ANNUAL FINANCIAL REPORT
GILES COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2014

TENNESSEE
COMPTROLLER
OF THE TREASURY

ANNUAL FINANCIAL REPORT

GILES COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2014

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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Director

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Auditor 4s

MARK HARVILL, CFE
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JACOB KENNEDY, CISA
State Auditors

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

GILES COUNTY, TENNESSEE
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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF TRUSTEE

- The office had accounting deficiencies.

OFFICES OF CLERK AND MASTER AND REGISTER OF DEEDS

- Duties were not segregated adequately.

INTRODUCTORY SECTION

Giles County Officials
June 30, 2014

Officials

Janet Vanzant, County Executive
Barry Hyatt, Highway Commissioner
J.B. Smith, III, Interim Director of Schools
JoAnn Townsend, Trustee
Tommy Hyatt, Assessor of Property
Carol Wade, County Clerk
Crystal Greene, Circuit and General Sessions Courts Clerk
Merry Sigmon, Clerk and Master
Kaye Gibbons, Register of Deeds
Kyle Helton, Sheriff
Elizabeth Moore-Sumners, Finance Director

Board of County Commissioners

Janet Vanzant, County Executive, Chairman
Bill Cary
Janice Reece
Tommy Pope
Tommy Beech
Rick Carpenter
James Woodard
Melissa Greene
Rose Brown
Tommy Campbell
Louise Faulkner
Ramona Flacy
Berenetta Houston
Stoney Jackson
David Adams
Tim Risner
Roger Reedy
Connie Howell
Tommy Pollard
Vicki Coleman
Terry Harwell
Tracy Wilburn

Board of Education

Mike Young, Chairman
Jerry Bryant
Christie Glover
James Greene
Rhonda Turner
Doug Ead

Financial Management Committee

Stoney Jackson, Chairman
Janet Vanzant, County Executive
J.B. Smith, III, Interim Director of Schools
Barry Hyatt, Highway Commissioner
Melissa Greene
Berenetta Houston
Bill Cary

Audit Committee

Stoney Jackson, Chairman
Berenetta Houston
Connie Howell
Ramona Flacy
David Adams
Tommy Campbell
Roger Reedy

FINANCIAL SECTION

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

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Giles County Emergency Communications District, which represent 4.8 percent, 7.5 percent, and 2.3 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented Giles County Emergency Communications District, is based solely on the report of the other auditors. We conducted our audit in accordance with

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

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

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

Opinions

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

Change in Accounting Principle

As described in Note V.B., Giles County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plan and other postemployment benefits plan on pages 69 - 71 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 Giles County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Giles County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

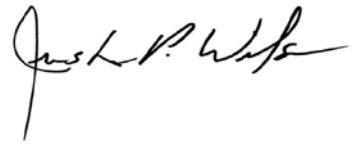
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Giles County School Department (a discretely presented component unit), and miscellaneous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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2015, on our consideration of Giles County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Giles County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 25, 2015

JPW/sb

Basic Financial Statements

Exhibit A

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

	Primary Government	Component Units	
	Governmental Activities	Giles County School Department	Emergency Communica-tions District
ASSETS			
Cash	$ 251,892	$ 0	$ 1,220,221
Equity in Pooled Cash and Investments	13,179,354	5,961,478	0
Inventories	0	58,873	0
Accounts Receivable	2,260,212	12,831	20,916
Allowance for Uncollectibles	(1,332,147)	0	0
Due from Other Governments	1,021,346	810,983	0
Due from Component Units	84,056	0	0
Property Taxes Receivable	8,444,085	6,366,601	0
Allowance for Uncollectible Property Taxes	(258,458)	(194,855)	0
Prepaid Items	0	0	13,954
Accrued Interest Receivable	0	0	41
Customer Deposits	0	0	86
Capital Assets:			
Assets Not Depreciated:			
Land	367,929	621,198	0
Construction in Progress	0	139,603	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	4,759,646	14,032,716	0
Other Capital Assets	744,568	2,265,534	259,086
Infrastructure	11,873,756	0	0
Total Assets	$ 41,396,239	$ 30,074,962	$ 1,514,304
LIABILITIES			
Accounts Payable	$ 525,549	$ 74,761	$ 0
Accrued Payroll	0	25,352	11,759
Payroll Deductions Payable	134,791	780,792	2,031
Accrued Interest Payable	12,440	0	0
Other Withholding Taxes	0	4,184	0
Contracts Payable	28,150	0	0
Retainage Payable	0	7,155	0
Due to Primary Government	0	84,056	0
Due to State of Tennessee	7,612	0	0
Noncurrent Liabilities:			
Due Within One Year	927,192	0	17,244
Due in More Than One Year	5,312,738	4,842,686	0
Total Liabilities	$ 6,948,472	$ 5,818,986	$ 31,034

(Continued)

Exhibit A

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

	Primary Government	Component Units	
	Governmental Activities	Giles County School Department	Emergency Communications District
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 7,843,819	$ 5,914,033	$ 0
Total Deferred Inflows of Resources	$ 7,843,819	$ 5,914,033	$ 0
NET POSITION			
Net Investment in Capital Assets	$ 16,160,077	$ 17,059,051	$ 259,087
Restricted for:			
General Government	812,435	0	0
Administration of Justice	35,316	0	0
Public Safety	178,768	0	0
Public Health and Welfare	21,745	0	0
Capital Outlay	10,006	0	0
Highway/Public Works	470,019	0	0
Education	0	31,809	0
Central Cafeteria	0	890,409	0
Unrestricted	8,915,582	360,674	1,224,183
Total Net Position	$ 26,603,948	$ 18,341,943	$ 1,483,270

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Units: Giles County School Department	Net (Expense) Revenue and Changes in Net Position: Component Units: Emergency Communications District
Primary Government:							
Governmental Activities:							
General Government	$ 1,941,111	$ 249,952	$ 91,801	$ 0	$ (1,599,358)	$ 0	$ 0
Finance	1,445,938	776,972	0	0	(668,966)	0	0
Administration of Justice	1,261,686	1,022,598	9,000	0	(230,088)	0	0
Public Safety	4,857,450	612,886	235,353	0	(4,009,211)	0	0
Public Health and Welfare	3,410,944	1,829,740	595,022	0	(986,182)	0	0
Social, Cultural, and Recreational Services	396,221	0	4,887	29,838	(361,496)	0	0
Agriculture and Natural Resources	283,197	0	18,580	0	(264,617)	0	0
Highways/Public Works	4,309,998	0	1,916,623	503,287	(1,890,088)	0	0
Interest on Long-term Debt	94,893	0	0	0	(94,893)	0	0
Total Governmental Activities	$ 18,001,438	$ 4,492,148	$ 2,871,266	$ 533,125	$ (10,104,899)	$ 0	$ 0
Total Primary Government	$ 18,001,438	$ 4,492,148	$ 2,871,266	$ 533,125	$ (10,104,899)	$ 0	$ 0
Component Units:							
Giles County School Department	$ 33,800,712	$ 492,436	$ 4,265,575	$ 0	$ 0	$ (29,042,701)	$ 0
Emergency Communications District	743,560	489,531	0	0	0	0	(254,029)
Total Component Units	$ 34,544,272	$ 981,967	$ 4,265,575	$ 0	$ 0	$ (29,042,701)	$ (254,029)

(Continued)

