
Juvenile Services	19,557	26,372	26,762	7,205
Fire Prevention and Control	38,953	72,050	72,050	33,097
Civil Defense	26,203	28,550	28,650	2,447
Other Emergency Management	83,429	40,991	101,063	17,634
Inspection and Regulation	5,404	5,668	5,760	356
County Coroner/Medical Examiner	5,130	15,000	15,000	9,870
<u>Public Health and Welfare</u>				
Local Health Center	27,755	32,549	32,924	5,169
Alcohol and Drug Programs	2,736	6,628	6,628	3,892
Other Local Health Services	16,740	8,600	44,719	27,979

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Sanitation Education/Information	\$ 33,556	\$ 33,700	\$ 33,700	\$ 144
Other Public Health and Welfare	5,666	5,666	5,666	0
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	37,949	37,595	43,572	5,623
Libraries	84,167	81,898	92,745	8,578
Parks and Fair Boards	61,486	83,328	90,424	28,938
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	39,845	42,030	42,030	2,185
Soil Conservation	12,842	12,842	12,842	0
<u>Other Operations</u>				
Other Charges	280,130	319,600	359,600	79,470
Employee Benefits	4,974	15,600	15,600	10,626
Miscellaneous	10,555	10,570	10,570	15
Total Expenditures	\$ 4,086,492	\$ 4,162,782	\$ 4,754,946	\$ 668,454
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 361,345	\$ (363,760)	\$ (526,096)	\$ 887,441
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 7,916	\$ 0	\$ 7,917	\$ (1)
Transfers In	0	0	3,475	(3,475)
Transfers Out	(112,591)	0	(122,316)	9,725
Total Other Financing Sources	\$ (104,675)	\$ 0	\$ (110,924)	\$ 6,249
Net Change in Fund Balance	\$ 256,670	\$ (363,760)	\$ (637,020)	\$ 893,690
Fund Balance, July 1, 2013	1,934,452	1,533,964	1,533,964	400,488
Fund Balance, June 30, 2014	\$ 2,191,122	\$ 1,047,888	\$ 896,944	\$ 1,294,178

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

Exhibit C-6

Hartsville/Trousdale County Government, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Urban Services Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 535,207	\$ 530,530	\$ 530,530	\$ 4,677
Licenses and Permits	16,346	15,000	15,000	1,346
Charges for Current Services	175,060	150,000	150,000	25,060
Other Local Revenues	375	0	0	375
State of Tennessee	3,596	2,400	3,596	0
Total Revenues	<u>\$ 730,584</u>	<u>\$ 697,930</u>	<u>\$ 699,126</u>	<u>\$ 31,458</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 256,708	\$ 316,062	\$ 310,491	\$ 53,783
Fire Prevention and Control	3,253	3,500	3,500	247
<u>Public Health and Welfare</u>				
Rabies and Animal Control	10,290	16,437	16,534	6,244
Waste Pickup	156,840	181,636	183,294	26,454
<u>Social, Cultural, and Recreational Services</u>				
Parks and Fair Boards	7,963	10,000	10,000	2,037
Other Social, Cultural, and Recreational	6,000	6,000	6,000	0
<u>Other Operations</u>				
Other Charges	116,113	134,700	146,229	30,116
Employee Benefits	2,546	1,650	2,846	300
<u>Highways</u>				
Highway and Bridge Maintenance	93,396	100,000	100,000	6,604
<u>Principal on Debt</u>				
General Government	24,545	24,545	24,545	0
<u>Interest on Debt</u>				
General Government	8,121	8,490	8,490	369
Total Expenditures	<u>\$ 685,775</u>	<u>\$ 803,020</u>	<u>\$ 811,929</u>	<u>\$ 126,154</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 44,809	\$ (105,090)	\$ (112,803)	\$ 157,612
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 16,499	\$ 0	\$ 11,529	\$ 4,970
Transfers Out	(9,301)	0	(9,302)	1
Total Other Financing Sources	<u>\$ 7,198</u>	<u>\$ 0</u>	<u>\$ 2,227</u>	<u>\$ 4,971</u>
Net Change in Fund Balance	\$ 52,007	\$ (105,090)	\$ (110,576)	\$ 162,583
Fund Balance, July 1, 2013	<u>836,643</u>	<u>730,057</u>	<u>730,057</u>	<u>106,586</u>
Fund Balance, June 30, 2014	<u>\$ 888,650</u>	<u>\$ 624,967</u>	<u>\$ 619,481</u>	<u>\$ 269,169</u>

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

Exhibit C-7

Hartsville/Trousdale County Government, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Ambulance Service Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 571,811	\$ 517,895	\$ 517,895	\$ 53,916
Charges for Current Services	272,969	325,000	325,000	(52,031)
Total Revenues	<u>\$ 844,780</u>	<u>\$ 842,895</u>	<u>\$ 842,895</u>	<u>\$ 1,885</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 931,606	\$ 1,033,959	\$ 1,043,334	\$ 111,728
Total Expenditures	<u>\$ 931,606</u>	<u>\$ 1,033,959</u>	<u>\$ 1,043,334</u>	<u>\$ 111,728</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (86,826)</u>	<u>\$ (191,064)</u>	<u>\$ (200,439)</u>	<u>\$ 113,613</u>
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 80,000	\$ 80,000	\$ 80,000	\$ 0
Total Other Financing Sources	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (6,826)	\$ (111,064)	\$ (120,439)	\$ 113,613
Fund Balance, July 1, 2013	<u>367,838</u>	<u>250,998</u>	<u>250,998</u>	<u>116,840</u>
Fund Balance, June 30, 2014	<u>\$ 361,012</u>	<u>\$ 139,934</u>	<u>\$ 130,559</u>	<u>\$ 230,453</u>

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

Exhibit C-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 934	\$ 2,200	\$ 2,200	\$ (1,266)
State of Tennessee	1,486,794	1,512,750	1,571,695	(84,901)
Total Revenues	\$ 1,487,728	\$ 1,514,950	\$ 1,573,895	\$ (86,167)
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 141,205	\$ 156,241	\$ 156,844	\$ 15,639
Highway and Bridge Maintenance	755,514	836,561	837,160	81,646
Operation and Maintenance of Equipment	179,225	211,918	218,912	39,687
Other Charges	76,569	79,035	79,163	2,594
Employee Benefits	51,370	57,160	56,660	5,290
Capital Outlay	324,972	437,712	488,832	163,860
Total Expenditures	\$ 1,528,855	\$ 1,778,627	\$ 1,837,571	\$ 308,716
Excess (Deficiency) of Revenues Over Expenditures	\$ (41,127)	\$ (263,677)	\$ (263,676)	\$ 222,549
Net Change in Fund Balance	\$ (41,127)	\$ (263,677)	\$ (263,676)	\$ 222,549
Fund Balance, July 1, 2013	443,754	378,647	378,647	65,107
Fund Balance, June 30, 2014	\$ 402,627	\$ 114,970	\$ 114,971	\$ 287,656

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

Exhibit D

Hartsville/Trousdale County Government, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 406,611
Equity in Pooled Cash and Investments	635,496
Due from Other Governments	<u>13,000</u>
Total Assets	<u>\$ 1,055,107</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 42,012
Due to Other Funds	3,934
Due to Litigants, Heirs, and Others	420,839
Due to Joint Ventures	<u>588,322</u>
Total Liabilities	<u>\$ 1,055,107</u>

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

**HARTSVILLE/TROUSDALE COUNTY
GOVERNMENT, TENNESSEE
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HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hartsville/Trousdale County Government's (the metropolitan government) 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 the metropolitan government:

A. Reporting Entity

The metropolitan government is a public municipal corporation governed by an elected 20-member board. As required by GAAP, these financial statements present the metropolitan government (the primary government) and its component units. The component units discussed below are included in the metropolitan government's reporting entity because of the significance of their operational or financial relationships with the metropolitan government.

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

The Hartsville/Trousdale County School Department (the School Department) operates the public school system in the county, and the voters of Trousdale County elect its board. The School Department is fiscally dependent on the metropolitan government because it may not issue debt, and its budget and property tax levy are subject to the Metropolitan Commission's approval. The School Department's taxes are levied under the taxing authority of the metropolitan government and are included as part of the metropolitan government's total tax levy.

The Trousdale County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Trousdale County, and the Metropolitan 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 Metropolitan Commission's approval.

The School Department does not issue separate financial statements from those of the metropolitan government. Therefore, basic financial statements

of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Trousdale County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Trousdale County Emergency
Communications District
210 Broadway
Hartsville, TN 37074

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 the metropolitan government 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 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.

The metropolitan government issues all debt for the discretely presented School Department. Net debt issues totaling \$71,965 were contributed by the metropolitan government 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 the metropolitan government are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. The metropolitan government has no proprietary funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the metropolitan government 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. The metropolitan government considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

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

Fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The metropolitan government reports the following major governmental funds:

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

Urban Services Fund – This special revenue fund accounts for the financial activity for the Urban Services District. Property taxes are the foundational revenues of this fund.

Ambulance Service Fund – This special revenue fund is used to account for transactions of the Ambulance Service. Property taxes and patient charges are the foundational revenues of this fund.

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

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

Additionally, the metropolitan government reports the following fund types:

Capital Projects Fund – The General Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of major capital resources.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, state grants and other restricted revenues held for the benefit of the Fifteenth Judicial District Drug Task Force, and restricted revenues held for the benefit

of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented 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 School Department reports the following fund type:

Special Revenue Fund – The School Federal Projects Fund accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specific federal education programs.

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

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

1. Deposits and Investments

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

The metropolitan trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. The metropolitan government 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 remitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.5 percent of total taxes levied.

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

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

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the

following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Most payables are disaggregated on the face of the financial statements.

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, infrastructure assets (e.g., roads, bridges, and similar items), and intangibles (e.g., computer software and similar items) are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 (School Department \$10,000) or more and an estimated useful life of more than five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	7 - 40
Other Capital Assets	5 - 30
Infrastructure:	
Roads	20 - 40
Bridges	75
Intangibles	12

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 metropolitan government had no items that qualified 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

Primary Government

It is the metropolitan government'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 the metropolitan government does 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 metropolitan government. 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.

Discretely Presented School Department

The School Department does not allow for the accumulation of unused vacation and sick days beyond year-end, except for professional personnel of the School Department. The School Department allows professional personnel (teachers) to accumulate an unlimited amount of unused sick leave. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

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, other postemployment benefits, and landfill closure/postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

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

As of June 30, 2014, the metropolitan government had \$6,768,099 in outstanding debt for capital purposes for the discretely presented School Department. This debt is a liability of the metropolitan government, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, the metropolitan government has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the metropolitan government'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 Metropolitan Commission, the metropolitan government'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 metropolitan government's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The Metropolitan Commission has authorized by resolution the metropolitan government's Finance/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 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 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

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the General Capital Projects Fund, which adopts project length budgets. All annual appropriations lapse at fiscal year-end.

The metropolitan government 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 Metropolitan 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, County Attorney, etc.). Management may make revisions within major categories, but only the Metropolitan Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The metropolitan government and the discretely presented School Department participate in an internal cash and investment pool through the Office of Trustee. The metropolitan trustee is the treasurer of the metropolitan government 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 metropolitan government.

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 metropolitan government's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The metropolitan government 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 metropolitan government 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	\$ 1,033,159	\$ 15,000	\$ 0	\$ 1,048,159
Total Capital Assets Not Depreciated	<u>\$ 1,033,159</u>	<u>\$ 15,000</u>	<u>\$ 0</u>	<u>\$ 1,048,159</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 1,986,945	\$ 24,270	\$ 0	\$ 2,011,215
Roads and Bridges	14,058,449	9,295	0	14,067,744
Other Capital Assets	3,434,835	322,669	(38,030)	3,719,474
Total Capital Assets Depreciated	<u>\$ 19,480,229</u>	<u>\$ 356,234</u>	<u>\$ (38,030)</u>	<u>\$ 19,798,433</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 729,786	\$ 35,923	\$ 0	\$ 765,709
Roads and Bridges	9,844,697	257,126	0	10,101,823
Other Capital Assets	2,302,626	131,378	(36,128)	2,397,876
Total Accumulated Depreciation	<u>\$ 12,877,109</u>	<u>\$ 424,427</u>	<u>\$ (36,128)</u>	<u>\$ 13,265,408</u>
Total Capital Assets Depreciated, Net	<u>\$ 6,603,120</u>	<u>\$ (68,193)</u>	<u>\$ (1,902)</u>	<u>\$ 6,533,025</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,636,279</u>	<u>\$ (53,193)</u>	<u>\$ (1,902)</u>	<u>\$ 7,581,184</u>

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

Governmental Activities:

General Government	\$ 10,591
Public Safety	48,027
Public Health and Welfare	47,734
Social, Cultural, and Recreational Services	11,448
Highways/Public Works	<u>306,627</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 424,427</u>

Discretely Presented School Department- Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 629,383	\$ 0	\$ 0	\$ 629,383
Total Capital Assets Not Depreciated	<u>\$ 629,383</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 629,383</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 21,890,819	\$ 232,497	\$ 0	\$ 22,123,316
Other Capital Assets	1,209,063	86,325	(123,823)	1,171,565
Intangibles	118,756	0	0	118,756
Total Capital Assets Depreciated	<u>\$ 23,218,638</u>	<u>\$ 318,822</u>	<u>\$ (123,823)</u>	<u>\$ 23,413,637</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 7,655,218	\$ 475,054	\$ 0	\$ 8,130,272
Other Capital Assets	716,682	64,789	(60,168)	721,303
Intangibles	21,514	9,897	0	31,411
Total Accumulated Depreciation	<u>\$ 8,393,414</u>	<u>\$ 549,740</u>	<u>\$ (60,168)</u>	<u>\$ 8,882,986</u>
Total Capital Assets Depreciated, Net	<u>\$ 14,825,224</u>	<u>\$ (230,918)</u>	<u>\$ (63,655)</u>	<u>\$ 14,530,651</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,454,607</u>	<u>\$ (230,918)</u>	<u>\$ (63,655)</u>	<u>\$ 15,160,034</u>

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

Governmental Activities:

Instruction	\$ 484,951
Support Services	<u>64,789</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 549,740</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
Primary Government:		
General	Urban Services	\$ 2,834
"	Solid Waste/Sanitation	3,174
"	Ambulance Service	1,385
"	Judical District Drug (agency fund)	3,934
Highway/Public Works	Urban Services	56,399
Discretely Presented School Department:		
School Federal Projects	General Purpose School	417

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

Interfund Transfers:

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

Primary Government

Transfers Out	Transfers In General Debt Service Fund
General Fund	\$ 112,591
Urban Services Fund	9,301
Total	<u>\$ 121,892</u>

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

D. Long-term Obligations

Primary Government

General Obligation Bonds, Notes and Other Loans

The metropolitan government issues 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 capital outlay notes. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to seven years for bonds, up to nine years for notes, and up to 21 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. As of June 30, 2014, all bonds outstanding will be retired from the General Debt Service Fund, all capital outlay notes outstanding will be retired from the Urban Services and General Debt Service funds, and other loans outstanding will be retired from the General Debt Service and Education Debt Service funds.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds - Refunding	2.85 %	10-1-19	\$ 180,000	\$ 157,000
Capital Outlay Notes	2.42 to 4.68	5-1-23	1,107,545	569,000
Other Loans	Variable	9-15-26	14,023,000	6,768,099

In prior years, the metropolitan government entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned the metropolitan government \$3,000,000 for the construction of a new middle school. This loan is repayable at a variable interest rate based on the daily London Interbank Offer Rate (LIBOR). In addition, the government pays various other fees (trustee, debt remarketing, etc.) in connection with this loan. At June 30, 2014, the variable interest rate was .38 percent, and other fees totaled approximately .57 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal. Fees on this loan also include a trustee fee of \$85 per month.

Also, in prior years, the metropolitan government entered into another loan agreement with the Montgomery County Public Building Authority. Under this agreement, the authority loaned the metropolitan government \$8,500,000 for the construction of a new high school. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the government pays various other fees (trustee, debt remarketing, etc.) in connection with this loan. At June 30, 2014, the variable interest rate was .28 percent, and other fees totaled approximately .57 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal. A trustee fee of \$85 per month is also included on this loan.

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

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 24,000	\$ 4,133	\$ 28,133
2016	25,000	3,434	28,434
2017	26,000	2,708	28,708
2018	27,000	1,952	28,952
2019	27,000	1,183	28,183
2020	28,000	399	28,399
Total	\$ 157,000	\$ 13,809	\$ 170,809

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 170,000	\$ 16,379	\$ 186,379
2016	74,000	11,231	85,231
2017	76,000	9,203	85,203
2018	50,000	7,106	57,106
2019	51,000	5,642	56,642
2020-2023	148,000	10,033	158,033
Total	\$ 569,000	\$ 59,594	\$ 628,594

Year Ending June 30	Other Loans			
	Principal	Interest	(1) Other Fees	Total
2015	\$ 842,908	\$ 135,746	\$ 34,242	\$ 1,012,896
2016	870,868	133,606	29,773	1,034,247
2017	665,431	131,451	24,230	821,112
2018	684,431	130,025	20,921	835,377
2019	704,431	128,544	17,487	850,462
2020-2024	2,510,515	620,820	34,594	3,165,929
2025-2027	489,515	367,873	6,395	863,783
Total	\$ 6,768,099	\$ 1,648,065	\$ 167,642	\$ 8,583,806

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

There is \$278,900 available in the General Debt Service Fund and \$1,247,024 available in the Education Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled \$952, 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:

	Bonds	Notes	Other Loans
Balance, July 1, 2013	\$ 180,000	\$ 652,545	\$ 7,584,430
Additions	0	80,000	0
Reductions	(23,000)	(163,545)	(816,331)
Balance, June 30, 2014	\$ 157,000	\$ 569,000	\$ 6,768,099
Balance Due Within One Year	\$ 24,000	\$ 170,000	\$ 842,908

	Compensated Absences	Landfill Postclosure Care Cost	Other Postemployment Benefits
Balance, July 1, 2013	\$ 84,990	\$ 389,939	\$ 256,310
Additions	111,778	5,775	25,265
Reductions	(114,349)	(4,921)	(2,720)
	<hr/>		
Balance, June 30, 2014	\$ 82,419	\$ 390,793	\$ 278,855
	<hr/>		
Balance Due Within One Year	\$ 12,906	\$ 14,925	\$ 0
	<hr/>		

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 8,246,166
Less: Balance Due Within One Year	<u>(1,064,739)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 7,181,427</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Urban Services funds. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented School Department

Changes in Long-term Obligations

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

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2013	\$ 183,351
Additions	56,189
Reductions	<u>(72,421)</u>
Balance, June 30, 2014	<u>\$ 167,119</u>
Balance Due Within One Year	<u>\$ 0</u>
Analysis of Noncurrent Liabilities Presented on Exhibit A:	
Total Noncurrent Liabilities, June 30, 2014	<u>\$ 167,119</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 167,119</u>

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

E. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for retired employees on-behalf of the metropolitan government. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2014, were \$1,196. The metropolitan government has recognized these on-behalf payments as revenues and expenditures in the Urban Services Fund.

Discretely Presented School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the 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 \$32,885 and \$4,813, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

The metropolitan government is exposed to various risks related to general liability, property, and casualty losses. The metropolitan government decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The metropolitan government participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The metropolitan government pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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

Discretely Presented School Department

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

The discretely presented 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. Subsequent Event

Effective September 1, 2014, Jakie West was succeeded by Carroll Carman as county mayor.

D. Contingent Liabilities

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

E. Landfill Postclosure Care Costs

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

State and federal laws and regulations require the metropolitan government 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 metropolitan government 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. The metropolitan government closed its sanitary landfill in 1996. The \$390,793 reported as postclosure care liability at June 30, 2014, represents amounts based on what

it would cost to perform all postclosure care in 2014. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Venture

The Fifteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fifteenth Judicial District, Jackson, Macon, Smith, Trousdale, and Wilson 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 metropolitan government made no contributions to the DTF for the year ended June 30, 2014.

The metropolitan government does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Fifteenth Judicial District
210 Broadway
Hartsville, TN 37074

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

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

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

Primary Government

The metropolitan government requires employees to contribute five percent of their earnable compensation to the plan. The metropolitan government is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 8.07 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the metropolitan government is established and may be amended by the TCRS Board of Trustees.

Former City of Hartsville Employees

The metropolitan government has adopted a noncontributory retirement plan for its employees by assuming employees contributions up to five percent of annual covered payroll. The metropolitan government is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 20.12 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the metropolitan government is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

Primary Government

For the year ended June 30, 2014, the metropolitan government's annual pension cost of \$339,027 to TCRS was equal to the metropolitan government'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 metropolitan government's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was four years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	\$339,027	100%	\$0
6-30-13	321,465	100	0
6-30-12	319,389	100	0

Former City of Hartsville Employees

For the year ended June 30, 2014, the metropolitan government's annual pension cost of \$153,731 to TCRS was equal to the metropolitan government'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 metropolitan government'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 seven

years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	\$153,731	100%	\$0
6-30-13	163,874	100	0
6-30-12	164,579	100	0

Funded Status and Funding Progress

Primary Government

As of July 1, 2013, the most recent actuarial valuation date, the plan was 96.85 percent funded. The actuarial accrued liability for benefits was \$11.03 million, and the actuarial value of assets was \$10.68 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.35 million. The covered payroll (annual payroll of active employees covered by the plan) was \$3.93 million, and the ratio of the UAAL to the covered payroll was 8.86 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.

Former City of Hartsville Employees

As of July 1, 2013, the most recent actuarial valuation date, the plan was 93.38 percent funded. The actuarial accrued liability for benefits was \$5.32 million, and the actuarial value of assets was \$4.97 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.35 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.77 million, and the ratio of the UAAL to the covered payroll was 45.48 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 School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2014, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2014, 2013, and 2012, were \$434,589, \$433,712, and \$429,524, respectively, equal to the required contributions for each year.

2. Deferred Compensation

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

H. Other Postemployment Benefits (OPEB)

Plan Description

The metropolitan government and the School Department participate in the state-administered Local Education Group Insurance Plan, Local Government Group Insurance Plan, and Medicare Supplement Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees, Section 8-27-207, *TCA*, for local governments, and Section 8-27-701, *TCA*, for Medicare Supplement. 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://tennessee.gov/finance/act/cafr.shtml>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2014, the metropolitan government and discretely presented School Department made contributions totaling \$2,720 and \$72,421, respectively, for other postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan	Medicare Supplement Plan
ARC	\$ 56,000	\$ 18,000	\$ 7,000
Interest on the NOPEBO	7,334	6,174	4,079
Adjustment to the ARC	(7,145)	(6,015)	(3,973)
Annual OPEB cost	\$ 56,189	\$ 18,159	\$ 7,106
Amount of contribution	(72,421)	(1,370)	(1,350)
Increase/decrease in NOPEBO	\$ (16,232)	\$ 16,789	\$ 5,756
Net OPEB obligation, 7-1-13	183,351	154,347	101,963
Net OPEB obligation, 6-30-14	\$ 167,119	\$ 171,136	\$ 107,719

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	\$ 111,788	54.61	% \$ 137,300
6-30-13	"	112,662	59.12	183,351
6-30-14	"	56,189	128.89	167,119
6-30-12	Local Government Group	35,777	11.53	122,188
6-30-13	"	35,700	9.92	154,347
6-30-14	"	18,159	7.54	171,136
6-30-12	Medicare Supplement	14,816	8.35	88,381
6-30-13	"	14,782	8.12	101,963
6-30-14	"	7,106	19.00	107,719

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	Medicare Supplement Plan
Actuarial valuation date	7-1-13	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 538,000	\$ 138,000	\$ 137,000
Actuarial value of plan assets	\$ 0	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 538,000	\$ 138,000	\$ 137,000
Actuarial value of assets as a % of the AAL	0%	0%	0%
Covered payroll (active plan members)	\$ 5,925,427	\$ 2,808,938	\$ N/A
UAAL as a % of covered payroll	9%	5%	N/A

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual

results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.5 percent for fiscal year 2014. The trend rate will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. The annual healthcare premium cost trend rate for the Medicare Supplement Plan was two percent for fiscal year 2014. The trend will increase to six percent in fiscal year 2015 and then will be reduced by decrements to an ultimate rate of 4.2 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

I. Termination Benefits

In August 2005, the Board of Education initiated a voluntary retirement incentive program for certified employees who retire from the system with at least 15 years of service with the School Department. This incentive consists of a cash payment of \$10 per day for each sick and professional day held by the employee at their retirement date. During the year, two employees retired who were eligible for the program and received payments totaling \$4,925. The director of schools stated that this program is intended to be an on-going incentive, and there is no limit to the number of accumulated days that employees can be paid under the program. The employees are entitled to this benefit when they formally notify the School Department of their retirement date.

J. Purchasing Laws

Office of County Mayor

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

Office of Superintendent of Roads

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

Office of Director of Schools

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

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

A. Summary of Significant Accounting Policies

1. Reporting Entity

The Trousdale County Emergency Communications District was created as a public corporation on November 8, 1998, under authority of the provisions of Chapter 867 of the Tennessee Public Acts of 1984, as approved by the voters of Trousdale County, Tennessee. The powers of the district are vested in and exercised by a majority of the members of the board of directors, who are appointed by the Trousdale Metropolitan Commission. The district is considered a political subdivision and is exempt from federal and state income taxes. The district is considered a component unit of Trousdale County. The Metropolitan Commission appoints the board of directors, adjusts service fees, and approves bonded debt. As a result, the Metropolitan Commission indirectly imposes its will on the district.

2. Basis of Accounting

The accompanying financial statements of the district have been prepared on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred. Expenditures are recognized in the accounting period in which the liability is incurred and is measurable. The district uses the economic resources measurement focus.

3. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the district’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

4. Cash and Cash Equivalents

The district considers all highly liquid debt instruments purchased with maturities of 60 days or less to be cash equivalents.

5. Supply Inventory

Supply inventory is valued at the lower of cost (first-in, first-out) or market. Inventory items are considered expenditures when used (consumption method).

6. Capital Assets

Capital assets of the district are recorded at cost. Depreciation is computed over the estimated life of the assets using the straight-line method. The estimated life for capital assets in service is from five to ten years. The district capitalizes interest incurred on construction projects.

7. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

8. Budgets and Budgetary Accounting

The district follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Formal budgets are adopted and approved by board vote on an annual basis. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The board has the ability to change line-item amounts without a formal vote if the change does not increase the amounts budgeted.
- b. The budget amounts shown are the final authorized amounts as amended during the year.

The *Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts* establishes the legal budget level of control to be at the line-item level.

9. Operating Revenues and Operating Expenses

The district recognizes operating revenues and operating expenses resulting from providing services and producing goods to its customers. All other revenues and services are deemed nonoperating.

B. Cash and Certificates of Deposit

The district is authorized to invest funds in financial institutions and direct obligations of the federal government. During the year, the district invested funds that were not immediately needed in certificates of deposit and savings accounts. The district has deposit policies to minimize custodial credit risks. Deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and be deposited in an escrow account in a second bank for the benefit of the district and must total a minimum of 105 percent of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. The district's deposits with financial institutions are fully insured or collateralized by securities held in the district's name.

C. Capital Assets

A summary of changes in capital assets in service follows:

	Balance 7-1-13	Additions	Disposals	Balance 6-30-14
Equipment	\$ 410,644	\$ 24,126	\$ 0	\$ 434,770
	<u>\$ 410,644</u>	<u>\$ 24,126</u>	<u>\$ 0</u>	<u>\$ 434,770</u>
Less Accumulated Depreciation	<u>(196,717)</u>			<u>(233,012)</u>
Utility Plant - Net	<u>\$ 213,927</u>			<u>\$ 201,758</u>

D. Risk Management

The district is exposed to various risks of loss related to torts (theft of, damage to, and destruction of assets), errors and omissions, and natural disasters. The district purchases commercial financial bonded insurance for its officials. For all other risks, the district purchases commercial insurance. There have been no claims during the last three years.

E. Service Arrangement Contract and Economic Dependence

The district negotiated a service application with Bell South for the installation and service of an Enhanced 911 Emergency Service System. Bell South furnishes equipment and service sufficient to operate the system for an initial installation fee and a monthly fee based upon the number of telephone stations and access lines served by the system.

F. Related-party Transactions

The district contracted with the Trousdale County Building Inspector to do the current addressing. The contract is with the inspector personally; however, he received the contract based on his employment with the metropolitan government. The contract was for \$5,100 a year. The payments are made to the inspector directly and are not transactions with the metropolitan government.