Exhibit B

Giles County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Units: Giles County School Department	Net (Expense) Revenue and Changes in Net Position: Component Units: Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					$ 8,422,745	$ 6,523,199	$ 0
Property Taxes Levied for Debt Service					229,063	0	0
Local Option Sales Tax					852,120	3,348,942	0
Hotel/Motel Tax					88,918	0	0
Litigation Tax - General					363,404	0	0
Litigation Tax - Jail, Workhouse, or Courthouse					423,847	0	0
Business Tax					217,579	0	0
Wholesale Beer Tax					200,173	0	0
Mineral Severance Tax					21,227	0	0
Other Local Taxes					1,892	2,978	0
Grants and Contributions Not Restricted to Specific Purposes					544,429	19,548,609	293,442
Unrestricted Investment Earnings					9,530	783	5,856
Miscellaneous					11,053	22,160	202
Insurance Recovery					61,295	0	0
Total General Revenues					$ 11,447,275	$ 29,446,671	$ 299,500
Change in Net Position					$ 1,342,376	$ 403,970	$ 45,471
Net Position, July 1, 2013					25,261,572	17,937,973	1,437,799
Net Position, June 30, 2014					$ 26,603,948	$ 18,341,943	$ 1,483,270

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 251,892	$ 251,892
Equity in Pooled Cash and Investments	8,976,562	231,663	2,103,082	1,868,047	13,179,354
Accounts Receivable	2,244,606	0	0	15,606	2,260,212
Allowance for Uncollectibles	(1,332,147)	0	0	0	(1,332,147)
Due from Other Governments	149,222	718,467	153,657	0	1,021,346
Property Taxes Receivable	6,262,981	1,957,695	223,409	0	8,444,085
Allowance for Uncollectible Property Taxes	(191,854)	(59,767)	(6,837)	0	(258,458)
Total Assets	$ 16,109,370	$ 2,848,058	$ 2,473,311	$ 2,135,545	$ 23,566,284
LIABILITIES					
Accounts Payable	$ 70,101	$ 453,673	$ 0	$ 1,775	$ 525,549
Payroll Deductions Payable	108,809	25,982	0	0	134,791
Contracts Payable	0	0	0	28,150	28,150
Due to State of Tennessee	69	7,543	0	0	7,612
Total Liabilities	$ 178,979	$ 487,198	$ 0	$ 29,925	$ 696,102
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 5,817,200	$ 1,819,091	$ 207,528	$ 0	$ 7,843,819
Deferred Delinquent Property Taxes	224,376	69,662	7,991	0	302,029
Other Deferred/Unavailable Revenue	810,571	169,997	78,088	0	1,058,656
Total Deferred Inflows of Resources	$ 6,852,147	$ 2,058,750	$ 293,607	$ 0	$ 9,204,504

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES					
Restricted:					
Restricted for General Government	$ 812,435	$ 0	$ 0	$ 0	$ 812,435
Restricted for Administration of Justice	35,316	0	0	0	35,316
Restricted for Public Safety	24,830	0	0	153,938	178,768
Restricted for Public Health and Welfare	21,745	0	0	1,673,974	1,695,719
Restricted for Highways/Public Works	0	302,110	0	0	302,110
Restricted for Capital Outlay	0	0	0	10,210	10,210
Committed:					
Committed for General Government	0	0	0	27,693	27,693
Committed for Finance	0	0	0	98,936	98,936
Committed for Administration of Justice	0	0	0	140,869	140,869
Committed for Debt Service	0	0	2,179,704	0	2,179,704
Assigned:					
Assigned for General Government	74,990	0	0	0	74,990
Assigned for Finance	8,345	0	0	0	8,345
Assigned for Administration of Justice	202	0	0	0	202
Assigned for Public Safety	9,012	0	0	0	9,012
Assigned for Public Health and Welfare	20,282	0	0	0	20,282
Assigned for Agriculture and Natural Resources	2,400	0	0	0	2,400
Assigned for Capital Projects	407,990	0	0	0	407,990
Unassigned	7,660,697	0	0	0	7,660,697
Total Fund Balances	$ 9,078,244	$ 302,110	$ 2,179,704	$ 2,105,620	$ 13,665,678
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 16,109,370	$ 2,848,058	$ 2,473,311	$ 2,135,545	$ 23,566,284

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

Exhibit C-2

Giles County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2014

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:		
Total fund balances - balance sheet - governmental funds (Exhibit C-1)		$ 13,665,678
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 367,929	
Add: buildings and improvements net of accumulated depreciation	4,759,646	
Add: other capital assets net of accumulated depreciation	744,568	
Add: infrastructure net of accumulated depreciation	11,873,756	17,745,899
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	$ (2,384,056)	
Less: bonds payable	(960,000)	
Add: due from component unit for debt payments	84,056	
Less: compensated absences payable	(240,740)	
Less: other postemployment benefits liability	(395,600)	
Less: accrued interest on notes and bonds	(12,440)	
Less: other long-term liabilities	(2,259,534)	(6,168,314)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		1,360,685
Net position of governmental activities (Exhibit A)		$ 26,603,948

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Revenues					
Local Taxes	$ 8,162,535	$ 2,012,000	$ 1,076,805	$ 0	$ 11,251,340
Licenses and Permits	12,272	0	0	0	12,272
Fines, Forfeitures, and Penalties	158,082	0	0	45,333	203,415
Charges for Current Services	1,654,973	0	0	891,894	2,546,867
Other Local Revenues	165,760	5,673	0	950	172,383
Fees Received from County Officials	758,243	0	0	0	758,243
State of Tennessee	983,444	2,447,329	0	29,838	3,460,611
Federal Government	301,995	0	0	254,882	556,877
Other Governments and Citizens Groups	110,943	15,910	25,212	2,090	154,155
Total Revenues	$ 12,308,247	$ 4,480,912	$ 1,102,017	$ 1,224,987	$ 19,116,163
Expenditures					
Current:					
General Government	$ 1,229,788	$ 0	$ 0	$ 101,060	$ 1,330,848
Finance	1,017,688	0	0	362,274	1,379,962
Administration of Justice	857,169	0	0	370,664	1,227,833
Public Safety	4,303,047	0	0	112,118	4,415,165
Public Health and Welfare	2,698,855	0	0	0	2,698,855
Social, Cultural, and Recreational Services	219,142	0	0	0	219,142
Agriculture and Natural Resources	270,140	0	0	0	270,140
Other Operations	850,261	0	0	0	850,261
Highways	0	4,619,483	0	0	4,619,483
Debt Service:					
Principal on Debt	0	0	575,772	0	575,772
Interest on Debt	0	0	96,554	0	96,554
Other Debt Service	0	0	310,994	0	310,994

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Expenditures (Cont.)					
Capital Projects	$ 45,234	$ 0	$ 0	$ 413,098	$ 458,332
Total Expenditures	$ 11,491,324	$ 4,619,483	$ 983,320	$ 1,359,214	$ 18,453,341
Excess (Deficiency) of Revenues Over Expenditures	$ 816,923	$ (138,571)	$ 118,697	$ (134,227)	$ 662,822
Other Financing Sources (Uses)					
Insurance Recovery	$ 41,378	$ 19,917	$ 0	$ 0	$ 61,295
Transfers In	61,977	9,030	0	0	71,007
Transfers Out	(9,030)	0	0	(61,977)	(71,007)
Total Other Financing Sources (Uses)	$ 94,325	$ 28,947	$ 0	$ (61,977)	$ 61,295
Net Change in Fund Balances	$ 911,248	$ (109,624)	$ 118,697	$ (196,204)	$ 724,117
Fund Balance, July 1, 2013	8,166,996	411,734	2,061,007	2,301,824	12,941,561
Fund Balance, June 30, 2014	$ 9,078,244	$ 302,110	$ 2,179,704	$ 2,105,620	$ 13,665,678