G. Donated Services

The Hartsville/Trousdale County Sheriff's Department provides dispatch services for the district. Amounts have not been assigned for these services because it is impractical to allocate the hours of each employee.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Hartsville/Trousdale County Government, Tennessee
Schedule of Funding Progress – Pension Plans
Primary Government and Discretely Presented Hartsville/Trousdale
County School Department
June 30, 2014

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government	7-1-13	\$ 10,684	\$ 11,032	\$ 348	96.85 %	\$ 3,930	8.86 %
"	7-1-11	9,375	10,024	649	93.52	3,928	16.53
"	7-1-09	7,464	7,722	258	96.66	4,086	6.30
Former City of Hartsville	7-1-13	4,966	5,318	352	93.38	774	45.48
"	7-1-11	4,577	5,007	429	91.42	775	55.38
"	7-1-09	3,909	4,811	901	81.26	794	113.58

Exhibit E-2

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

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-10	\$ 0	\$ 406	\$ 406	0 %	\$ 3,596	11 %
"	7-1-11	0	270	270	0	2,529	11
"	7-1-13	0	138	138	0	2,809	5
Medicare Supplement	7-1-10	0	156	156	0	N/A	N/A
"	7-1-11	0	160	160	0	N/A	N/A
"	7-1-13	0	137	137	0	N/A	N/A
<u>DISCRETELY PRESENTED HARTSVILLE/TROUSDALE</u> <u>COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-10	0	939	939	0	5,993	16
"	7-1-11	0	987	987	0	5,834	17
"	7-1-13	0	538	538	0	5,925	9

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2014

NONE

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

Debt Service Fund

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

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

Capital Projects Fund

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

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

Exhibit F-1

Hartsville/Trousdale County Government, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2014

	Special Revenue Funds			Debt Service Fund		Capital Projects Fund		Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Total	General Debt Service	General Capital Projects	Total		
						General Debt Service	General Capital Projects	
\$	353,167	28,312	381,479	278,178	74,009	\$	733,666	
	9,326	0	9,326	0	0		9,326	
	1,335	0	1,335	0	0		1,335	
	307,778	0	307,778	219,972	0		527,750	
	(14,175)	0	(14,175)	(10,131)	0		(24,306)	
\$	657,431	28,312	685,743	488,019	74,009	\$	1,247,771	
<u>ASSETS</u>								
	Equity in Pooled Cash and Investments							
	Accounts Receivable							
	Due from Other Governments							
	Property Taxes Receivable							
	Allowance for Uncollectible Property Taxes							
	Total Assets							
<u>LIABILITIES</u>								
	Accounts Payable							
	Due to Other Funds							
	Total Liabilities							
<u>DEFERRED INFLOWS OF RESOURCES</u>								
	Deferred Current Property Taxes							
	Deferred Delinquent Property Taxes							
	Total Deferred Inflows of Resources							
<u>FUND BALANCES</u>								
	Restricted:							
	Restricted for Public Safety							
	Restricted for Debt Service							
	Restricted for Capital Projects							
	Committed:							
	Committed for Public Health and Welfare							
	Committed for Debt Service							
	Total Fund Balances							
\$	0	28,312	28,312	0	0	\$	28,312	
	0	0	0	148,504	0		148,504	
	0	0	0	0	68,509		68,509	
	347,282	0	347,282	0	0		347,282	
	0	0	0	130,396	0		130,396	
\$	347,282	28,312	375,594	278,900	68,509	\$	723,003	
\$	657,431	28,312	685,743	488,019	74,009	\$	1,247,771	

Exhibit F-2

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Fund		Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Total	General Debt Service	General Capital Projects	Total		
						Debt Service Fund	Capital Projects Fund	
Revenues								
Local Taxes	\$ 279,257	\$ 0	\$ 279,257	\$ 223,559	\$ 0	\$ 0	\$ 0	\$ 502,816
Fines, Forfeitures, and Penalties	0	4,399	4,399	0	0	0	0	4,399
Charges for Current Services	144,955	0	144,955	0	0	0	0	144,955
Other Local Revenues	21,289	500	21,789	13,271	11	0	0	35,071
State of Tennessee	5,604	0	5,604	0	0	0	0	5,604
Federal Government	0	0	0	0	286,680	0	0	286,680
Other Governments and Citizens Groups	0	0	0	339,174	0	0	0	339,174
Total Revenues	\$ 451,105	\$ 4,899	\$ 456,004	\$ 576,004	\$ 286,691	\$ 0	\$ 0	\$ 1,318,699
Expenditures								
Current:								
Public Safety	\$ 0	\$ 9,659	\$ 9,659	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,659
Public Health and Welfare	410,879	0	410,879	0	0	0	0	410,879
Other Operations	16,863	0	16,863	0	0	0	0	16,863
Debt Service:								
Principal on Debt	0	0	0	523,331	0	0	0	523,331
Interest on Debt	0	0	0	141,301	0	0	0	141,301
Other Debt Service	0	0	0	11,354	0	0	0	11,354
Capital Projects	0	0	0	0	358,815	0	0	358,815
Total Expenditures	\$ 427,742	\$ 9,659	\$ 437,401	\$ 675,986	\$ 358,815	\$ 0	\$ 0	\$ 1,472,202
Excess (Deficiency) of Revenues Over Expenditures	\$ 23,363	\$ (4,760)	\$ 18,603	\$ (99,982)	\$ (72,124)	\$ 0	\$ 0	\$ (153,503)
Other Financing Sources (Uses)								
Transfers In	\$ 0	\$ 0	\$ 0	\$ 121,892	\$ 0	\$ 0	\$ 0	\$ 121,892
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 121,892	\$ 0	\$ 0	\$ 0	\$ 121,892
Net Change in Fund Balances	\$ 23,363	\$ (4,760)	\$ 18,603	\$ 21,910	\$ (72,124)	\$ 0	\$ 0	\$ (31,611)
Fund Balance, July 1, 2013	\$ 323,919	\$ 33,072	\$ 356,991	\$ 256,990	\$ 140,633	\$ 0	\$ 0	\$ 754,614
Fund Balance, June 30, 2014	\$ 347,282	\$ 28,312	\$ 375,594	\$ 278,900	\$ 68,509	\$ 0	\$ 0	\$ 723,003

Exhibit F-3

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 279,257	\$ 275,760	\$ 275,760	\$ 3,497
Charges for Current Services	144,955	134,000	134,000	10,955
Other Local Revenues	21,289	12,000	12,000	9,289
State of Tennessee	5,604	5,000	5,000	604
Total Revenues	<u>\$ 451,105</u>	<u>\$ 426,760</u>	<u>\$ 426,760</u>	<u>\$ 24,345</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 270,156	\$ 287,554	\$ 290,574	\$ 20,418
Other Waste Disposal	135,802	149,200	149,200	13,398
Postclosure Care Costs	4,921	6,000	6,000	1,079
<u>Other Operations</u>				
Other Charges	16,863	18,500	18,500	1,637
Total Expenditures	<u>\$ 427,742</u>	<u>\$ 461,254</u>	<u>\$ 464,274</u>	<u>\$ 36,532</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 23,363</u>	<u>\$ (34,494)</u>	<u>\$ (37,514)</u>	<u>\$ 60,877</u>
Net Change in Fund Balance	\$ 23,363	\$ (34,494)	\$ (37,514)	\$ 60,877
Fund Balance, July 1, 2013	<u>323,919</u>	<u>289,691</u>	<u>289,691</u>	<u>34,228</u>
Fund Balance, June 30, 2014	<u>\$ 347,282</u>	<u>\$ 255,197</u>	<u>\$ 252,177</u>	<u>\$ 95,105</u>

Exhibit F-4

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 4,399	\$ 4,700	\$ 4,700	\$ (301)
Other Local Revenues	500	0	0	500
Total Revenues	<u>\$ 4,899</u>	<u>\$ 4,700</u>	<u>\$ 4,700</u>	<u>\$ 199</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 9,659	\$ 29,425	\$ 29,425	\$ 19,766
Total Expenditures	<u>\$ 9,659</u>	<u>\$ 29,425</u>	<u>\$ 29,425</u>	<u>\$ 19,766</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (4,760)</u>	<u>\$ (24,725)</u>	<u>\$ (24,725)</u>	<u>\$ 19,965</u>
Net Change in Fund Balance	\$ (4,760)	\$ (24,725)	\$ (24,725)	\$ 19,965
Fund Balance, July 1, 2013	<u>33,072</u>	<u>26,072</u>	<u>26,072</u>	<u>7,000</u>
Fund Balance, June 30, 2014	<u><u>\$ 28,312</u></u>	<u><u>\$ 1,347</u></u>	<u><u>\$ 1,347</u></u>	<u><u>\$ 26,965</u></u>

Exhibit F-5

Hartsville/Trousdale County Government, 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	\$ 223,559	\$ 214,014	\$ 214,014	\$ 9,545
Fines, Forfeitures, and Penalties	0	100	100	(100)
Other Local Revenues	13,271	4,000	5,200	8,071
Federal Government	0	111,674	0	0
Other Governments and Citizens Groups	339,174	340,092	340,092	(918)
Total Revenues	<u>\$ 576,004</u>	<u>\$ 669,880</u>	<u>\$ 559,406</u>	<u>\$ 16,598</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 162,000	\$ 178,749	\$ 162,000	\$ 0
Education	361,331	515,604	361,404	73
<u>Interest on Debt</u>				
General Government	16,746	0	16,949	203
Education	124,555	0	147,056	22,501
<u>Other Debt Service</u>				
General Government	4,210	4,000	5,000	790
Education	7,144	0	7,144	0
Total Expenditures	<u>\$ 675,986</u>	<u>\$ 698,353</u>	<u>\$ 699,553</u>	<u>\$ 23,567</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (99,982)</u>	<u>\$ (28,473)</u>	<u>\$ (140,147)</u>	<u>\$ 40,165</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 121,892	\$ 9,302	\$ 120,976	\$ 916
Total Other Financing Sources	<u>\$ 121,892</u>	<u>\$ 9,302</u>	<u>\$ 120,976</u>	<u>\$ 916</u>
Net Change in Fund Balance	\$ 21,910	\$ (19,171)	\$ (19,171)	\$ 41,081
Fund Balance, July 1, 2013	<u>256,990</u>	<u>229,914</u>	<u>229,914</u>	<u>27,076</u>
Fund Balance, June 30, 2014	<u>\$ 278,900</u>	<u>\$ 210,743</u>	<u>\$ 210,743</u>	<u>\$ 68,157</u>

Major Governmental Fund

Education Debt Service Fund

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

Exhibit G

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education 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	\$ 350,528	\$ 315,000	\$ 315,000	\$ 35,528
Other Local Revenues	12,535	14,000	14,000	(1,465)
Other Governments and Citizens Groups	75,000	75,000	75,000	0
Total Revenues	<u>\$ 438,063</u>	<u>\$ 404,000</u>	<u>\$ 404,000</u>	<u>\$ 34,063</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 455,000	\$ 455,000	\$ 455,000	\$ 0
<u>Interest on Debt</u>				
Education	11,545	238,250	206,430	194,885
<u>Other Debt Service</u>				
Education	36,421	7,000	39,820	3,399
Total Expenditures	<u>\$ 502,966</u>	<u>\$ 700,250</u>	<u>\$ 701,250</u>	<u>\$ 198,284</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (64,903)</u>	<u>\$ (296,250)</u>	<u>\$ (297,250)</u>	<u>\$ 232,347</u>
Net Change in Fund Balance	\$ (64,903)	\$ (296,250)	\$ (297,250)	\$ 232,347
Fund Balance, July 1, 2013	<u>1,311,927</u>	<u>1,330,583</u>	<u>1,330,583</u>	<u>(18,656)</u>
Fund Balance, June 30, 2014	<u><u>\$ 1,247,024</u></u>	<u><u>\$ 1,034,333</u></u>	<u><u>\$ 1,033,333</u></u>	<u><u>\$ 213,691</u></u>

Fiduciary Funds

Agency Funds are used to account for assets held by the government 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.

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

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

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

Exhibit H-1

Hartsville/Trousdale County Government, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	Agency Funds			
	Constitu- tional Officers - Agency	Judicial District Drug	District Attorney General	Total
<u>ASSETS</u>				
Cash	\$ 406,611	\$ 0	\$ 0	\$ 406,611
Equity in Pooled Cash and Investments	0	621,268	14,228	635,496
Due from Other Governments	0	13,000	0	13,000
Total Assets	<u>\$ 406,611</u>	<u>\$ 634,268</u>	<u>\$ 14,228</u>	<u>\$ 1,055,107</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 42,012	\$ 0	\$ 42,012
Due to Other Funds	0	3,934	0	3,934
Due to Litigants, Heirs, and Others	406,611	0	14,228	420,839
Due to Joint Ventures	0	588,322	0	588,322
Total Liabilities	<u>\$ 406,611</u>	<u>\$ 634,268</u>	<u>\$ 14,228</u>	<u>\$ 1,055,107</u>

Exhibit H-2

Hartsville/Trousdale County Government, 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>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 473,219	\$ 2,185,335	\$ 2,251,943	\$ 406,611
Accounts Receivable	2,354	0	2,354	0
Total Assets	\$ 475,573	\$ 2,185,335	\$ 2,254,297	\$ 406,611
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 475,573	\$ 2,185,335	\$ 2,254,297	\$ 406,611
Total Liabilities	\$ 475,573	\$ 2,185,335	\$ 2,254,297	\$ 406,611
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 706,293	\$ 183,277	\$ 268,302	\$ 621,268
Due from Other Governments	13,000	0	0	13,000
Total Assets	\$ 719,293	\$ 183,277	\$ 268,302	\$ 634,268
<u>Liabilities</u>				
Accounts Payable	\$ 27,466	\$ 42,012	\$ 27,466	\$ 42,012
Due to Other Funds	9,016	3,934	9,016	3,934
Due to Joint Ventures	682,811	137,331	231,820	588,322
Total Liabilities	\$ 719,293	\$ 183,277	\$ 268,302	\$ 634,268
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 6,304	\$ 33,806	\$ 25,882	\$ 14,228
Total Assets	\$ 6,304	\$ 33,806	\$ 25,882	\$ 14,228
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 6,304	\$ 33,806	\$ 25,882	\$ 14,228
Total Liabilities	\$ 6,304	\$ 33,806	\$ 25,882	\$ 14,228

(Continued)

Exhibit H-2

Hartsville/Trousdale County Government, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 473,219	\$ 2,185,335	\$ 2,251,943	\$ 406,611
Equity in Pooled Cash and Investments	712,597	217,083	294,184	635,496
Accounts Receivable	2,354	0	2,354	0
Due from Other Governments	13,000	0	0	13,000
Total Assets	<u>\$ 1,201,170</u>	<u>\$ 2,402,418</u>	<u>\$ 2,548,481</u>	<u>\$ 1,055,107</u>
<u>Liabilities</u>				
Accounts Payable	\$ 27,466	\$ 42,012	\$ 27,466	\$ 42,012
Due to Other Funds	9,016	3,934	9,016	3,934
Due to Litigants, Heirs, and Others	481,877	2,219,141	2,280,179	420,839
Due to Joint Ventures	682,811	137,331	231,820	588,322
Total Liabilities	<u>\$ 1,201,170</u>	<u>\$ 2,402,418</u>	<u>\$ 2,548,481</u>	<u>\$ 1,055,107</u>

Hartsville/Trousdale County School Department

This section presents fund financial statements for the Hartsville/Trousdale County School Department, a discretely presented component unit. The School Department uses a General Fund and one Special Revenue Fund.

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

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

Exhibit I-1

Hartsville/Trousdale County Government, Tennessee
Statement of Activities
Discretely Presented Hartsville/Trousdale County School Department
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 5,986,215	\$ 17,364	\$ 1,178,677	\$ 71,965	\$ (4,718,209)
Support Services	3,900,268	7,007	134,827	2,977	(3,755,457)
Operation of Non-instructional Services	718,756	0	436,168	0	(282,588)
Total Governmental Activities	\$ 10,605,239	\$ 24,371	\$ 1,749,672	\$ 74,942	\$ (8,756,254)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 1,173,448	
Local Option Sales Tax				455,498	
Business Tax				11,907	
Interstate Telecommunications Tax				859	
Grants and Contributions Not Restricted to Specific Programs				7,336,549	
Miscellaneous				24,726	
Total General Revenues				\$ 9,002,987	
Change in Net Position				\$ 246,733	
Net Position, July 1, 2013				18,728,526	
Net Position, June 30, 2014				\$ 18,975,259	

Exhibit I-2

Hartsville/Trousdale County Government, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Hartsville/Trousdale County School Department
June 30, 2014

	<u>Major Fund</u>	<u>Nonmajor Fund</u>	<u>Total</u>
	General Purpose School	School Federal Projects	Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 3,570,728	\$ 33,199	\$ 3,603,927
Accounts Receivable	71,169	0	71,169
Due from Other Governments	202,087	28,416	230,503
Due from Other Funds	0	417	417
Property Taxes Receivable	1,357,713	0	1,357,713
Allowance for Uncollectible Property Taxes	(61,331)	0	(61,331)
Total Assets	<u>\$ 5,140,366</u>	<u>\$ 62,032</u>	<u>\$ 5,202,398</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 6,091	\$ 1,622	\$ 7,713
Accrued Payroll	6,308	797	7,105
Due to Other Funds	417	0	417
Total Liabilities	<u>\$ 12,816</u>	<u>\$ 2,419</u>	<u>\$ 15,235</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 1,204,819	\$ 0	\$ 1,204,819
Deferred Delinquent Property Taxes	87,283	0	87,283
Other Deferred/Unavailable Revenue	41,166	0	41,166
Total Deferred Inflows of Resources	<u>\$ 1,333,268</u>	<u>\$ 0</u>	<u>\$ 1,333,268</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 163,405	\$ 9,613	\$ 173,018
Committed:			
Committed for Education	1,973,128	50,000	2,023,128
Unassigned	1,657,749	0	1,657,749
Total Fund Balances	<u>\$ 3,794,282</u>	<u>\$ 59,613</u>	<u>\$ 3,853,895</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,140,366</u>	<u>\$ 62,032</u>	<u>\$ 5,202,398</u>

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 3,853,895
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 629,383	
Add: buildings and improvements net of accumulated depreciation	13,993,044	
Add: other capital assets net of accumulated depreciation	450,262	
Add: intangibles net of accumulated depreciation	<u>87,345</u>	15,160,034
(2) Certain earned amounts are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		128,449
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds		
Less: other postemployment benefits liability		<u>(167,119)</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 18,975,259</u></u>

Exhibit I-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Fund</u>	
	General Purpose School	School Federal Projects	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 1,836,861	\$ 0	\$ 1,836,861
Licenses and Permits	646	0	646
Charges for Current Services	23,511	0	23,511
Other Local Revenues	73,444	0	73,444
State of Tennessee	7,372,736	0	7,372,736
Federal Government	498,914	961,582	1,460,496
Other Governments and Citizens Groups	74,942	0	74,942
Total Revenues	<u>\$ 9,881,054</u>	<u>\$ 961,582</u>	<u>\$ 10,842,636</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 4,768,580	\$ 765,847	\$ 5,534,427
Support Services	3,322,259	193,477	3,515,736
Operation of Non-instructional Services	718,756	0	718,756
Capital Outlay	215,566	0	215,566
Debt Service:			
Other Debt Service	414,174	0	414,174
Total Expenditures	<u>\$ 9,439,335</u>	<u>\$ 959,324</u>	<u>\$ 10,398,659</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 441,719</u>	<u>\$ 2,258</u>	<u>\$ 443,977</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 71,761	\$ 0	\$ 71,761
Total Other Financing Sources (Uses)	<u>\$ 71,761</u>	<u>\$ 0</u>	<u>\$ 71,761</u>
Net Change in Fund Balances	\$ 513,480	\$ 2,258	\$ 515,738
Fund Balance, July 1, 2013	3,280,802	57,355	3,338,157
Fund Balance, June 30, 2014	<u>\$ 3,794,282</u>	<u>\$ 59,613</u>	<u>\$ 3,853,895</u>

Exhibit I-5

Hartsville/Trousdale County Government, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Hartsville/Trousdale 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)		\$ 515,738
(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	\$ 318,822	
Less: current-year depreciation expense	<u>(549,740)</u>	(230,918)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: capital asset disposals		(63,655)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2013	\$ (119,113)	
Add: deferred delinquent property taxes and other deferred June 30, 2014	<u>128,449</u>	9,336
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability		<u>16,232</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 246,733</u>

Exhibit I-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,836,861	\$ 1,794,086	\$ 1,794,112	\$ 42,749
Licenses and Permits	646	600	600	46
Charges for Current Services	23,511	11,500	11,500	12,011
Other Local Revenues	73,444	10,500	37,000	36,444
State of Tennessee	7,372,736	7,175,635	7,348,379	24,357
Federal Government	498,914	425,000	458,690	40,224
Other Governments and Citizens Groups	74,942	0	95,106	(20,164)
Total Revenues	\$ 9,881,054	\$ 9,417,321	\$ 9,745,387	\$ 135,667
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,757,801	\$ 3,958,300	\$ 4,073,226	\$ 315,425
Alternative Instruction Program	82,581	90,750	90,750	8,169
Special Education Program	731,685	753,250	753,250	21,565
Vocational Education Program	196,513	205,000	205,000	8,487
<u>Support Services</u>				
Attendance	23,254	23,510	23,510	256
Health Services	158,814	165,484	165,484	6,670
Other Student Support	199,514	213,875	213,875	14,361
Regular Instruction Program	464,961	457,100	477,300	12,339
Special Education Program	88,601	99,325	99,325	10,724
Vocational Education Program	30,508	31,300	31,300	792
Other Programs	37,698	0	37,698	0
Board of Education	125,100	136,510	136,510	11,410
Director of Schools	185,031	196,970	196,970	11,939
Office of the Principal	607,731	613,950	621,750	14,019
Fiscal Services	100,872	104,386	104,386	3,514
Operation of Plant	727,860	752,330	752,330	24,470
Maintenance of Plant	132,742	171,000	171,000	38,258
Transportation	439,573	531,380	531,380	91,807
<u>Operation of Non-instructional Services</u>				
Food Service	486,320	485,200	520,926	34,606
Community Services	129,546	110,380	133,315	3,769
Early Childhood Education	102,890	103,535	103,535	645
<u>Capital Outlay</u>				
Regular Capital Outlay	215,566	302,129	302,129	86,563
<u>Principal on Debt</u>				
Education	0	404,500	0	0
<u>Other Debt Service</u>				
Education	414,174	10,642	415,142	968
Total Expenditures	\$ 9,439,335	\$ 9,920,806	\$ 10,160,091	\$ 720,756
Excess (Deficiency) of Revenues Over Expenditures	\$ 441,719	\$ (503,485)	\$ (414,704)	\$ 856,423
<u>Other Financing Sources (Uses)</u>				
Other Loans Issued	\$ 0	\$ 92,129	\$ 0	\$ 0
Insurance Recovery	71,761	0	2,036	69,725
Total Other Financing Sources	\$ 71,761	\$ 92,129	\$ 2,036	\$ 69,725
Net Change in Fund Balance	\$ 513,480	\$ (411,356)	\$ (412,668)	\$ 926,148
Fund Balance, July 1, 2013	3,280,802	3,731,795	3,731,795	(450,993)
Fund Balance, June 30, 2014	\$ 3,794,282	\$ 3,320,439	\$ 3,319,127	\$ 475,155

Exhibit I-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hartsville/Trousdale 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	\$ 961,582	\$ 1,420,069	\$ 1,490,994	\$ (529,412)
Total Revenues	\$ 961,582	\$ 1,420,069	\$ 1,490,994	\$ (529,412)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 505,800	\$ 932,322	\$ 981,216	\$ 475,416
Special Education Program	245,225	192,665	280,297	35,072
Vocational Education Program	14,822	14,416	14,833	11
<u>Support Services</u>				
Other Student Support	2,930	3,712	3,445	515
Regular Instruction Program	113,590	190,691	167,769	54,179
Special Education Program	60,623	58,285	61,785	1,162
Vocational Education Program	200	350	200	0
Office of the Principal	12,427	75,664	30,427	18,000
Transportation	3,707	5,264	5,264	1,557
Total Expenditures	\$ 959,324	\$ 1,473,369	\$ 1,545,236	\$ 585,912
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,258	\$ (53,300)	\$ (54,242)	\$ 56,500
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 53,300	\$ 53,300	\$ (53,300)
Total Other Financing Sources	\$ 0	\$ 53,300	\$ 53,300	\$ (53,300)
Net Change in Fund Balance	\$ 2,258	\$ 0	\$ (942)	\$ 3,200
Fund Balance, July 1, 2013	57,355	57,355	57,355	0
Fund Balance, June 30, 2014	\$ 59,613	\$ 57,355	\$ 56,413	\$ 3,200

MISCELLANEOUS SCHEDULES

Exhibit J-1

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

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Matured During Period	Outstanding 6-30-14
NOTES PAYABLE								
Payable through General Debt Service Fund								
Highway Equipment/Solid Waste Truck	\$ 525,000	4.68 %	3-1-05	3-1-15	\$ 125,000	0 \$	61,000 \$	64,000
Fire Truck	190,000	4.21	3-7-05	2-26-14	25,000	0	25,000	0
Sheriff Department Vehicles	71,807	2.59	11-14-12	11-1-14	71,807	0	35,807	36,000
Solid Waste Garbage Truck	140,193	2.77	12-3-13	12-1-19	140,193	0	17,193	123,000
Ambulance	80,000	2.42	6-7-14	5-1-17	0	80,000	0	80,000
Total Payable through General Debt Service Fund					\$ 362,000	80,000 \$	139,000 \$	303,000
Payable through Urban Services Fund								
Sheriff's Department Police Cruisers	290,545	3.04	5-30-13	5-1-23	\$ 290,545	0 \$	24,545 \$	266,000
Total Payable through Urban Services Fund					\$ 290,545	0 \$	24,545 \$	266,000
Total Notes Payable					\$ 652,545	80,000 \$	163,545 \$	569,000
OTHER LOANS PAYABLE								
Payable through General Debt Service Fund								
School Construction	3,000,000	Variable	10-11-95	5-25-16	\$ 640,814	0 \$	203,900 \$	436,914
Qualified School Construction Bonds, Series 2010	2,523,000	(1)	10-1-10	9-15-26	2,221,257	0	157,431	2,063,826
Total Payable through General Debt Service Fund					\$ 2,862,071	0 \$	361,331 \$	2,500,740
Payable through Education Debt Service Fund								
School Construction	8,500,000	Variable	8-30-02	5-25-22	\$ 4,722,359	0 \$	455,000 \$	4,267,359
Total Payable through Education Debt Service Fund					\$ 4,722,359	0 \$	455,000 \$	4,267,359
Total Other Loans Payable					\$ 7,584,430	0 \$	816,331 \$	6,768,099
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation Refunding Bonds, Series 2012	180,000	2.85	10-12-12	10-1-19	\$ 180,000	0 \$	23,000 \$	157,000
Total Payable through General Debt Service Fund					\$ 180,000	0 \$	23,000 \$	157,000
Total Bonds Payable					\$ 180,000	0 \$	23,000 \$	157,000

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

Exhibit J-2

Hartsville/Trousdale County Government, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 170,000	\$ 16,379	\$ 186,379
2016	74,000	11,231	85,231
2017	76,000	9,203	85,203
2018	50,000	7,106	57,106
2019	51,000	5,642	56,642
2020	52,000	4,135	56,135
2021	31,000	2,918	33,918
2022	32,000	1,976	33,976
2023	33,000	1,004	34,004
Total	\$ 569,000	\$ 59,594	\$ 628,594

Year Ending June 30	Other Loans			
	Principal	Interest	(1) Other Fees	Total
2015	\$ 842,908	\$ 135,746	\$ 34,242	\$ 1,012,896
2016	870,868	133,606	29,773	1,034,247
2017	665,431	131,451	24,230	821,112
2018	684,431	130,025	20,921	835,377
2019	704,431	128,544	17,487	850,462
2020	725,431	127,008	13,923	866,362
2021	746,431	125,413	10,223	882,067
2022	723,790	123,769	6,410	853,969
2023	157,431	122,315	2,019	281,765
2024	157,432	122,315	2,019	281,766
2025	157,432	122,315	2,019	281,766
2026	157,432	122,315	2,019	281,766
2027	174,651	123,243	2,357	300,251
Total	\$ 6,768,099	\$ 1,648,065	\$ 167,642	\$ 8,583,806

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

(Continued)

Exhibit J-2

Hartsville/Trousdale County Government, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 24,000	\$ 4,133	\$ 28,133
2016	25,000	3,434	28,434
2017	26,000	2,708	28,708
2018	27,000	1,952	28,952
2019	27,000	1,183	28,183
2020	28,000	399	28,399
Total	\$ 157,000	\$ 13,809	\$ 170,809

Exhibit J-3

Hartsville/Trousdale County Government, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General Urban Services	General Debt Service "	QSCB subsidy payment Debt contribution	\$ 112,591 <u>9,301</u>
Total Transfers			<u>\$ 121,892</u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 64,832 (1)	\$ 25,000	State Automobile Mutual Insurance Company
Superintendent of Roads	Section 8-24-102, TCA	61,745	100,000	"
Director of Schools	State Board of Education and Hartsville/Trousdale County Government	83,312 (2)	(4)	"
Trustee	Board of Education	56,132	497,000	"
Assessor of Property	Section 8-24-102, TCA	56,132	50,000	"
County Clerk	Section 8-24-102, TCA	56,132	35,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	56,132	35,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	56,132	35,000	"
Register of Deeds	Section 8-24-102, TCA	56,132	25,000	"
Sheriff	Section 8-24-102, TCA	61,745 (3)	25,000	"
Employee Blanket Bond Coverage:				
General County, Water Department, and Highway Employees			150,000	Tennessee Risk Management Trust
School Employees			150,000	"

- (1) Does not include \$600 for serving as chairman of the Highway Commission.
- (2) Does not include \$1,000 as a chief executive officer training supplement, \$1,740 as secretary of the Board of Education, and \$4,600 for a performance bonus.
- (3) Does not include a law enforcement training supplement of \$600.
- (4) The director of schools is covered under the blanket bond.

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2014

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,720,892	\$ 396,662	\$ 250,965	\$ 513,878	\$ 0	\$ 0
Trustee's Collections - Prior Year	119,194	40,598	17,382	35,593	0	0
Circuit/Clerk and Master Collections - Prior Years	36,568	12,772	5,333	10,920	0	0
Interest and Penalty	21,684	7,351	3,162	6,475	0	0
Payments in-Lieu-of Taxes - T.V.A.	26,210	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	7,849	6,201	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	392,839	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	24,319	0	0	0	0	0
Litigation Tax - Special Purpose	62,964	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Business Tax	16,561	0	2,415	4,945	0	0
Adequate Facilities/Development Tax	0	0	0	0	0	0
Other County Local Option Taxes	0	33,972	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	67,876	0	0	0	0	0
Wholesale Beer Tax	147,744	0	0	0	0	0
Interstate Telecommunications Tax	738	0	0	0	0	0
Other Statutory Local Taxes	0	37,651	0	0	0	0
Total Local Taxes	\$ 2,645,438	\$ 535,207	\$ 279,257	\$ 571,811	\$ 0	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 2,540	\$ 16,346	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
Permits						
Building Permits	\$ 58,941	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Permits	615	0	0	0	0	0
Total Licenses and Permits	\$ 62,096	\$ 16,346	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 10,172	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	2,224	0	0	0	0	0
Drug Control Fines	0	0	0	0	1,002	0
Data Entry Fee - Circuit Court	510	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	9,760	0	0	0	0	0
Officers Costs	26,123	0	0	0	0	0
Game and Fish Fines	92	0	0	0	0	0
Drug Control Fines	0	0	0	0	3,292	0
Jail Fees	3,888	0	0	0	0	0
DUI Treatment Fines	2,200	0	0	0	0	0
Data Entry Fee - General Sessions Court	5,696	0	0	0	0	0
Courtroom Security Fee	24,558	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	878	0	0	0	0	0
Officers Costs	1,220	0	0	0	0	0
DUI Treatment Fines	2,576	0	0	0	0	0
Data Entry Fee - Juvenile Court	97	0	0	0	0	0

(Continued)