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)			$ 724,117
(1)	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
	Add: capital assets purchased in the current period	$ 2,058,525	
	Less: current-year depreciation expense	(1,936,370)	122,155
(2)	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Add: deferred delinquent property taxes and other deferred June 30, 2014	$ 1,360,685	
	Less: deferred delinquent property taxes and other deferred June 30, 2013	(1,169,117)	191,568
(3)	The issuance of long-term debt (e.g., notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
	Add: principal payments on bonds	$ 307,560	
	Add: principal payments on notes	268,212	
	Less: contributions from the School Department for notes	(25,212)	550,560
(4)	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
	Change in accrued interest payable	$ 1,661	
	Change in compensated absences payable	(28,683)	
	Change in other long-term liabilities	(193,835)	
	Change in other postemployment benefits liability	(25,167)	(246,024)
Change in net position of governmental activities (Exhibit B)			$ 1,342,376

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

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 8,162,535	$ 0	$ 0	$ 8,162,535	$ 7,771,579	$ 7,792,347	$ 370,188
Licenses and Permits	12,272	0	0	12,272	19,400	19,400	(7,128)
Fines, Forfeitures, and Penalties	158,082	0	0	158,082	138,350	138,350	19,732
Charges for Current Services	1,654,973	0	0	1,654,973	1,610,800	1,633,800	21,173
Other Local Revenues	165,760	0	0	165,760	254,500	361,239	(195,479)
Fees Received from County Officials	758,243	0	0	758,243	693,000	705,000	53,243
State of Tennessee	983,444	0	0	983,444	1,029,880	930,485	52,959
Federal Government	301,995	0	0	301,995	50,305	285,221	16,774
Other Governments and Citizens Groups	110,943	0	0	110,943	51,270	106,157	4,786
Total Revenues	$ 12,308,247	$ 0	$ 0	$ 12,308,247	$ 11,619,084	$ 11,971,999	$ 336,248
Expenditures							
General Government							
County Commission	$ 41,428	$ 0	$ 0	$ 41,428	$ 52,076	$ 52,076	$ 10,648
County Mayor/Executive	179,510	(150)	0	179,360	185,214	186,418	7,058
County Attorney	47,782	0	0	47,782	42,000	48,000	218
Election Commission	256,695	(115)	0	256,580	255,839	307,748	51,168
Register of Deeds	41,067	0	0	41,067	49,873	59,363	18,296
County Buildings	663,306	(29,703)	74,990	708,593	473,391	728,360	19,767
Finance							
Accounting and Budgeting	446,897	0	0	446,897	449,468	451,428	4,531
Property Assessor's Office	402,357	(3,286)	3,000	402,071	428,453	430,413	28,342
Reappraisal Program	23,183	0	0	23,183	36,600	36,600	13,417
County Trustee's Office	56,444	0	0	56,444	30,067	56,907	463
County Clerk's Office	88,807	0	5,345	94,152	75,477	99,947	5,795
Administration of Justice							
Circuit Court	276,385	(101,771)	0	174,614	160,805	181,674	7,060
General Sessions Court	166,441	0	0	166,441	167,504	167,994	1,553
Chancery Court	192,327	0	202	192,529	194,643	195,378	2,849
Judicial Commissioners	29,840	0	0	29,840	31,039	31,039	1,199
Courtroom Security	192,176	0	0	192,176	193,547	194,527	2,351

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Public Safety							
Sheriff's Department	$ 1,803,835	$ (11,246)	$ 8,512	$ 1,801,101	$ 1,796,548	$ 1,882,376	$ 81,275
Traffic Control	2,641	0	0	2,641	4,550	4,550	1,909
Drug Enforcement	16,259	(2,217)	0	14,042	10,000	16,000	1,958
Administration of the Sexual Offender Registry	3,028	0	0	3,028	3,500	3,500	472
Jail	1,864,061	0	500	1,864,561	2,005,147	2,154,279	289,718
Juvenile Services	45,257	0	0	45,257	62,118	62,363	17,106
Fire Prevention and Control	2,573	0	0	2,573	2,800	3,300	727
Rescue Squad	219,681	0	0	219,681	205,000	219,681	0
Other Emergency Management	271,133	(10,899)	0	260,234	263,873	271,008	10,774
County Coroner/Medical Examiner	71,452	0	0	71,452	42,000	74,350	2,898
Other Public Safety	3,127	(550)	0	2,577	750	2,745	168
Public Health and Welfare							
Local Health Center	47,787	0	11,901	59,688	69,650	69,650	9,962
Rabies and Animal Control	67,838	(445)	0	67,393	70,047	70,292	2,899
Ambulance/Emergency Medical Services	2,075,667	(3,157)	0	2,072,510	2,133,349	2,135,030	62,520
Alcohol and Drug Programs	180	0	8,381	8,561	0	30,301	21,740
Regional Mental Health Center	20,700	0	0	20,700	20,700	20,700	0
Aid to Dependent Children	0	0	0	0	7,000	7,000	7,000
Other Local Welfare Services	34,735	0	0	34,735	32,763	37,763	3,028
Sanitation Management	67,025	0	0	67,025	70,000	70,000	2,975
Transfer Stations	121,472	0	0	121,472	135,451	135,696	14,224
Other Public Health and Welfare	263,451	0	0	263,451	375,100	380,600	117,149
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	20,660	0	0	20,660	20,660	20,660	0
Libraries	125,342	0	0	125,342	102,596	127,596	2,254
Parks and Fair Boards	46,227	0	0	46,227	54,375	54,375	8,148
Other Social, Cultural, and Recreational	26,913	0	0	26,913	33,561	33,561	6,648
Agriculture and Natural Resources							
Agricultural Extension Service	131,736	0	2,400	134,136	149,550	149,795	15,659
Forest Service	2,973	0	0	2,973	2,500	3,050	77

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Agriculture and Natural Resources (Cont.)							
Soil Conservation	$ 100,264	$ 0	$ 0	$ 100,264	$ 100,889	$ 101,379	$ 1,115
Flood Control	35,167	0	0	35,167	0	35,400	233
Other Operations							
Industrial Development	66,650	0	0	66,650	66,650	66,650	0
Other Economic and Community Development	30,783	0	0	30,783	30,783	30,783	0
Public Transportation	0	0	0	0	62,000	62,000	62,000
Airport	45,591	0	0	45,591	45,600	45,600	9
Veterans' Services	16,376	0	0	16,376	15,798	16,598	222
Other Charges	558,955	0	0	558,955	660,000	639,650	80,695
Contributions to Other Agencies	105,000	0	0	105,000	100,000	105,000	0
Employee Benefits	26,415	0	0	26,415	40,455	40,455	14,040
Miscellaneous	491	0	0	491	1,000	1,000	509
Capital Projects							
Administration of Justice Projects	45,234	0	407,990	453,224	440,000	460,000	6,776
Total Expenditures	$ 11,491,324	$ (163,539)	$ 523,221	$ 11,851,006	$ 12,062,759	$ 12,872,608	$ 1,021,602
Excess (Deficiency) of Revenues Over Expenditures	$ 816,923	$ 163,539	$ (523,221)	$ 457,241	$ (443,675)	$ (900,609)	$ 1,357,850
Other Financing Sources (Uses)							
Insurance Recovery	$ 41,378	$ 0	$ 0	$ 41,378	$ 0	$ 37,232	$ 4,146
Transfers In	61,977	0	0	61,977	0	63,232	(1,255)
Transfers Out	(9,030)	0	0	(9,030)	0	(9,030)	0
Total Other Financing Sources	$ 94,325	$ 0	$ 0	$ 94,325	$ 0	$ 91,434	$ 2,891
Net Change in Fund Balance	$ 911,248	$ 163,539	$ (523,221)	$ 551,566	$ (443,675)	$ (809,175)	$ 1,360,741
Fund Balance, July 1, 2013	8,166,996	(163,539)	0	8,003,457	7,923,203	8,003,457	0
Fund Balance, June 30, 2014	$ 9,078,244	$ 0	$ (523,221)	$ 8,555,023	$ 7,479,528	$ 7,194,282	$ 1,360,741

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

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 2,012,000	$ 0	$ 0	$ 2,012,000	$ 1,967,792	$ 1,967,792	$ 44,208
Other Local Revenues	5,673	0	0	5,673	10,000	10,000	(4,327)
State of Tennessee	2,447,329	0	0	2,447,329	2,432,000	2,447,000	329
Other Governments and Citizens Groups	15,910	0	0	15,910	15,000	15,000	910
Total Revenues	$ 4,480,912	$ 0	$ 0	$ 4,480,912	$ 4,424,792	$ 4,439,792	$ 41,120
Expenditures							
Highways							
Administration	$ 183,210	$ 0	$ 0	$ 183,210	$ 188,189	$ 190,389	$ 7,179
Highway and Bridge Maintenance	2,838,951	0	491	2,839,442	2,900,852	2,923,502	84,060
Operation and Maintenance of Equipment	714,173	0	0	714,173	752,583	744,583	30,410
Litter and Trash Collection	40,958	(170)	0	40,788	44,000	44,200	3,412
Other Charges	161,607	0	0	161,607	171,545	181,995	20,388
Capital Outlay	680,584	0	0	680,584	705,000	692,500	11,916
Total Expenditures	$ 4,619,483	$ (170)	$ 491	$ 4,619,804	$ 4,762,169	$ 4,777,169	$ 157,365
Excess (Deficiency) of Revenues Over Expenditures	$ (138,571)	$ 170	$ (491)	$ (138,892)	$ (337,377)	$ (337,377)	$ 198,485
Other Financing Sources (Uses)							
Insurance Recovery	$ 19,917	$ 0	$ 0	$ 19,917	$ 0	$ 0	$ 19,917
Transfers In	9,030	0	0	9,030	0	9,030	0
Total Other Financing Sources	$ 28,947	$ 0	$ 0	$ 28,947	$ 0	$ 9,030	$ 19,917
Net Change in Fund Balance	$ (109,624)	$ 170	$ (491)	$ (109,945)	$ (337,377)	$ (328,347)	$ 218,402
Fund Balance, July 1, 2013	411,734	(170)	0	411,564	345,410	411,564	0
Fund Balance, June 30, 2014	$ 302,110	$ 0	$ (491)	$ 301,619	$ 8,033	$ 83,217	$ 218,402

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

Exhibit D

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

	Agency Funds
ASSETS	
Cash	$ 1,995,064
Due from Other Governments	440,482
Loan Proceeds Receivable	13,797
Total Assets	$ 2,449,343
LIABILITIES	
Accounts Payable	$ 13,797
Due to Other Taxing Units	440,482
Due to Litigants, Heirs, and Others	1,995,064
Total Liabilities	$ 2,449,343

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

GILES COUNTY, TENNESSEE
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GILES COUNTY, TENNESSEE
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Giles County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Giles County:

A. Reporting Entity

Giles County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Giles County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Giles County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Giles County, and the Giles County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Giles County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Giles County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Giles County Emergency Communications District
P.O. Box 307
Pulaski, TN 38478

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 Giles County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Giles County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the

fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in 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 Giles County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Giles County has no proprietary funds to report.

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

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

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

Fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no

measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Giles County reports the following major governmental funds:

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

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

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

Additionally, Giles County reports the following fund types:

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Giles County, and loan proceeds received and expended on behalf of the Minor Hill Utility District. 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 Giles County School Department reports the following major governmental fund:

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

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

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

Capital Projects Fund – The Education Capital Projects Fund is used to account for financial resources to be used for building construction and renovations.

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

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

1. Deposits and Investments

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

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

2. Receivables and Payables

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

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

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

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

Retainage payable in the School Department's nonmajor governmental funds represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the School Department's nonmajor governmental funds.

3. Inventories

Inventories of the Giles County School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

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

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

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

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

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

Assets	Years
Buildings and Improvements	5 - 40
Other Capital Assets	3 - 20
Infrastructure:	
Roads	10 - 25
Bridges	40

5. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future

period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for revenue, 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.

6. Compensated Absences

Primary Government

It is the county's policy to permit employees (excluding the Highway Department) to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Giles County 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 county. A liability for vacation pay is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Discretely Presented Giles County School Department

The School Department does not have a policy to permit employees to accumulate earned but unused vacation benefits. The general policy of the School Department permits all professional personnel (teachers) to accumulate an unlimited number of unused sick leave days. There is no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the government.

7. Long-term Obligations

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

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

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

8. 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, Giles County had $84,056 in outstanding debt for capital purposes for the discretely presented Giles County School Department. This debt is a liability of Giles County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Giles County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

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

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

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

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

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

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Giles County School Department

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

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

Primary Government

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

Discretely Presented Giles County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of

General Fund major categories: County Commission, County Mayor/Executive, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2014, Giles County and the Giles County School Department reported the following significant encumbrances:

Funds	Description	Amount
Primary Government		
Major Fund:		
General	Jail Improvements	$ 397,000
School Department		
Major Fund:		
General Purpose School	Buses	259,716

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged

in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

Investments

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

Investment Balances. As of June 30, 2014, Giles County had the following investments carried at fair value. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Giles County and the discretely presented Giles County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Fair Value
State Treasurer's Investment Pool	109	$ 7,099,034

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit

the maturities of certain investments as previously disclosed. Giles County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments, as previously explained. Giles County has no investment policy that would further limit its investment choices. As of June 30, 2014, Giles County's investment in the State Treasurer's Investment Pool was unrated.

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	Balance 6-30-14
Capital Assets Not Depreciated:			
Land	$ 367,929	$ 0	$ 367,929
Total Capital Assets Not Depreciated	$ 367,929	$ 0	$ 367,929
Capital Assets Depreciated:			
Buildings and Improvements	$ 8,587,943	$ 0	$ 8,587,943
Infrastructure	31,551,778	1,895,591	33,447,369
Other Capital Assets	5,309,838	162,934	5,472,772
Total Capital Assets Depreciated	$ 45,449,559	$ 2,058,525	$ 47,508,084
Less Accumulated Depreciation For:			
Buildings and Improvements	$ 3,587,983	$ 240,314	$ 3,828,297
Infrastructure	20,202,321	1,371,292	21,573,613
Other Capital Assets	4,403,440	324,764	4,728,204
Total Accumulated Depreciation	$ 28,193,744	$ 1,936,370	$ 30,130,114
Total Capital Assets Depreciatied, Net	$ 17,255,815	$ 122,155	$ 17,377,970
Governmental Activities Capital Assets, Net	$ 17,623,744	$ 122,155	$ 17,745,899

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

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

Governmental Activities:

General Government	$ 26,167
Finance	21,781
Administration of Justice	2,107
Public Safety	266,711
Public Health and Welfare	106,448
Social, Cultural, and Recreational Services	11,250
Agriculture and Natural Resources	6,361
Highways/Public Works	1,495,545
Total Depreciation Expense - Governmental Activities	$ 1,936,370

Discretely Presented Giles County School Department - Governmental Activities:

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets Not Depreciated:			
Land	$ 621,198	$ 0	$ 621,198
Construction in Progress	0	139,603	139,603
Total Capital Assets Not Depreciated	$ 621,198	$ 139,603	$ 760,801
Capital Assets Depreciated:			
Buildings and Improvements	$ 29,662,961	$ 217,349	$ 29,880,310
Other Capital Assets	6,450,056	267,184	6,717,240
Total Capital Assets Depreciated	$ 36,113,017	$ 484,533	$ 36,597,550

Discretely Presented Giles County School Department - Governmental Activities (Cont):

	Balance 7-1-13	Increases	Balance 6-30-14
Less Accumulated Depreciation For:			
Buildings and Improvements	$ 15,133,893	$ 713,701	$ 15,847,594
Other Capital Assets	4,072,586	379,120	4,451,706
Total Accumulated Depreciation	$ 19,206,479	$ 1,092,821	$ 20,299,300
Total Capital Assets Depreciated, Net	$ 16,906,538	$ (608,288)	$ 16,298,250
Governmental Activities Capital Assets, Net	$ 17,527,736	$ (468,685)	$ 17,059,051

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

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

Governmental Activities:

Instruction	$ 811,587
Support Services	281,234
Total Depreciation Expense - Governmental Activities	$ 1,092,821

C. Construction Commitments

At June 30, 2014, the School Department had uncompleted construction contracts of approximately $58,967 for school building renovation projects. Funding has been received for these future expenditures.

D. 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
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	$ 112,361
Nonmajor governmental	General Purpose School	1,823

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.

Due to/from Primary Government:

Receivable Fund	Payable Fund	Amount
Primary Government:	Discretely Presented School Department:	
General Debt Service	General Purpose School	$ 84,056

Interfund Transfers:

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

Primary Government

	Transfers In	
Transfers Out	General Fund	Highway/ Public Works Fund
General Fund	$ 0	$ 9,030
Nonmajor governmental fund	61,977	0
Total	$ 61,977	$ 9,030

Discretely Presented Giles County School Department

	Transfer In
Transfer Out	Nonmajor Governmental Fund
General Purpose School Fund	$ 906,000

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.

The discretely presented Giles County School Department made a one-time transfer of $906,000 from the General Purpose School Fund to the Education Capital Projects Fund to provide funds for school renovation projects.

E. Long-term Obligations

Primary Government

General Obligation Bonds and Notes

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

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

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds -				
Refunding	1.71 %	4-1-17	$ 1,267,560	$ 960,000
Capital Outlay Notes	0 to 3.19	5-1-23	3,176,500	2,384,056

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

Year Ending June 30	Bonds Principal	Interest	Total
2015	$ 310,000	$ 16,416	$ 326,416
2016	320,000	11,115	331,115
2017	330,000	5,643	335,643
Total	$ 960,000	$ 33,174	$ 993,174

Year Ending June 30	Notes Principal	Interest	Total
2015	$ 274,212	$ 69,423	$ 343,635
2016	282,212	61,998	344,210
2017	290,212	54,334	344,546
2018	281,420	46,432	327,852
2019	281,000	38,284	319,284
2020-2023	975,000	69,833	1,044,833
Total	$ 2,384,056	$ 340,304	$ 2,724,360

There is $2,179,704 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and notes totaled $113, based on the 2010 federal census.

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

Description of Indebtedness	Outstanding 6-30-14
Notes Payable	
Contributions from the General Purpose School Fund	
Energy Efficient Schools Initiative	$ 84,056

Other Long-term Obligations

Giles County entered into an interlocal agreement with Minor Hill Utility District during 2010, whereby Minor Hill agreed to apply for funding through the State Revolving Fund Loan Program (SRF) on behalf of the county for the construction of water line extensions in its service and adjacent areas. The agreement stipulates that the county will be responsible for all aspects of the program. Minor Hill Utility District will coordinate with the county's engineer

and contractors during the design and construction phase and accept ownership after construction and installation approval. The district will be responsible for the ongoing operation and maintenance costs including depreciation.

Giles County will make payments to the district to cover all debt service requirements of the SRF loan. The total loan commitment is $3,000,000, which includes principal forgiveness of $600,000. The loan is for a term of 20 years and is secured by the revenues of the district as well as pledges by Giles County of ad valorem and unobligated state-shared taxes. The county has committed to fund debt service requirements on this loan pursuant by an interlocal agreement. The amount due to the district pursuant to the agreement to cover the amounts advanced as of June 30, 2014, is reflected as a long-term payable on the Statement of Net Position. The amounts paid by the county to or on behalf of Minor Hill Utility District pursuant to this agreement will be reflected as contribution expenditures in the General Debt Service Fund.

Changes in Long-term Obligations

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

Governmental Activities:	Bonds	Notes	Other Long-term Liabilities
Balance, July 1, 2013	$ 1,267,560	$ 2,652,268	$ 2,065,699
Additions	0	0	270,515
Reductions	(307,560)	(268,212)	(76,680)
Balance, June 30, 2014	$ 960,000	$ 2,384,056	$ 2,259,534
Balance Due Within One Year	$ 310,000	$ 274,212	$ 102,240

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	$ 212,057	$ 370,433
Additions	288,892	30,381
Reductions	(260,209)	(5,214)
Balance, June 30, 2014	$ 240,740	$ 395,600
Balance Due Within One Year	$ 240,740	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	$ 6,239,930
Less: Balance Due Within One Year	(927,192)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 5,312,738

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Discretely Presented Giles County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2013	$ 4,658,242
Additions	632,800
Reductions	(448,356)
Balance, June 30, 2014	$ 4,842,686
Balance Due Within One Year	$ 0

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Giles County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, were $161,139 and $56,125, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

Giles County issued tax anticipation notes from the General Debt Service Fund in advance of property tax collections and deposited the proceeds in the Highway/Public Works Fund. These notes were necessary because funds were not available to meet payroll and other operating expenditures coming due before current tax collections. Short-term debt activity for the year ended June 30, 2014, was as follows:

	Balance 7-1-13	Issued	Paid	Balance 6-30-14
Tax Anticipation Notes	$ 0	$ 400,000	$ (400,000)	$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county is exposed to various risks related to general liability, property, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums.

Giles County does not have a workers' compensation plan, but carries an occupational injury insurance policy. This policy covers workers' injuries, but does not limit the county's liability should occupational-related lawsuits be filed.

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

Discretely Presented Giles County School Department

The discretely presented Giles County School Department is exposed to various risks related to liability, property, and casualty losses. The School Department 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 School Department joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The School Department pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums.

The School Department continues to carry commercial insurance for other risks of loss, including property. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School Department participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established by the Tennessee County Services Association, an association of member counties, to provide for liabilities arising under the workers' compensation law. In accordance with Sections 12-9-101 through 12-9-109, *Tennessee Code Annotated* (*TCA*), inclusive, local governments are eligible to participate. The creation of the LGWCF provides for it to be self-sustaining through member premiums.

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

B. Accounting Changes

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

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

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

C. Subsequent Events

On July 15, 2014, the county's General Debt Service Fund issued a $400,000 tax anticipation note to the Highway/Public Works Fund for temporary operating funds.

On August 31, 2014, JoAnn Townsend left the Office of Trustee and was succeeded by Janice Curtis.

D. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney has not responded to requests to provide estimates of the potential claims not covered by insurance. However, management believes that any claims resulting from such litigation would not materially affect the county's financial statements.

E. Change in Administration

On June 16, 2014, Dr. Timothy Webb left the Office of Director of Schools and was succeeded by J.B. Smith, III, on an interim basis.