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds						
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Chancery Court</u>							
Officers Costs	\$ 1,249	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - Chancery Court	770	0	0	0	0	0	0
Judicial District Drug Program							
Drug Task Force Forfeitures and Seizures	0	0	0	0	105	0	0
Other Fines, Forfeitures, and Penalties	1,356	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 93,369	\$ 0	\$ 0	\$ 0	\$ 4,399	\$ 0	0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 144,955	\$ 0	\$ 0	\$ 0	0
Residential Waste Collection Charge	0	175,060	0	0	0	0	0
Patient Charges	0	0	0	272,969	0	0	0
Zoning Studies	525	0	0	0	0	0	0
Other General Service Charges	17,794	0	0	0	0	0	0
<u>Fees</u>							
Copy Fees	5,335	0	0	0	0	0	0
Telephone Commissions	9,263	0	0	0	0	0	0
Data Processing Fee - Register	2,776	0	0	0	0	0	0
Data Processing Fee - Sheriff	196	0	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,550	0	0	0	0	0	0
Data Processing Fee - County Clerk	843	0	0	0	0	0	0
Total Charges for Current Services	\$ 39,282	\$ 175,060	\$ 144,955	\$ 272,969	\$ 0	\$ 0	0

(Continued)

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds						
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works	
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 39,883	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	565
Lease/Rentals	21,887	0	0	0	0	0	0
Sale of Materials and Supplies	0	300	0	0	0	0	0
Commissary Sales	6,042	0	0	0	0	0	0
Sale of Gasoline	68,159	0	0	0	0	0	0
Sale of Recycled Materials	0	0	21,289	0	0	0	0
Miscellaneous Refunds	2,615	0	0	0	500	0	269
<u>Nonrecurring Items</u>							
Sale of Equipment	785	75	0	0	0	0	0
Damages Recovered from Individuals	375	0	0	0	0	0	100
<u>Other Local Revenues</u>							
Other Local Revenues	2,431	0	0	0	0	0	0
Total Other Local Revenues	\$ 142,177	\$ 375	\$ 21,289	\$ 0	\$ 500	\$ 0	934
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 94,144	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	33,023	0	0	0	0	0	0
General Sessions Court Clerk	78,991	0	0	0	0	0	0
Clerk and Master	27,562	0	0	0	0	0	0
Register	25,143	0	0	0	0	0	0
Sheriff	4,399	0	0	0	0	0	0
Trustee	149,833	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 413,095	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works
State of Tennessee						
General Government Grants						
Juvenile Services Program	9,000	0	0	0	0	0
Aging Programs	11,700	0	0	0	0	0
Solid Waste Grants	0	0	5,604	0	0	0
On-behalf Contributions for OPEB	0	1,196	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	8,400	2,400	0	0	0	0
Health and Welfare Grants						
Health Department Programs	6,053	0	0	0	0	0
Other Health and Welfare Grants	7,487	0	0	0	0	0
Public Works Grants						
Bridge Program	0	0	0	0	0	53,466
State Aid Program	0	0	0	0	0	202,714
Litter Program	33,593	0	0	0	0	0
Other State Revenues						
Income Tax	22,370	0	0	0	0	0
Beer Tax	18,927	0	0	0	0	0
Alcoholic Beverage Tax	14,782	0	0	0	0	0
Emergency Hospital - Prisoners	141,598	0	0	0	0	0
Contracted Prisoner Boarding	297,591	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,220,086
Petroleum Special Tax	0	0	0	0	0	10,528
Registrar's Salary Supplement	15,164	0	0	0	0	0
State Shared Sales Tax - Cities	182,765	0	0	0	0	0
Other State Grants	1,112	0	0	0	0	0
Other State Revenues	28,259	0	0	0	0	0
Total State of Tennessee	798,801	3,596	5,604	0	0	1,486,794

(Continued)

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds						
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works	
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	135 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Homeland Security Grants	60,072	0	0	0	0	0	0
Law Enforcement Grants	5,000	0	0	0	0	0	0
Other Federal through State	37,737	0	0	0	0	0	0
Direct Federal Revenue							
Police Service (Lake Area)	10,753	0	0	0	0	0	0
Tax Credit Bond Rebate	112,591	0	0	0	0	0	0
Total Federal Government	226,288 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	7,734 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Contracted Services	4,965	0	0	0	0	0	0
Citizens Groups							
Donations	12,241	0	0	0	0	0	0
Other	2,351	0	0	0	0	0	0
Total Other Governments and Citizens Groups	27,291 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Total	4,447,837 \$	730,584 \$	451,105 \$	844,780 \$	4,899 \$	1,487,728	

(Continued)

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Funds			Capital Projects Fund		Total
	General Debt Service	Education Debt Service		General Capital Projects		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 179,260	\$ 0	\$ 0	\$ 0	\$ 0	3,061,657
Trustee's Collections - Prior Year	12,416	0	0	0	0	225,183
Circuit/Clerk and Master Collections - Prior Years	3,809	0	0	0	0	69,402
Interest and Penalty	2,258	0	0	0	0	40,930
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	26,210
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	14,050
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	392,839
Wheel Tax	0	316,528	0	0	0	316,528
Litigation Tax - General	0	0	0	0	0	24,319
Litigation Tax - Special Purpose	0	0	0	0	0	62,964
Litigation Tax - Jail, Workhouse, or Courthouse	24,091	0	0	0	0	24,091
Business Tax	1,725	0	0	0	0	25,646
Adequate Facilities/Development Tax	0	34,000	0	0	0	34,000
Other County Local Option Taxes	0	0	0	0	0	33,972
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	67,876
Wholesale Beer Tax	0	0	0	0	0	147,744
Interstate Telecommunications Tax	0	0	0	0	0	738
Other Statutory Local Taxes	0	0	0	0	0	37,651
Total Local Taxes	\$ 223,559	\$ 350,528	\$ 0	\$ 0	\$ 0	4,605,800
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	18,886

(Continued)

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Debt Service Funds		Capital Projects Fund		Total
	General Debt Service	Education Debt Service	General Capital Projects	General Capital Projects	
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Building Permits	0 \$	0 \$	0 \$	0 \$	58,941
Other Permits	0	0	0	0	615
Total Licenses and Permits	0 \$	0 \$	0 \$	0 \$	78,442
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	0 \$	0 \$	0 \$	0 \$	10,172
Officers Costs	0	0	0	0	2,224
Drug Control Fines	0	0	0	0	1,002
Data Entry Fee - Circuit Court	0	0	0	0	510
<u>General Sessions Court</u>					
Fines	0	0	0	0	9,760
Officers Costs	0	0	0	0	26,123
Game and Fish Fines	0	0	0	0	92
Drug Control Fines	0	0	0	0	3,292
Jail Fees	0	0	0	0	3,888
DUI Treatment Fines	0	0	0	0	2,200
Data Entry Fee - General Sessions Court	0	0	0	0	5,696
Courtroom Security Fee	0	0	0	0	24,558
<u>Juvenile Court</u>					
Fines	0	0	0	0	878
Officers Costs	0	0	0	0	1,220
DUI Treatment Fines	0	0	0	0	2,576
Data Entry Fee - Juvenile Court	0	0	0	0	97

(Continued)

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Debt Service Funds		Capital Projects Fund		Total
	General Debt Service	Education Debt Service	General Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Chancery Court</u>					
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	1,249
Data Entry Fee - Chancery Court	0	0	0	0	770
Judicial District Drug Program					
Drug Task Force Forfeitures and Seizures	0	0	0	0	105
Other Fines, Forfeitures, and Penalties	0	0	0	0	1,356
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	97,768
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	144,955
Residential Waste Collection Charge	0	0	0	0	175,060
Patient Charges	0	0	0	0	272,969
Zoning Studies	0	0	0	0	525
Other General Service Charges	0	0	0	0	17,794
<u>Fees</u>					
Copy Fees	0	0	0	0	5,335
Telephone Commissions	0	0	0	0	9,263
Data Processing Fee - Register	0	0	0	0	2,776
Data Processing Fee - Sheriff	0	0	0	0	196
Sexual Offender Registration Fee - Sheriff	0	0	0	0	2,550
Data Processing Fee - County Clerk	0	0	0	0	843
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	632,266

(Continued)

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Debt Service Funds		Capital Projects Fund		Total
	General Debt Service	Education Debt Service	General Capital Projects		
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 13,271	\$ 12,535	\$ 11	\$	66,265
Lease/Rentals	0	0	0	0	21,887
Sale of Materials and Supplies	0	0	0	0	300
Commissary Sales	0	0	0	0	6,042
Sale of Gasoline	0	0	0	0	68,159
Sale of Recycled Materials	0	0	0	0	21,289
Miscellaneous Refunds	0	0	0	0	3,384
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	860
Damages Recovered from Individuals	0	0	0	0	475
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	2,431
Total Other Local Revenues	\$ 13,271	\$ 12,535	\$ 11	\$	191,092
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	0	0	0	0	94,144
Circuit Court Clerk	0	0	0	0	33,023
General Sessions Court Clerk	0	0	0	0	78,991
Clerk and Master	0	0	0	0	27,562
Register	0	0	0	0	25,143
Sheriff	0	0	0	0	4,399
Trustee	0	0	0	0	149,833
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$	413,095

(Continued)

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Funds			Capital Projects Fund		Total
	General Debt Service	Education Debt Service		General Capital Projects		
State of Tennessee						
General Government Grants						
Juvenile Services Program			0 \$		0 \$	9,000
Aging Programs			0		0	11,700
Solid Waste Grants			0		0	5,604
On-behalf Contributions for OPEB			0		0	1,196
Public Safety Grants						
Law Enforcement Training Programs			0		0	10,800
Health and Welfare Grants						
Health Department Programs			0		0	6,053
Other Health and Welfare Grants			0		0	7,487
Public Works Grants						
Bridge Program			0		0	53,466
State Aid Program			0		0	202,714
Litter Program			0		0	33,593
Other State Revenues						
Income Tax			0		0	22,370
Beer Tax			0		0	18,927
Alcoholic Beverage Tax			0		0	14,782
Emergency Hospital - Prisoners			0		0	141,598
Contracted Prisoner Boarding			0		0	297,591
Gasoline and Motor Fuel Tax			0		0	1,220,086
Petroleum Special Tax			0		0	10,528
Registrar's Salary Supplement			0		0	15,164
State Shared Sales Tax - Cities			0		0	182,765
Other State Grants			0		0	1,112
Other State Revenues			0		0	28,259
Total State of Tennessee	0 \$	0 \$	0 \$	0 \$	0 \$	2,294,795

(Continued)

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Funds		Capital Projects Fund		Total
	General Debt Service	Education Debt Service	General Capital Projects		
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 286,680	\$ 286,680	\$ 286,815
Homeland Security Grants	0	0	0	0	60,072
Law Enforcement Grants	0	0	0	0	5,000
Other Federal through State	0	0	0	0	37,737
Direct Federal Revenue					
Police Service (Lake Area)	0	0	0	0	10,753
Tax Credit Bond Rebate	0	0	0	0	112,591
Total Federal Government	\$ 0	\$ 0	\$ 286,680	\$ 286,680	\$ 512,968
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 339,174	\$ 75,000	\$ 0	\$ 0	\$ 421,908
Contracted Services	0	0	0	0	4,965
Citizens Groups					
Donations	0	0	0	0	12,241
Other	0	0	0	0	2,351
Total Other Governments and Citizens Groups	\$ 339,174	\$ 75,000	\$ 0	\$ 0	\$ 441,465
Total	\$ 578,004	\$ 438,063	\$ 286,680	\$ 286,680	\$ 9,267,691

Exhibit J-6

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

	General Purpose School	Special Revenue Fund	School Federal Projects	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,063,607	\$ 0	\$ 0	\$ 1,063,607
Trustee's Collections - Prior Year	73,669	0	0	73,669
Circuit/Clerk and Master Collections - Prior Years	19,600	0	0	19,600
Interest and Penalty	13,402	0	0	13,402
Payments in-Lieu-of Taxes - T.V.A.	204,485	0	0	204,485
<u>County Local Option Taxes</u>				
Local Option Sales Tax	449,332	0	0	449,332
Business Tax	11,907	0	0	11,907
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	859	0	0	859
Total Local Taxes	<u>\$ 1,836,861</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,836,861</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 646	\$ 0	\$ 0	\$ 646
Total Licenses and Permits	<u>\$ 646</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 646</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other	\$ 17,364	\$ 0	\$ 0	\$ 17,364
Receipts from Individual Schools	6,147	0	0	6,147
Total Charges for Current Services	<u>\$ 23,511</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,511</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Lease/Rentals	\$ 675	\$ 0	\$ 0	\$ 675
Sale of Recycled Materials	185	0	0	185
E-Rate Funding	17,385	0	0	17,385
Miscellaneous Refunds	24,726	0	0	24,726
<u>Nonrecurring Items</u>				
Contributions and Gifts	30,473	0	0	30,473
Total Other Local Revenues	<u>\$ 73,444</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 73,444</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 37,698	\$ 0	\$ 0	\$ 37,698
<u>State Education Funds</u>				
Basic Education Program	6,827,000	0	0	6,827,000
Early Childhood Education	102,889	0	0	102,889

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Fund	School Federal Projects	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
School Food Service	\$ 6,953	\$ 0	\$ 0	\$ 6,953
Other State Education Funds	316,575	0	0	316,575
Career Ladder Program	48,792	0	0	48,792
Career Ladder - Extended Contract	14,920	0	0	14,920
<u>Other State Revenues</u>				
Other State Grants	17,909	0	0	17,909
Total State of Tennessee	<u>\$ 7,372,736</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,372,736</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 310,818	\$ 0	\$ 0	\$ 310,818
USDA - Commodities	33,690	0	0	33,690
Breakfast	76,113	0	0	76,113
USDA - Other	8,594	0	0	8,594
Vocational Education - Basic Grants to States	0	17,952	0	17,952
Title I Grants to Local Education Agencies	0	273,945	0	273,945
Special Education - Grants to States	69,699	297,002	0	366,701
Special Education Preschool Grants	0	11,974	0	11,974
Rural Education	0	21,443	0	21,443
Eisenhower Professional Development State Grants	0	38,210	0	38,210
Race-to-the-Top - ARRA	0	301,056	0	301,056
Total Federal Government	<u>\$ 498,914</u>	<u>\$ 961,582</u>	<u>\$ 0</u>	<u>\$ 1,460,496</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 74,942	\$ 0	\$ 0	\$ 74,942
Total Other Governments and Citizens Groups	<u>\$ 74,942</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 74,942</u>
Total	<u>\$ 9,881,054</u>	<u>\$ 961,582</u>	<u>\$ 0</u>	<u>\$ 10,842,636</u>

Exhibit J-7

Hartsville/Trousdale County Government, 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	\$	3,870	
Other Per Diem and Fees		1,910	
Social Security		338	
Employer Medicare		79	
Audit Services		2,361	
Dues and Memberships		1,000	
Legal Notices, Recording, and Court Costs		421	
Printing, Stationery, and Forms		539	
Travel		248	
Other Contracted Services		1,344	
Office Supplies		166	
Total County Commission	\$		12,276

Beer Board

Board and Committee Members Fees	\$	170	
Social Security		2	
Legal Notices, Recording, and Court Costs		20	
Total Beer Board			192

County Mayor/Executive

County Official/Administrative Officer	\$	64,832	
Assistant(s)		32,694	
Clerical Personnel		23,787	
Bonus Payments		1,151	
Social Security		6,855	
State Retirement		9,890	
Medical Insurance		9,120	
Employer Medicare		1,603	
Data Processing Services		8,393	
Evaluation and Testing		46	
Maintenance and Repair Services - Office Equipment		554	
Printing, Stationery, and Forms		1,068	
Travel		3,065	
Office Supplies		2,172	
Other Charges		298	
Office Equipment		7,662	
Total County Mayor/Executive			173,190