F. Joint Ventures

The Economic Development Commission for Pulaski-Giles County, Tennessee, Inc., is a joint venture between Giles County and the City of Pulaski and is governed by a 14-member board. The purpose of the board is to promote and facilitate the economic development of the City of Pulaski and Giles County, Tennessee. Giles County and the City of Pulaski provide the majority of funding for the board. Each of these entities is required to fund 40 percent of the board's annual operating budget. Giles County contributed $66,650 to the operations of the Economic Development Commission during the year ended June 30, 2014.

The Interlocal Solid Waste Authority was formed by joint resolution of the counties of Giles, Franklin, and Lincoln, and by the municipalities of Tullahoma and Fayetteville for the purpose of developing a solid waste regional plan. Each participating County Commission or City Council appointed the authority's board for varying terms of office. Giles County contributed $6,620 to the Interlocal Solid Waste Authority for the year ended June 30, 2014.

Giles County does not retain an equity interest in either of the above-noted joint ventures. Complete financial statements for the Economic Development Commission and the Interlocal Solid Waste Authority can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Economic Development Commission
203 South First Street
P.O. Box 633
Pulaski, TN 38478

Interlocal Solid Waste Authority
P.O. Box 807
Tullahoma, TN 37388

G. Jointly Governed Organizations

Industrial Development Board

The Industrial Development Board of Giles County and the City of Pulaski was created by Giles County and the City of Pulaski. The Industrial Development Board comprises eight members. The county and the city each appoint four members. However, the county does not have any ongoing financial interest or responsibility for the entity. Giles County contributed $77,792 to the Industrial Development Board for the year ended June 30, 2014.

Tennessee Southern Railroad Authority

The Tennessee Southern Railroad Authority (TSRA) was created by the county in conjunction with Lawrence and Maury counties, and its board comprises the county mayors/executives and a representative appointed by the respective County Commissions from each of the three counties and a representative from the cities of Mt. Pleasant and Lawrenceburg. However, Giles County does not have any ongoing financial interest or responsibility for the entity. The majority of TSRA's funding is received from various grants from the Tennessee Department of Transportation. Giles County made no appropriations to the Tennessee Southern Railroad Authority for the year ended June 30, 2014.

H. Commitments

Airport

Giles County and the City of Pulaski jointly own the Abernathy Field Airport; however, the day-to-day operation of the airport is administered by the City of Pulaski. The financial activity of the airport is reported in the General Fund financial statements of the City of Pulaski. Giles County is committed to contributing one-half of the operating expenses of the Abernathy Field Airport. Giles County contributed $45,591 to airport operations during the year ended June 30, 2014.

Industrial Park

On October 20, 1997, the County Commission adopted a resolution "to participate and fund the county's share or one-half of the costs and expenses associated with the development of the new industrial park ... ." Based on this resolution, the county will participate with the City of Pulaski to develop an industrial park. A written contract that documents this arrangement has been approved by a County Commission resolution. As of June 30, 2014, the City of Pulaski had borrowed certain funds and also funded part of this project from its local funds. Giles County made a contribution of $74,910 to the City of Pulaski to pay its portion of these obligations during the year ended June 30, 2014, from the General Debt Service Fund.

I. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

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

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

Funding Policy

Giles County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 8.28 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2014, the county's annual pension cost of $908,191 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was two years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	$ 908,191	100%	$0
6-30-13	897,361	100	0
6-30-12	1,007,499	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 99.75 percent funded. The actuarial accrued liability for benefits

was $34.21 million, and the actuarial value of assets was $34.12 million, resulting in an unfunded actuarial accrued liability (UAAL) of $.08 million. The covered payroll (annual payroll of active employees covered by the plan) was $10.35 million, and the ratio of the UAAL to the covered payroll was .82 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 Giles County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2014, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2014, 2013, and 2012, were $1,288,367, $1,338,123, and $1,468,037, respectively, equal to the required contributions for each year.

2. Deferred Compensation

Giles County offers its employees a deferred compensation plan established pursuant to IRC Section 457, and the Giles County School Department offers its employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 403(b) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 403(b) and 457 establish participation, contribution, and withdrawal provisions for the plans.

J. Other Postemployment Benefits (OPEB)

Plan Description

Giles County and the School Department participate in the state-administered Local Education Group Insurance Plan and the Local Government Group Insurance Plan for health care benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated* (*TCA*), for local education employees, and Section 8-27-207, *TCA*, for local governments. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for health care benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The 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.html.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The 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 members in the Medicare Supplement Plan. Giles County and the School Department recognized expenditures of $5,214 and $448,356, respectively, for postemployment health care during the year ended June 30, 2014.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	$ 628,000	$ 30,000
Interest on the NOPEBO	186,330	14,817
Adjustment to the ARC	(181,530)	(14,436)
Annual OPEB cost	$ 632,800	$ 30,381
Amount of contribution	(448,356)	(5,214)
Increase/decrease in NOPEBO	$ 184,444	$ 25,167
Net OPEB obligation, 7-1-13	4,658,242	370,433
Net OPEB obligation, 6-30-14	$ 4,842,686	$ 395,600

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year-End
Primary Government				
6-30-12	Local Government Group	$ 68,357	20 %	$ 316,107
6-30-13	"	69,222	22	370,433
6-30-14	"	30,381	17	395,600
School Department				
6-30-12	Local Education Group	868,699	52	4,197,058
6-30-13	"	877,678	47	4,658,242
6-30-14	"	632,800	71	4,842,686

Funded Status and Funding Progress

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

(dollars in thousands)

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	$ 6,357	$ 203
Actuarial value of plan assets	$ 0	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 6,357	$ 203
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	$ 19,736	$ 7,399
UAAL as a % of covered payroll	32%	3%

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

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Education Plan and the Local Government Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate was 7.5 percent for fiscal year 2014. The trend will decrease to seven percent in fiscal year 2015 and then will be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is

being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

K. Office of Central Accounting and Budgeting

Giles County operates under provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act also provides for the creation of a Finance Department operated under the direction of the finance director.

L. Purchasing Laws

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by her to serve as the county purchasing agent. The finance director serves as the purchasing agent for Giles County. All purchase orders are issued by the Finance Department. Purchases exceeding $10,000 are required to be competitively bid.

VI. OTHER NOTES – DISCRETELY PRESENTED EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

The accounting policies and the reporting requirements of the Giles County Emergency Communications District conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting standards. The GASB's *Codification of Governmental Accounting and Financial Reporting Standards* document these principles.

Reporting Entity

The Giles County Emergency Communications District was authorized by state statute subject to the Emergency Communications District Law, *Tennessee Code Annotated*, Chapter 86, for the purpose of establishing a uniform emergency number to shorten the time required for a citizen to request and receive emergency aid in Giles County, Tennessee. The legislative body of Giles County, by resolution, created the Emergency Communications District to operate within the boundaries of Giles County. The district represents a legal entity separate and apart from Giles County, Tennessee. The district is a component unit of Giles County, and its financial statements are reported as a discretely presented component unit of the primary government. The governing body is comprised of nine directors initially appointed by the Giles County Board of Commissioners. Vacancies on the board are appointed by a majority vote of the Board of Directors. The Board of Directors appoints a chairman and hires employees and consultants as necessary. The board also has the power to set user fee rates up to the

maximum charges allowed by the Emergency Communications District Law, and do all things necessary to conduct other business of the district. The district is restricted as to the type of debt it can incur without the approval of Giles County, Tennessee.

Revenue Recognition

The accompanying statements are prepared on the accrual basis of accounting using the economic resources measurement focus utilizing generally accepted accounting principles applicable to Tennessee emergency communications districts. Revenues are recognized when earned (operating revenues as described in Note VI.D. are recognized when collected by the service providers) and expenses when incurred. Operating revenues and expenses generally result from charges collected by service providers under the Emergency Communications District Law and related fees for services. Operating expenses include the cost of personnel and contractual services, supplies, repairs, and depreciation on all capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the district's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risk Management

The district is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and natural disasters. The district maintains and pays the premiums for commercial insurance coverage for each of these risks of losses. Settled claims in the past three years have not exceeded the insurance coverage. There were no reductions in insurance coverage compared to the prior year.

Property and Equipment

Property and equipment are stated at cost. Depreciation expense is calculated on the straight-line method. It is the policy of the district to depreciate assets purchased for $1,000 or more. The depreciation method and rates are designed to amortize the cost of the assets over their estimated

useful lives. The useful life for the building is 40 years and equipment is five to ten years. Maintenance and repairs are charged to expense as incurred.

Net interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. No interest was capitalized for the current year.

Statement of Cash Flows – Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the district considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

State statutes authorize the district to invest in: (1) U.S. government securities and obligations guaranteed by the U.S. government, (2) deposit accounts at state and federal chartered banks and savings and loan associations, (3) the Local Government Investment Pool of the State of Tennessee, and (4) obligations of the United States or its agencies under repurchase agreements with certain restrictions.

Deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105 percent of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool.

The district has not adopted formal deposit or investment policies for exposure to various forms of risks associated with its deposit and investment practices, other than to follow state statutes as described above.

Accounts Receivable

Accounts receivable at June 30, 2014, represents fees collected by service providers that are due to the district as of year-end. Uncollected fees/revenues are accounted for as a reduction of revenues based upon a periodic review of accounts receivable. As of June 30, 2014, in the opinion of management, there were no uncollectible accounts receivables.

Income Taxes

The district is exempt from federal and state income taxes.

Accumulated Compensated Absences

The costs of vacation leave benefits granted to employees are recorded as expenditures when earned.

B. Cash

All of the district's deposits were covered by federal depository insurance or by the bank collateral pool administered by the treasurer of the State of Tennessee, as of June 30, 2014.

C. Property and Equipment

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

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Depreciated:				
Building	$ 119,643	$ 6,770	$ 0	$ 126,413
Equipment	553,341	88,239	(67,220)	574,360
Furniture and Fixtures	6,071	1,366	0	7,437
Total Capital Assets Depreciated	$ 679,055	$ 96,375	$ (67,220)	$ 708,210
Less Accumlated Depreciation For:				
Building	$ 54,716	$ 3,698	$ 0	$ 58,414
Equipment	412,078	39,759	(67,220)	384,617
Furniture and Fixtures	5,835	258	0	6,093
Total Accumlated Depreciation	$ 472,629	$ 43,715	$ (67,220)	$ 449,124
Total Capital Assets Depreciated, Net	$ 206,426	$ 52,660	$ 0	$ 259,086

Depreciation for the year ended June 30, 2014, totaled $43,715.

D. Operations

The district receives operating revenues from AT&T and Ardmore Telephone Company customers by charging a monthly fee of $1.50 to residential and $3 to business customers. These are the maximum charges allowed by the Emergency Communications District Law, and there are no plans to decrease these rates in the near future. The district pays AT&T approximately $1,480 per month to lease and maintain lines and equipment. The actual monthly cost varies depending on the number of users on the system.

The district also receives operating revenues from the Tennessee Emergency Communications Board (ECB). The ECB receives 100 percent of the wireless E-911 charge collected from the state's wireless/cellular telephone users and subscribers, and in turn remits 25 percent to each district its portion of the funds collected based on that district's population.

E. Retirement Benefits

The district provides a defined contribution plan covering all full-time employees. Provisions of the plan provide for both employee and employer contributions. Under the plan, the district matches employee contributions up to three percent of the employee's base pay. Employer contributions to the plan totaled $8,153 for the year ended June 30, 2014, while employee contributions totaled $8,666.

F. Budgets

The district prepares an annual budget in accordance with the requirements of Section 7-86-120, *Tennessee Code Annotated*. The budget reflects all expected revenues and expenditures of the district for the ensuing fiscal year. Expenses are budgeted at the legal level of control, which is at the line-item level. The approved budget is integrated into the accounting system and employed as a management control device during the year. The budget is adopted on a basis consistent with generally accepted accounting principles.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit E-1

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

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(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-13	$ 34,124	$ 34,208	$ 85	99.75 %	$ 10,351	0.82 %
7-1-11	30,581	31,478	897	97.15	10,409	8.62
7-1-09	25,207	26,464	1,257	95.25	10,234	12.28

Exhibit E-2

Giles County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Giles 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)
PRIMARY GOVERNMENT							
Local Government Group	7-1-10	$ 0	$ 489	$ 489	0 %	$ 6,846	7 %
"	7-1-11	0	489	489	0	7,060	7
"	7-1-13	0	203	203	0	7,399	3
DISCRETELY PRESENTED GILES COUNTY SCHOOL DEPARTMENT							
Local Education Group	7-1-10	0	7,596	7,596	0	20,606	37
"	7-1-11	0	7,596	7,596	0	19,343	39
"	7-1-13	0	6,357	6,357	0	19,736	32

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

NONE

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Giles County's recycling program.

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

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

Capital Projects Funds

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

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

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for capital expenditures of the Highway Department.

Exhibit F-1

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

	Special Revenue Funds			Capital Projects Funds
	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects
ASSETS				
Cash	$ 0	$ 251,892	$ 251,892	$ 0
Equity in Pooled Cash and Investments	153,938	0	153,938	1,713,905
Accounts Receivable	0	15,606	15,606	0
Total Assets	$ 153,938	$ 267,498	$ 421,436	$ 1,713,905
LIABILITIES				
Accounts Payable	$ 0	$ 0	$ 0	$ 1,775
Contracts Payable	0	0	0	28,150
Total Liabilities	$ 0	$ 0	$ 0	$ 29,925
FUND BALANCES				
Restricted:				
Restricted for Public Safety	$ 153,938	$ 0	$ 153,938	$ 0
Restricted for Public Health and Welfare	0	0	0	1,673,974
Restricted for Capital Outlay	0	0	0	10,006
Committed:				
Committed for General Government	0	27,693	27,693	0
Committed for Finance	0	98,936	98,936	0
Committed for Administration of Justice	0	140,869	140,869	0
Total Fund Balances	$ 153,938	$ 267,498	$ 421,436	$ 1,683,980
Total Liabilities and Fund Balances	$ 153,938	$ 267,498	$ 421,436	$ 1,713,905

(Continued)

Exhibit F-1

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

	Capital Projects Funds (Cont.)		
	Highway Capital Projects	Total	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 0	$ 0	$ 251,892
Equity in Pooled Cash and Investments	204	1,714,109	1,868,047
Accounts Receivable	0	0	15,606
Total Assets	$ 204	$ 1,714,109	$ 2,135,545
LIABILITIES			
Accounts Payable	$ 0	$ 1,775	$ 1,775
Contracts Payable	0	28,150	28,150
Total Liabilities	$ 0	$ 29,925	$ 29,925
FUND BALANCES			
Restricted:			
Restricted for Public Safety	$ 0	$ 0	$ 153,938
Restricted for Public Health and Welfare	0	1,673,974	1,673,974
Restricted for Capital Outlay	204	10,210	10,210
Committed:			
Committed for General Government	0	0	27,693
Committed for Finance	0	0	98,936
Committed for Administration of Justice	0	0	140,869
Total Fund Balances	$ 204	$ 1,684,184	$ 2,105,620
Total Liabilities and Fund Balances	$ 204	$ 1,714,109	$ 2,135,545