County Attorney

County Official/Administrative Officer	\$	27,127	
Total County Attorney			27,127

Election Commission

County Official/Administrative Officer	\$	47,915	
Election Commission		2,835	
Social Security		3,149	
State Retirement		3,867	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Employer Medicare	\$	737	
Data Processing Services		3,290	
Dues and Memberships		275	
Legal Notices, Recording, and Court Costs		585	
Maintenance and Repair Services - Equipment		25,960	
Postal Charges		449	
Printing, Stationery, and Forms		473	
Travel		596	
Office Supplies		509	
In Service/Staff Development		1,380	
Other Charges		53	
Data Processing Equipment		7,789	
Total Election Commission	\$		99,862

Register of Deeds

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		7,241	
Bonus Payments		157	
Social Security		3,741	
State Retirement		4,530	
Medical Insurance		4,560	
Employer Medicare		875	
Data Processing Services		2,443	
Dues and Memberships		432	
Printing, Stationery, and Forms		585	
Office Supplies		1,295	
Premiums on Corporate Surety Bonds		100	
Total Register of Deeds			82,091

Planning

County Official/Administrative Officer	\$	44,595	
Bonus Payments		913	
Social Security		2,609	
State Retirement		3,673	
Medical Insurance		4,560	
Employer Medicare		610	
Dues and Memberships		205	
Legal Notices, Recording, and Court Costs		424	
Printing, Stationery, and Forms		198	
Travel		2,460	
Other Contracted Services		8,550	
Office Supplies		345	
Other Supplies and Materials		26	
In Service/Staff Development		545	
Other Charges		790	
Total Planning			70,503

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Codes Compliance

Legal Notices, Recording, and Court Costs	\$ 234	
Total Codes Compliance		\$ 234

County Buildings

Attendants	\$ 10,961	
Custodial Personnel	2,559	
Bonus Payments	1,079	
Social Security	843	
State Retirement	936	
Medical Insurance	4,560	
Employer Medicare	197	
Communication	2,589	
Contributions	2,000	
Legal Notices, Recording, and Court Costs	210	
Maintenance and Repair Services - Buildings	34,999	
Pest Control	840	
Custodial Supplies	6,973	
Electricity	32,564	
Natural Gas	15,147	
Water and Sewer	2,626	
Other Supplies and Materials	45	
Other Charges	1,876	
Total County Buildings		121,004

Finance

Property Assessor's Office

County Official/Administrative Officer	\$ 56,132	
Deputy(ies)	22,191	
Bonus Payments	482	
Board and Committee Members Fees	650	
Social Security	4,681	
State Retirement	6,102	
Medical Insurance	4,560	
Employer Medicare	1,095	
Dues and Memberships	1,000	
Evaluation and Testing	46	
Legal Notices, Recording, and Court Costs	102	
Maintenance and Repair Services - Vehicles	2,365	
Printing, Stationery, and Forms	2,480	
Travel	867	
Other Contracted Services	1,700	
Gasoline	536	
Office Supplies	381	
In Service/Staff Development	125	
Office Equipment	261	
Total Property Assessor's Office		105,756

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		23,525	
Bonus Payments		482	
Social Security		4,236	
State Retirement		6,467	
Medical Insurance		9,071	
Employer Medicare		991	
Data Processing Services		4,969	
Dues and Memberships		337	
Legal Notices, Recording, and Court Costs		22	
Printing, Stationery, and Forms		1,534	
Office Supplies		578	
Premiums on Corporate Surety Bonds		1,294	
Office Equipment		8,874	
Total County Trustee's Office			\$ 118,512

County Clerk's Office

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		23,525	
Bonus Payments		482	
Social Security		4,746	
State Retirement		6,467	
Medical Insurance		9,071	
Employer Medicare		1,110	
Communication		1,267	
Data Processing Services		2,000	
Dues and Memberships		461	
Printing, Stationery, and Forms		468	
Office Supplies		630	
Office Equipment		11	
Total County Clerk's Office			106,370

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		54,267	
Bonus Payments		1,112	
Jury and Witness Expense		5,124	
Social Security		6,587	
State Retirement		8,999	
Medical Insurance		13,583	
Employer Medicare		1,541	
Data Processing Services		4,826	
Legal Notices, Recording, and Court Costs		103	
Printing, Stationery, and Forms		3,682	
Office Supplies		1,110	
Periodicals		177	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Premiums on Corporate Surety Bonds	\$	100	
Other Charges		105	
Total Circuit Court			\$ 157,448

General Sessions Court

Judge(s)	\$	66,323	
Social Security		3,382	
State Retirement		5,352	
Medical Insurance		4,560	
Employer Medicare		791	
Legal Services		5,000	
Office Supplies		20	
Total General Sessions Court			85,428

Chancery Court

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		5,729	
Bonus Payments		111	
Social Security		3,661	
State Retirement		4,530	
Medical Insurance		4,560	
Employer Medicare		856	
Data Processing Services		1,067	
Dues and Memberships		337	
Printing, Stationery, and Forms		1,489	
Office Supplies		95	
Periodicals		369	
Premiums on Corporate Surety Bonds		100	
Total Chancery Court			79,036

Judicial Commissioners

Bonus Payments	\$	329	
Social Security		1,004	
Employer Medicare		235	
Dues and Memberships		150	
Travel		3,149	
Other Contracted Services		15,873	
Total Judicial Commissioners			20,740

Courtroom Security

Deputy(ies)	\$	15,176	
Bonus Payments		405	
Social Security		966	
Employer Medicare		226	
Uniforms		583	
Total Courtroom Security			17,356

(Continued)

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	61,745	
Deputy(ies)		397,025	
Salary Supplements		8,400	
Dispatchers/Radio Operators		82,034	
Overtime Pay		42,591	
Bonus Payments		10,795	
Social Security		35,099	
State Retirement		46,895	
Medical Insurance		67,032	
Employer Medicare		8,200	
Communication		120	
Data Processing Services		475	
Dues and Memberships		1,852	
Evaluation and Testing		1,804	
Licenses		55	
Maintenance Agreements		1,613	
Maintenance and Repair Services - Buildings		792	
Maintenance and Repair Services - Equipment		13,085	
Maintenance and Repair Services - Office Equipment		5,391	
Maintenance and Repair Services - Vehicles		18,602	
Medical and Dental Services		923	
Printing, Stationery, and Forms		1,171	
Rentals		8,482	
Towing Services		465	
Travel		931	
Electricity		1,582	
Gasoline		43,856	
Law Enforcement Supplies		8,631	
Office Supplies		1,849	
Periodicals		279	
Uniforms		11,902	
Other Supplies and Materials		726	
In Service/Staff Development		3,150	
Other Charges		248	
Law Enforcement Equipment		43,934	
Motor Vehicles		48,000	
Office Equipment		3,906	
Other Equipment		5,482	
Total Sheriff's Department			\$ 989,122

Drug Enforcement

Deputy(ies)	\$	35,771	
Bonus Payments		733	
Social Security		2,259	
State Retirement		2,945	
Medical Insurance		4,511	
Employer Medicare		528	
Gasoline		3,079	
Total Drug Enforcement			49,826

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$	100	
Other Equipment		2,646	
Total Administration of the Sexual Offender Registry			\$ 2,746

Jail

Guards	\$	408,935	
Cafeteria Personnel		24,143	
Overtime Pay		604	
Bonus Payments		8,173	
Social Security		26,802	
State Retirement		34,188	
Medical Insurance		61,240	
Employer Medicare		6,268	
Communication		857	
Data Processing Services		4,460	
Evaluation and Testing		512	
Legal Notices, Recording, and Court Costs		153	
Maintenance and Repair Services - Buildings		2,278	
Maintenance and Repair Services - Equipment		2,259	
Medical and Dental Services		247,339	
Pest Control		240	
Printing, Stationery, and Forms		1,458	
Travel		724	
Custodial Supplies		9,895	
Electricity		13,042	
Food Supplies		34,794	
Natural Gas		3,712	
Office Supplies		2,331	
Prisoners Clothing		690	
Uniforms		1,947	
Water and Sewer		11,657	
Other Supplies and Materials		529	
In Service/Staff Development		1,992	
Other Charges		100	
Office Equipment		615	
Other Equipment		73	
Total Jail			912,010

Workhouse

Guards	\$	35,379	
Bonus Payments		990	
Social Security		2,095	
State Retirement		2,521	
Medical Insurance		8,220	
Employer Medicare		490	
Maintenance and Repair Services - Equipment		892	
Maintenance and Repair Services - Vehicles		1,000	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

<u>General Fund (Cont.)</u>		
<u>Public Safety (Cont.)</u>		
<u>Workhouse (Cont.)</u>		
Gasoline	\$	4,634
Other Supplies and Materials		171
Other Equipment		2,194
Total Workhouse		<u>58,586</u>
	\$	
<u>Juvenile Services</u>		
Bonus Payments	\$	195
Other Salaries and Wages		16,059
Social Security		1,008
Employer Medicare		236
Evaluation and Testing		411
Travel		282
Office Supplies		119
Other Supplies and Materials		197
Other Charges		1,050
Total Juvenile Services		<u>19,557</u>
<u>Fire Prevention and Control</u>		
Contributions	\$	14,325
Dues and Memberships		100
Evaluation and Testing		497
Legal Notices, Recording, and Court Costs		122
Maintenance and Repair Services - Equipment		1,655
Maintenance and Repair Services - Vehicles		7,724
Gasoline		653
In Service/Staff Development		3,915
Other Equipment		9,962
Total Fire Prevention and Control		<u>38,953</u>
<u>Civil Defense</u>		
Contributions	\$	82
Evaluation and Testing		92
Maintenance and Repair Services - Vehicles		3,043
Electricity		1,752
Gasoline		1,263
Natural Gas		2,950
Water and Sewer		433
Communication Equipment		2,305
Site Development		9,295
Other Equipment		4,988
Total Civil Defense		<u>26,203</u>
<u>Other Emergency Management</u>		
Supervisor/Director	\$	13,243
Social Security		821
Employer Medicare		192
Evaluation and Testing		46

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Legal Notices, Recording, and Court Costs	\$	206	
Travel		1,287	
Office Supplies		240	
In Service/Staff Development		970	
Communication Equipment		8,534	
Other Equipment		57,890	
Total Other Emergency Management	\$		83,429

Inspection and Regulation

Supervisor/Director	\$	4,454	
Bonus Payments		90	
Social Security		239	
State Retirement		359	
Employer Medicare		56	
Drugs and Medical Supplies		206	
Total Inspection and Regulation			5,404

County Coroner/Medical Examiner

Other Contracted Services	\$	5,130	
Total County Coroner/Medical Examiner			5,130

Public Health and Welfare

Local Health Center

Communication	\$	1,291	
Contributions		13,500	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		4,240	
Maintenance and Repair Services - Equipment		450	
Pest Control		180	
Postal Charges		192	
Custodial Supplies		57	
Electricity		4,390	
Natural Gas		2,437	
Office Supplies		91	
Periodicals		83	
Water and Sewer		394	
Other Charges		250	
Total Local Health Center			27,755

Alcohol and Drug Programs

Social Security	\$	126	
State Retirement		169	
Employer Medicare		29	
Other Contracted Services		2,100	
Instructional Supplies and Materials		312	
Total Alcohol and Drug Programs			2,736

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services

Social Security	\$	288	
Employer Medicare		67	
Contracts with Government Agencies		2,312	
Travel		1,034	
Other Contracted Services		12,993	
Other Charges		46	
Total Other Local Health Services			\$ 16,740

Sanitation Education/Information

Education Media Personnel	\$	11,523	
Guards		11,288	
Social Security		1,384	
State Retirement		1,364	
Employer Medicare		324	
Advertising		284	
Travel		179	
Custodial Supplies		862	
Gasoline		1,589	
Instructional Supplies and Materials		3,987	
Other Supplies and Materials		772	
Total Sanitation Education/Information			33,556

Other Public Health and Welfare

Contributions	\$	5,666	
Total Other Public Health and Welfare			5,666

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	17,959	
Part-time Personnel		7,686	
Social Security		1,492	
State Retirement		1,449	
Employer Medicare		349	
Communication		1,662	
Contributions		75	
Maintenance and Repair Services - Vehicles		51	
Postal Charges		291	
Travel		200	
Custodial Supplies		252	
Food Supplies		495	
Gasoline		703	
Office Supplies		659	
Other Supplies and Materials		2,600	
Other Charges		100	
Furniture and Fixtures		365	
Office Equipment		1,561	
Total Senior Citizens Assistance			37,949

(Continued)

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Assistant(s)	\$	17,836	
Librarians		24,294	
Bonus Payments		672	
Social Security		2,573	
State Retirement		2,734	
Medical Insurance		2,280	
Employer Medicare		602	
Communication		2,545	
Contributions		9,602	
Data Processing Services		1,210	
Evaluation and Testing		46	
Licenses		295	
Pest Control		120	
Printing, Stationery, and Forms		503	
Travel		494	
Other Contracted Services		2,720	
Custodial Supplies		123	
Electricity		6,362	
Library Books/Media		4,928	
Natural Gas		2,655	
Office Supplies		692	
Water and Sewer		394	
Other Supplies and Materials		472	
In Service/Staff Development		15	
Total Libraries			\$ 84,167

Parks and Fair Boards

Supervisor/Director	\$	8,029
Temporary Personnel		17,112
Bonus Payments		149
Social Security		1,545
State Retirement		1,057
Medical Insurance		693
Employer Medicare		361
Advertising		59
Dues and Memberships		90
Evaluation and Testing		312
Maintenance and Repair Services - Buildings		1,496
Maintenance and Repair Services - Equipment		338
Maintenance and Repair Services - Vehicles		323
Custodial Supplies		330
Electricity		9,986
Fertilizer, Lime, and Seed		404
Food Supplies		1,732
Gasoline		1,927
Uniforms		312
Water and Sewer		1,340

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Chemicals	\$	1,953	
Other Supplies and Materials		832	
In Service/Staff Development		2,197	
Other Charges		159	
Site Development		1,745	
Other Equipment		7,005	
Total Parks and Fair Boards			\$ 61,486

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	15,343	
Secretary(ies)		8,288	
Social Security		1,808	
State Retirement		3,552	
Communication		2,756	
Contributions		3,875	
Dues and Memberships		260	
Travel		1,225	
Office Supplies		2,397	
Office Equipment		90	
Other Equipment		251	
Total Agricultural Extension Service			39,845

Soil Conservation

Contributions	\$	12,842	
Total Soil Conservation			12,842

Other Operations

Other Charges

Communication	\$	23,286	
Evaluation and Testing		265	
Legal Notices, Recording, and Court Costs		12	
Postal Charges		10,389	
Rentals		14,542	
Fuel Oil		78,148	
Liability Insurance		64,791	
Refunds		635	
Trustee's Commission		50,059	
Workers' Compensation Insurance		36,307	
Other Charges		1,696	
Total Other Charges			280,130

Employee Benefits

Handling Charges and Administrative Costs	\$	660	
Unemployment Compensation		4,314	
Total Employee Benefits			4,974

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Contributions	\$	7,000	
Dues and Memberships		3,555	
Total Miscellaneous			\$ 10,555

Total General Fund \$ 4,086,492

Urban Services Fund

Public Safety

Sheriff's Department

Deputy(ies)	\$	148,611	
Salary Supplements		2,400	
Dispatchers/Radio Operators		22,092	
Overtime Pay		8,310	
Bonus Payments		3,526	
Social Security		11,429	
State Retirement		21,845	
Medical Insurance		19,216	
Employer Medicare		2,682	
Maintenance and Repair Services - Vehicles		3,040	
Gasoline		13,557	
Total Sheriff's Department			\$ 256,708

Fire Prevention and Control

Gasoline	\$	908	
Other Charges		2,345	
Total Fire Prevention and Control			3,253

Public Health and Welfare

Rabies and Animal Control

Overtime Pay	\$	289	
Bonus Payments		90	
Other Salaries and Wages		4,829	
Social Security		316	
State Retirement		413	
Medical Insurance		852	
Employer Medicare		74	
Maintenance and Repair Services - Buildings		835	
Animal Food and Supplies		353	
Custodial Supplies		12	
Electricity		794	
Gasoline		883	
Water and Sewer		516	
Other Supplies and Materials		34	
Total Rabies and Animal Control			10,290

Waste Pickup

Supervisor/Director	\$	17,602	
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(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Urban Services Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Truck Drivers	\$	23,049	
Laborers		43,430	
Overtime Pay		1,625	
Bonus Payments		1,619	
Social Security		5,319	
State Retirement		7,551	
Medical Insurance		14,818	
Employer Medicare		1,244	
Evaluation and Testing		282	
Maintenance and Repair Services - Equipment		130	
Maintenance and Repair Services - Vehicles		6,262	
Disposal Fees		22,929	
Custodial Supplies		193	
Gasoline		10,487	
Office Supplies		80	
Other Supplies and Materials		220	
Total Waste Pickup	\$		156,840

Social, Cultural, and Recreational Services

Parks and Fair Boards

Site Development	\$	7,963	
Total Parks and Fair Boards			7,963

Other Social, Cultural, and Recreational

Other Charges	\$	6,000	
Total Other Social, Cultural, and Recreational			6,000

Other Operations

Other Charges

Maintenance and Repair Services - Equipment	\$	522	
Electricity		68,847	
Liability Insurance		11,301	
Trustee's Commission		11,687	
Workers' Compensation Insurance		12,124	
Other Charges		112	
Traffic Control Equipment		11,520	
Total Other Charges			116,113

Employee Benefits

State Retirement	\$	1,350	
On-behalf Payments to OPEB		1,196	
Total Employee Benefits			2,546

Highways

Highway and Bridge Maintenance

Asphalt - Hot Mix	\$	93,396	
Total Highway and Bridge Maintenance			93,396

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Urban Services Fund (Cont.)

Principal on Debt

General Government

Principal on Notes	\$ 24,545	
Total General Government		\$ 24,545

Interest on Debt

General Government

Interest on Notes	\$ 8,121	
Total General Government		<u>8,121</u>

Total Urban Services Fund		\$ 685,775
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Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Supervisor/Director	\$ 17,177	
Truck Drivers	46,523	
Laborers	25,168	
Attendants	41,324	
Part-time Personnel	10,534	
Overtime Pay	4,056	
Bonus Payments	3,007	
Social Security	9,128	
State Retirement	17,678	
Medical Insurance	10,299	
Employer Medicare	2,135	
Advertising	14	
Evaluation and Testing	118	
Legal Notices, Recording, and Court Costs	100	
Maintenance and Repair Services - Buildings	186	
Maintenance and Repair Services - Equipment	1,906	
Maintenance and Repair Services - Vehicles	24,284	
Printing, Stationery, and Forms	12	
Electricity	2,799	
Gasoline	34,444	
Water and Sewer	871	
Other Supplies and Materials	584	
Site Development	12,824	
Solid Waste Equipment	<u>4,985</u>	
Total Convenience Centers		\$ 270,156

Other Waste Disposal

Disposal Fees	\$ 128,704	
Trustee's Commission	<u>7,098</u>	
Total Other Waste Disposal		135,802

Postclosure Care Costs

Engineering Services	\$ 3,000	
Contracts for Postclosure Care Costs	<u>1,921</u>	
Total Postclosure Care Costs		4,921

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Other Operations

Other Charges

Liability Insurance	\$	6,478	
Trustee's Commission		147	
Workers' Compensation Insurance		10,238	
Total Other Charges			\$ 16,863

Total Solid Waste/Sanitation Fund \$ 427,742

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$	44,086
Medical Personnel		340,267
Clerical Personnel		25,559
Overtime Pay		151,928
Bonus Payments		6,685
Social Security		34,898
State Retirement		33,260
Medical Insurance		39,920
Employer Medicare		8,162
Advertising		25
Bank Charges		406
Communication		7,962
Contracts with Private Agencies		3,150
Data Processing Services		250
Debt Collection Services		308
Dues and Memberships		280
Evaluation and Testing		1,050
Laundry Service		138
Legal Notices, Recording, and Court Costs		434
Licenses		1,250
Maintenance and Repair Services - Buildings		850
Maintenance and Repair Services - Equipment		1,632
Maintenance and Repair Services - Office Equipment		680
Maintenance and Repair Services - Vehicles		12,789
Medical and Dental Services		513
Pest Control		480
Postal Charges		729
Printing, Stationery, and Forms		404
Rentals		2,843
Travel		423
Custodial Supplies		726
Drugs and Medical Supplies		20,622
Electricity		4,450
Food Supplies		142
Gasoline		15,022
Natural Gas		3,897
Office Supplies		1,201

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Uniforms	\$	3,495	
Water and Sewer		845	
Other Supplies and Materials		469	
Liability Insurance		14,375	
Refunds		831	
Trustee's Commission		14,548	
Workers' Compensation Insurance		44,452	
In Service/Staff Development		4,356	
Motor Vehicles		78,145	
Office Equipment		2,669	
Total Ambulance/Emergency Medical Services			\$ 931,606

Total Ambulance Service Fund \$ 931,606

Drug Control Fund

Public Safety

Drug Enforcement

Deputy(ies)	\$	945	
Social Security		59	
State Retirement		76	
Employer Medicare		14	
Other Supplies and Materials		1,873	
Trustee's Commission		42	
Law Enforcement Equipment		1,600	
Motor Vehicles		5,050	
Total Drug Enforcement			\$ 9,659

Total Drug Control Fund 9,659

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	61,745	
Assistant(s)		33,550	
Accountants/Bookkeepers		1,308	
Bonus Payments		714	
Other Salaries and Wages		2,201	
Board and Committee Members Fees		1,200	
In-service Training		560	
Social Security		5,548	
State Retirement		7,829	
Employer Medicare		1,298	
Communication		4,600	
Data Processing Services		6,386	
Dues and Memberships		1,801	
Legal Notices, Recording, and Court Costs		101	
Maintenance and Repair Services - Buildings		212	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Pest Control	\$	95	
Postal Charges		579	
Printing, Stationery, and Forms		498	
Travel		879	
Custodial Supplies		196	
Data Processing Supplies		470	
Drugs and Medical Supplies		544	
Electricity		3,401	
Natural Gas		2,229	
Office Supplies		636	
Propane Gas		972	
Water and Sewer		1,294	
Other Charges		81	
Furniture and Fixtures		278	
Total Administration			\$ 141,205

Highway and Bridge Maintenance

Foremen	\$	137,003	
Equipment Operators		84,382	
Truck Drivers		153,502	
Laborers		54,560	
Bonus Payments		11,777	
Social Security		27,278	
State Retirement		33,951	
Employer Medicare		6,380	
Asphalt - Cold Mix		847	
Asphalt - Hot Mix		198,219	
Concrete		1,284	
Crushed Stone		31,741	
Electricity		400	
General Construction Materials		184	
Other Road Materials		477	
Pipe		5,152	
Propane Gas		278	
Road Signs		3,103	
Salt		3,410	
Small Tools		47	
Wood Products		154	
Chemicals		754	
Other Supplies and Materials		487	
Other Charges		144	
Total Highway and Bridge Maintenance			755,514

Operation and Maintenance of Equipment

Mechanic(s)	\$	28,518	
Bonus Payments		594	
Social Security		1,765	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

State Retirement	\$	2,347	
Employer Medicare		413	
Maintenance and Repair Services - Equipment		2,227	
Maintenance and Repair Services - Vehicles		1,319	
Diesel Fuel		41,206	
Equipment and Machinery Parts		32,088	
Garage Supplies		1,780	
Gasoline		54,210	
Lubricants		5,055	
Small Tools		534	
Tires and Tubes		6,319	
Other Supplies and Materials		711	
Other Charges		139	
Total Operation and Maintenance of Equipment			\$ 179,225

Other Charges

Evaluation and Testing	\$	130	
Other Contracted Services		947	
Trustee's Commission		12,312	
Vehicle and Equipment Insurance		25,007	
Workers' Compensation Insurance		37,904	
Liability Claims		269	
Total Other Charges			76,569

Employee Benefits

Medical Insurance	\$	45,211	
Unemployment Compensation		6,159	
Total Employee Benefits			51,370

Capital Outlay

Engineering Services	\$	43,085	
Bridge Construction		53,466	
Communication Equipment		120	
State Aid Projects		226,201	
Other Construction		2,100	
Total Capital Outlay			324,972

Total Highway/Public Works Fund \$ 1,528,855

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	23,000	
Principal on Notes		139,000	
Total General Government			\$ 162,000

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education

Principal on Other Loans	\$ 361,331	
Total Education		\$ 361,331

Interest on Debt

General Government

Interest on Bonds	\$ 4,802	
Interest on Notes	11,944	
Total General Government		16,746

Education

Interest on Other Loans	\$ 124,555	
Total Education		124,555

Other Debt Service

General Government

Trustee's Commission	\$ 4,210	
Total General Government		4,210

Education

Other Debt Service	\$ 7,144	
Total Education		7,144

Total General Debt Service Fund		\$ 675,986
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Education Debt Service Fund

Principal on Debt

Education

Principal on Other Loans	\$ 455,000	
Total Education		\$ 455,000

Interest on Debt

Education

Interest on Other Loans	\$ 11,545	
Total Education		11,545

Other Debt Service

Education

Refunds	\$ 1,000	
Trustee's Commission	3,601	
Other Debt Service	31,820	
Total Education		36,421

Total Education Debt Service Fund		502,966
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(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

<u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Public Safety Projects</u>		
Engineering Services	\$ 63,135	
Legal Services	235	
Legal Notices, Recording, and Court Costs	247	
Land	15,000	
Other Capital Outlay	137,184	
Total Public Safety Projects		\$ 215,801
<u>Public Health and Welfare Projects</u>		
Consultants	\$ 5,500	
Engineering Services	37,979	
Legal Services	760	
Site Development	250	
Total Public Health and Welfare Projects		44,489
<u>Public Utility Projects</u>		
Consultants	\$ 2,560	
Engineering Services	24,000	
Total Public Utility Projects		26,560
<u>Education Capital Projects</u>		
Contributions	\$ 71,965	
Total Education Capital Projects		71,965
Total General Capital Projects Fund		\$ 358,815
Total Governmental Funds - Primary Government		\$ 9,207,896

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	2,559,106	
Career Ladder Program		16,000	
Career Ladder Extended Contracts		10,500	
Homebound Teachers		432	
Educational Assistants		15,718	
Bonus Payments		890	
Other Salaries and Wages		2,000	
Certified Substitute Teachers		25,592	
Non-certified Substitute Teachers		21,910	
Social Security		150,822	
State Retirement		230,500	
Medical Insurance		304,408	
Unemployment Compensation		8,105	
Employer Medicare		35,403	
Travel		793	
Tuition		1,780	
Instructional Supplies and Materials		119,899	
Textbooks		107,712	
Regular Instruction Equipment		146,231	
Total Regular Instruction Program			\$ 3,757,801

Alternative Instruction Program

Teachers	\$	50,731	
Educational Assistants		17,911	
Bonus Payments		443	
Social Security		4,099	
State Retirement		5,986	
Medical Insurance		2,264	
Unemployment Compensation		189	
Employer Medicare		958	
Total Alternative Instruction Program			82,581

Special Education Program

Teachers	\$	465,122	
Career Ladder Program		8,000	
Career Ladder Extended Contracts		1,000	
Homebound Teachers		351	
Educational Assistants		23,793	
Speech Pathologist		41,066	
Bonus Payments		2,670	
Certified Substitute Teachers		700	
Non-certified Substitute Teachers		2,100	
Social Security		31,197	
State Retirement		47,694	
Medical Insurance		49,990	
Unemployment Compensation		2,457	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	7,296	
Contracts with Private Agencies		48,249	
Total Special Education Program			\$ 731,685

Vocational Education Program

Teachers	\$	131,219	
Career Ladder Program		1,000	
Social Security		7,747	
State Retirement		11,741	
Medical Insurance		9,868	
Unemployment Compensation		284	
Employer Medicare		1,812	
Other Contracted Services		22,400	
Instructional Supplies and Materials		10,442	
Total Vocational Education Program			196,513

Support Services

Attendance

Supervisor/Director	\$	20,000	
Social Security		1,122	
State Retirement		1,776	
Unemployment Compensation		94	
Employer Medicare		262	
Total Attendance			23,254

Health Services

Supervisor/Director	\$	45,879	
Medical Personnel		49,121	
Clerical Personnel		14,492	
Bonus Payments		2,716	
Social Security		6,588	
State Retirement		9,433	
Medical Insurance		4,710	
Unemployment Compensation		378	
Employer Medicare		1,541	
Communication		758	
Travel		1,376	
Other Contracted Services		2,500	
Instructional Supplies and Materials		7,711	
Other Supplies and Materials		6,248	
In Service/Staff Development		2,178	
Other Charges		2,229	
Health Equipment		956	
Total Health Services			158,814

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Career Ladder Program	\$	4,000	
Guidance Personnel		102,258	
Career Ladder Extended Contracts		4,000	
Other Salaries and Wages		5,232	
Social Security		6,410	
State Retirement		10,213	
Medical Insurance		13,967	
Unemployment Compensation		189	
Employer Medicare		1,499	
Contracts with Government Agencies		47,173	
Other Contracted Services		1,740	
In Service/Staff Development		1,274	
Other Charges		1,559	
Total Other Student Support			\$ 199,514

Regular Instruction Program

Supervisor/Director	\$	132,070	
Career Ladder Program		8,000	
Career Ladder Extended Contracts		4,000	
Librarians		150,679	
Instructional Computer Personnel		52,763	
Bonus Payments		1,275	
Social Security		19,507	
State Retirement		25,576	
Medical Insurance		25,385	
Unemployment Compensation		661	
Employer Medicare		4,841	
Library Books/Media		17,764	
Other Supplies and Materials		20,200	
In Service/Staff Development		2,240	
Total Regular Instruction Program			464,961

Special Education Program

Supervisor/Director	\$	32,703	
Career Ladder Program		1,000	
Psychological Personnel		37,702	
Social Security		4,275	
State Retirement		6,341	
Medical Insurance		4,795	
Unemployment Compensation		94	
Employer Medicare		1,000	
Travel		221	
Other Supplies and Materials		118	
In Service/Staff Development		352	
Total Special Education Program			88,601

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Supervisor/Director	\$	26,300	
Social Security		1,518	
State Retirement		2,335	
Employer Medicare		355	
Total Vocational Education Program			\$ 30,508

Other Programs

On-behalf Payments to OPEB	\$	37,698	
Total Other Programs			37,698

Board of Education

Secretary to Board	\$	1,740	
Board and Committee Members Fees		5,250	
Social Security		361	
State Retirement		155	
Unemployment Compensation		69	
Employer Medicare		99	
Advertising		3,008	
Dues and Memberships		10,225	
Legal Services		4,558	
Travel		275	
Other Contracted Services		2,450	
Office Supplies		560	
Trustee's Commission		44,199	
Workers' Compensation Insurance		42,948	
Refund to Applicant for Criminal Investigation		2,142	
Other Charges		7,061	
Total Board of Education			125,100

Director of Schools

County Official/Administrative Officer	\$	83,312	
Career Ladder Program		1,000	
Salary Supplements		4,600	
Secretary(ies)		22,000	
Bonus Payments		550	
Social Security		6,381	
State Retirement		9,715	
Medical Insurance		9,081	
Unemployment Compensation		189	
Employer Medicare		1,478	
Communication		39,482	
Travel		1,036	
Other Contracted Services		3,718	
Office Supplies		212	
Other Charges		1,714	
Administration Equipment		563	
Total Director of Schools			185,031

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	205,614	
Career Ladder Program		3,000	
Accountants/Bookkeepers		91,934	
Assistant Principals		160,700	
Secretary(ies)		18,586	
Bonus Payments		2,748	
Social Security		27,899	
State Retirement		41,936	
Medical Insurance		32,248	
Unemployment Compensation		1,228	
Employer Medicare		6,525	
Other Supplies and Materials		7,636	
Other Charges		4,700	
Administration Equipment		2,977	
Total Office of the Principal			\$ 607,731

Fiscal Services

Accountants/Bookkeepers	\$	71,360	
Bonus Payments		1,770	
Social Security		4,468	
State Retirement		5,902	
Unemployment Compensation		189	
Employer Medicare		1,045	
Postal Charges		1,978	
Travel		359	
Other Contracted Services		10,688	
Office Supplies		2,388	
Other Charges		136	
Administration Equipment		589	
Total Fiscal Services			100,872

Operation of Plant

Custodial Personnel	\$	133,777	
Bonus Payments		2,955	
Social Security		8,361	
State Retirement		7,625	
Unemployment Compensation		1,039	
Employer Medicare		1,956	
Disposal Fees		35,000	
Other Contracted Services		2,860	
Custodial Supplies		27,412	
Electricity		309,543	
Natural Gas		64,671	
Water and Sewer		47,638	
Other Supplies and Materials		133	
Building and Contents Insurance		84,609	
Other Charges		281	
Total Operation of Plant			727,860

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Supervisor/Director	\$	40,305	
Bonus Payments		1,001	
Social Security		2,545	
State Retirement		3,333	
Unemployment Compensation		189	
Employer Medicare		595	
Maintenance and Repair Services - Buildings		64,613	
Other Contracted Services		16,244	
Other Supplies and Materials		3,025	
Other Charges		209	
Maintenance Equipment		683	
Total Maintenance of Plant			\$ 132,742

Transportation

Supervisor/Director	\$	3,100	
Mechanic(s)		30,230	
Bus Drivers		151,467	
Bonus Payments		4,003	
Other Salaries and Wages		12,127	
Social Security		11,739	
State Retirement		13,648	
Unemployment Compensation		1,417	
Employer Medicare		2,835	
Contracts with Parents		5,271	
Maintenance and Repair Services - Vehicles		8,913	
Other Contracted Services		810	
Diesel Fuel		64,233	
Gasoline		14,530	
Lubricants		2,143	
Tires and Tubes		11,054	
Vehicle Parts		10,749	
In Service/Staff Development		900	
Other Charges		6,379	
Transportation Equipment		84,025	
Total Transportation			439,573

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	18,900	
Clerical Personnel		12,600	
Bonus Payments		5,447	
Social Security		957	
State Retirement		1,205	
Unemployment Compensation		94	
Employer Medicare		498	
Payments to Schools - Lunch		402,479	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Food Service (Cont.)

Travel	\$	1,183	
Other Contracted Services		5,800	
USDA - Commodities		33,690	
Other Supplies and Materials		2,745	
Other Charges		166	
Food Service Equipment		556	
Total Food Service			\$ 486,320

Community Services

Assistant(s)	\$	8,725	
Supervisor/Director		21,125	
Teachers		14,500	
Pupil Personnel		10,752	
Education Media Personnel		11,650	
Bus Drivers		3,420	
Educational Assistants		25,985	
Social Security		5,960	
State Retirement		6,820	
Unemployment Compensation		525	
Employer Medicare		1,394	
Travel		254	
Other Contracted Services		2,500	
Instructional Supplies and Materials		6,931	
Other Supplies and Materials		9,005	
Total Community Services			129,546

Early Childhood Education

Supervisor/Director	\$	7,987	
Teachers		41,444	
Educational Assistants		11,927	
Bonus Payments		297	
Non-certified Substitute Teachers		860	
Social Security		3,809	
State Retirement		5,376	
Unemployment Compensation		189	
Employer Medicare		891	
Travel		233	
Instructional Supplies and Materials		29,577	
In Service/Staff Development		300	
Total Early Childhood Education			102,890

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	78,899	
Building Improvements		117,780	
Furniture and Fixtures		18,887	
Total Regular Capital Outlay			215,566

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 414,174	
Total Education		\$ 414,174

Total General Purpose School Fund \$ 9,439,335

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 295,767	
Educational Assistants	52,171	
Bonus Payments	593	
Other Salaries and Wages	16,100	
Social Security	21,632	
State Retirement	31,437	
Medical Insurance	18,691	
Employer Medicare	5,059	
Operating Lease Payments	1,570	
Instructional Supplies and Materials	62,780	
Total Regular Instruction Program		\$ 505,800

Special Education Program

Teachers	\$ 73,245	
Homebound Teachers	2,268	
Educational Assistants	117,899	
Other Salaries and Wages	658	
Social Security	11,138	
State Retirement	16,279	
Medical Insurance	5,663	
Employer Medicare	2,605	
Instructional Supplies and Materials	10,387	
Textbooks	260	
Other Supplies and Materials	130	
Fee Waivers	11	
Special Education Equipment	4,682	
Total Special Education Program		245,225

Vocational Education Program

Instructional Supplies and Materials	\$ 7,551	
Vocational Instruction Equipment	7,271	
Total Vocational Education Program		14,822

Support Services

Other Student Support

Other Salaries and Wages	\$ 300	
Social Security	19	
State Retirement	27	

(Continued)

Exhibit J-8

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

<u>School Federal Projects Fund (Cont.)</u>		
<u>Support Services (Cont.)</u>		
<u>Other Student Support (Cont.)</u>		
Employer Medicare	\$	4
Travel		1,468
In Service/Staff Development		612
Other Charges		500
Total Other Student Support	\$	2,930
 <u>Regular Instruction Program</u>		
Supervisor/Director	\$	43,155
Social Security		2,637
State Retirement		3,832
Employer Medicare		617
Operating Lease Payments		46,410
Travel		211
Other Contracted Services		10,400
Other Supplies and Materials		2,567
In Service/Staff Development		2,541
Other Charges		1,220
Total Regular Instruction Program		113,590
 <u>Special Education Program</u>		
Assessment Personnel	\$	45,243
Social Security		2,665
State Retirement		4,018
Medical Insurance		4,643
Employer Medicare		623
Other Supplies and Materials		431
In Service/Staff Development		3,000
Total Special Education Program		60,623
 <u>Vocational Education Program</u>		
Travel	\$	200
Total Vocational Education Program		200
 <u>Office of the Principal</u>		
Principals	\$	4,090
Assistant Principals		6,574
Social Security		661
State Retirement		947
Employer Medicare		155
Total Office of the Principal		12,427
 <u>Transportation</u>		
Bus Drivers	\$	3,185
Social Security		197
State Retirement		279
Employer Medicare		46
Total Transportation		3,707
Total School Federal Projects Fund	\$	<u>959,324</u>
Total Governmental Funds - Hartsville/Trousdale County School Department	\$	<u><u>10,398,659</u></u>

SINGLE AUDIT SECTION



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

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

Independent Auditor's Report

Hartsville/Trousdale County Government Mayor and
Board of County Commissioners
Trousdale County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hartsville/Trousdale County Government, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the metropolitan government's basic financial statements, and have issued our report thereon dated December 18, 2014. Our report includes a reference to other auditors who audited the financial statements of the Trousdale County Government Emergency Communications District, as described in our report on the metropolitan government's financial statements. This report does not include the results or the other auditors testing of internal control over financial reporting or compliance or other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the metropolitan government'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 the metropolitan government's internal control.

Accordingly, we do not express an opinion on the effectiveness of the metropolitan government's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 2014-001.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2014-002 and 2014-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the metropolitan government'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Metropolitan Government's Response to Findings

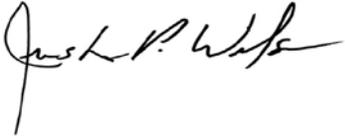
The metropolitan government's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The metropolitan government's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly,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

Purpose of this Report

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

the metropolitan government's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 18, 2014

JPW/kp



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

Independent Auditor's Report

Hartsville/Trousdale County Government Mayor and
Board of County Commissioners
Trousdale County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Hartsville/Trousdale County Government'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 the metropolitan government's major federal programs for the year ended June 30, 2014. The metropolitan government'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 the metropolitan government'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 the metropolitan government'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 the metropolitan government's compliance.

Opinion on Each Major Federal Program

In our opinion, the metropolitan government 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 the metropolitan government 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 the metropolitan government'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 the metropolitan government'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

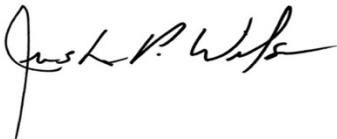
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the metropolitan government as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the metropolitan government's basic financial statements. We issued our report thereon dated December 18, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 18, 2014

JPW/kp

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	\$ 33,690 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	76,113
National School Lunch Program	10.555	(2)	310,818 (3)
After-school Snack	10.555	(2)	8,594 (3)
Total U.S. Department of Agriculture			<u>\$ 429,215</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program	12.Unknown	(2)	\$ 390,494
Total U.S. Department of Defense			<u>\$ 390,494</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	(2)	\$ 286,985 (4)
Total U.S. Department of Housing and Urban Development			<u>\$ 286,985</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-lieu-of Taxes	15.226	N/A	\$ 7,849
Total U.S. Department of the Interior			<u>\$ 7,849</u>
U.S. Department of Justice:			
Passed-through State Department of Finance and Administration:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	\$ 15,000
Total U.S. Department of Justice			<u>\$ 15,000</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z-14-GHS397	\$ 5,000
Total U.S. Department of Transportation			<u>\$ 5,000</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(2)	\$ 279,603
Special Education Cluster:			
Special Education - Grants to States	84.027	(2)	366,701
Special Education - Preschool Grants	84.173	(2)	11,974
Career and Technical Education - Basic Grants to States	84.048	(2)	17,952
Rural Education	84.358	(2)	21,467
Improving Teacher Quality State Grants	84.367	(2)	38,210
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	293,116
Total U.S. Department of Education			<u>\$ 1,029,023</u>

(Continued)

Hartsville/Trousdale County Government, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Requirements Payments	90.401	(2)	\$ 21,137
Total U.S. Election Assistance Commission			\$ 21,137
U.S. Department of Health and Human Services:			
Passed-through Greater Nashville Regional Council:			
Special Programs for the Aging Title III, Part D			
Disease Prevention and Health Promotion Services	93.043	(2)	\$ 4,000
Special Programs for the Aging Title III, Part B			
Grants for Supportive Services and Senior Centers	93.044	(2)	12,600
Passed-through State Department of Health:			
Maternal and Child Health Services Block Grant to the States	93.994	(2)	7,487
Total U.S. Department of Health and Human Services			\$ 24,087
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	(2)	\$ 4,072 (5)
Passed-through Metropolitan Government of Nashville/Davidson County:			
Homeland Security Grant Program	97.067	(2)	56,000 (5)
Total U.S. Department of Homeland Security			\$ 60,072
Total Expenditures of Federal Awards			\$ 2,268,862

<u>State Grants</u>		<u>Contract Number</u>	
Help America Vote Act Requirements Payments - Tennessee Secretary of State	N/A	(2)	\$ 1,112
Juvenile Services Program - State Commission on Children and Youth	N/A	(2)	9,000
Aging Programs - State Commission on Aging	N/A	GG-13-39695	11,700
Health Department Programs - State Department of Health	N/A	GG-14-37785	6,053
Lottery for Education: Afterschool Programs - State Department of Education	N/A	119-11-01-143	95,697
Early Childhood Education - State Department of Education	N/A	(2)	102,889
Tennessee Arts Commission (STS) Grant - State Department of Education	N/A	(2)	4,700
Coordinated School Health - State Department of Education	N/A	(2)	90,000
Law Enforcement Training - State Department of Safety	N/A	(2)	10,800
Waste Tire Grant - State Department of Environment and Conservation	N/A	32701-01617	5,604
Project Diabetes Initiative Services Grant - State Department of Health	N/A	GG-14-38704	13,209
Three Star Grant Program - State Department of Economic and Community Development	N/A	(2)	7,498
ACT-EXP - Internet Connectivity - State Department of Education	N/A	(2)	3,131
Safe Schools - State Department of Education	N/A	(2)	8,300
Litter Program - State Department of Transportation	N/A	(2)	33,593
Total State Grants			\$ 403,286

CFDA = Catalog of Federal Domestic Assistance
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$353,102.
- (4) GG-10-37750: \$44,489; 37293: \$215,936; 36202: \$26,560.
- (5) Total for CFDA No. 97.067 is \$60,072.

Hartsville/Trousdale County Government, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2014

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

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-001	164	Material audit adjustments were required for proper financial statement presentation

**OFFICES OF COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS
CLERK, AND CLERK AND MASTER**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-006	167	Multiple employees operated from the same cash drawer

**OFFICES OF COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS
CLERK, CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-007	167	Duties were not segregated adequately

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Hartsville/Trousdale County Government is unmodified.
2. The audit of the financial statements of the metropolitan government disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of the metropolitan government.
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 Section 1033 Excess Property Program (CFDA No. 12.Unknown); the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173); the State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395); and the Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. The metropolitan government did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The circuit and general sessions courts clerk provided a written response on one finding, which is paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 2014-001

MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION (Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2014, certain general ledger account balances in the Ambulance Service Fund were not materially correct. Audit adjustments totaling \$119,625 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Hartsville/Trousdale County Government to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the government's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the government has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Hartsville/Trousdale County Government should have appropriate processes in place to ensure that its general ledgers are materially correct.

OFFICES OF COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, AND CLERK AND MASTER

FINDING 2014-002

MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER (Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Multiple employees operated from the same cash drawer in the Offices of County Clerk, Circuit and General Sessions Courts Clerk, and Clerk and Master. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be

detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency in internal controls was the result of a lack of management oversight over risks related to safeguarding assets. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

County officials should assign each employee their own cash drawer.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

Effective July 1, 2014, all employees have their own cash drawer and close out their own drawer at the end of the day.

OFFICES OF COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF

FINDING 2014-003

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

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

RECOMMENDATION

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

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

There were no findings and questioned costs for federal awards.

BEST PRACTICE

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

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

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Hartsville/Trousdale County Government 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.

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, 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.