Exhibit F-2

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects
Revenues					
Fines, Forfeitures, and Penalties	$ 0	$ 45,333	$ 0	$ 45,333	$ 0
Charges for Current Services	0	0	891,894	891,894	0
Other Local Revenues	0	950	0	950	0
State of Tennessee	0	0	0	0	29,838
Federal Government	0	3,391	0	3,391	251,491
Other Governments and Citizens Groups	0	2,090	0	2,090	0
Total Revenues	$ 0	$ 51,764	$ 891,894	$ 943,658	$ 281,329
Expenditures					
Current:					
General Government	$ 0	$ 0	$ 101,060	$ 101,060	$ 0
Finance	0	0	362,274	362,274	0
Administration of Justice	0	0	370,664	370,664	0
Public Safety	0	112,118	0	112,118	0
Capital Projects	0	0	0	0	313,765
Total Expenditures	$ 0	$ 112,118	$ 833,998	$ 946,116	$ 313,765
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ (60,354)	$ 57,896	$ (2,458)	$ (32,436)
Other Financing Sources (Uses)					
Transfers Out	$ (61,977)	$ 0	$ 0	$ (61,977)	$ 0
Total Other Financing Sources (Uses)	$ (61,977)	$ 0	$ 0	$ (61,977)	$ 0
Net Change in Fund Balances	$ (61,977)	$ (60,354)	$ 57,896	$ (64,435)	$ (32,436)
Fund Balance, July 1, 2013	61,977	214,292	209,602	485,871	1,716,416
Fund Balance, June 30, 2014	$ 0	$ 153,938	$ 267,498	$ 421,436	$ 1,683,980

(Continued)

Exhibit F-2

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

	Capital Projects Funds (Cont.)		
	Highway Capital Projects	Total	Total Nonmajor Governmental Funds
Revenues			
Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 45,333
Charges for Current Services	0	0	891,894
Other Local Revenues	0	0	950
State of Tennessee	0	29,838	29,838
Federal Government	0	251,491	254,882
Other Governments and Citizens Groups	0	0	2,090
Total Revenues	$ 0	$ 281,329	$ 1,224,987
Expenditures			
Current:			
General Government	$ 0	$ 0	$ 101,060
Finance	0	0	362,274
Administration of Justice	0	0	370,664
Public Safety	0	0	112,118
Capital Projects	99,333	413,098	413,098
Total Expenditures	$ 99,333	$ 413,098	$ 1,359,214
Excess (Deficiency) of Revenues Over Expenditures	$ (99,333)	$ (131,769)	$ (134,227)
Other Financing Sources (Uses)			
Transfers Out	$ 0	$ 0	$ (61,977)
Total Other Financing Sources (Uses)	$ 0	$ 0	$ (61,977)
Net Change in Fund Balances	$ (99,333)	$ (131,769)	$ (196,204)
Fund Balance, July 1, 2013	99,537	1,815,953	2,301,824
Fund Balance, June 30, 2014	$ 204	$ 1,684,184	$ 2,105,620

Exhibit F-3

Giles County, 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Total Revenues	$ 0	$ 0	$ 0	$ 0
Total Expenditures	$ 0	$ 0	$ 0	$ 0
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ 0	$ 0	$ 0
Other Financing Sources (Uses)				
Transfers Out	$ (61,977)	$ 0	$ (63,232)	$ 1,255
Total Other Financing Sources	$ (61,977)	$ 0	$ (63,232)	$ 1,255
Net Change in Fund Balance	$ (61,977)	$ 0	$ (63,232)	$ 1,255
Fund Balance, July 1, 2013	61,977	0	63,232	(1,255)
Fund Balance, June 30, 2014	$ 0	$ 0	$ 0	$ 0

Exhibit F-4

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Fines, Forfeitures, and Penalties	$ 45,333	$ 0	$ 0	$ 45,333	$ 55,000	$ 55,000	$ (9,667)
Other Local Revenues	950	0	0	950	0	0	950
Federal Government	3,391	0	0	3,391	0	0	3,391
Other Governments and Citizens Groups	2,090	0	0	2,090	1,500	1,500	590
Total Revenues	$ 51,764	$ 0	$ 0	$ 51,764	$ 56,500	$ 56,500	$ (4,736)
Expenditures							
Public Safety							
Drug Enforcement	$ 112,118	$ (8,011)	$ 929	$ 105,036	$ 135,020	$ 135,020	$ 29,984
Total Expenditures	$ 112,118	$ (8,011)	$ 929	$ 105,036	$ 135,020	$ 135,020	$ 29,984
Excess (Deficiency) of Revenues Over Expenditures	$ (60,354)	$ 8,011	$ (929)	$ (53,272)	$ (78,520)	$ (78,520)	$ 25,248
Net Change in Fund Balance	$ (60,354)	$ 8,011	$ (929)	$ (53,272)	$ (78,520)	$ (78,520)	$ 25,248
Fund Balance, July 1, 2013	214,292	(8,011)	0	206,281	208,038	206,281	0
Fund Balance, June 30, 2014	$ 153,938	$ 0	$ (929)	$ 153,009	$ 129,518	$ 127,761	$ 25,248

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Giles County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,076,805	$ 1,086,266	$ 1,086,266	$ (9,461)
Other Governments and Citizens Groups	25,212	0	25,212	0
Total Revenues	$ 1,102,017	$ 1,086,266	$ 1,111,478	$ (9,461)
Expenditures				
Principal on Debt				
General Government	$ 456,560	$ 606,560	$ 529,880	$ 73,320
Highways and Streets	94,000	94,000	94,000	0
Education	25,212	0	25,212	0
Interest on Debt				
General Government	74,673	149,674	112,303	37,630
Highways and Streets	21,881	21,863	21,882	1
Other Debt Service				
General Government	310,994	202,747	316,779	5,785
Total Expenditures	$ 983,320	$ 1,074,844	$ 1,100,056	$ 116,736
Excess (Deficiency) of Revenues Over Expenditures	$ 118,697	$ 11,422	$ 11,422	$ 107,275
Net Change in Fund Balance	$ 118,697	$ 11,422	$ 11,422	$ 107,275
Fund Balance, July 1, 2013	2,061,007	2,076,919	2,061,007	0
Fund Balance, June 30, 2014	$ 2,179,704	$ 2,088,341	$ 2,072,429	$ 107,275

Fiduciary Funds

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

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

Community Development - Agency Fund – The Community Development - Agency Fund is used to account for loan proceeds received and disbursed by the county on behalf of the Minor Hill Utility District for the purpose of constructing water line extensions.

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.

Exhibit H-1

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

	Agency Funds			
	Cities - Sales Tax	Community Development - Agency	Constitu-tional Officers - Agency	Total
ASSETS				
Cash	$ 0	$ 0	$ 1,995,064	$ 1,995,064
Due from Other Governments	440,482	0	0	440,482
Loan Proceeds Receivable	0	13,797	0	13,797
Total Assets	$ 440,482	$ 13,797	$ 1,995,064	$ 2,449,343
LIABILITIES				
Accounts Payable	$ 0	$ 13,797	$ 0	$ 13,797
Due to Other Taxing Units	440,482	0	0	440,482
Due to Litigants, Heirs, and Others	0	0	1,995,064	1,995,064
Total Liabilities	$ 440,482	$ 13,797	$ 1,995,064	$ 2,449,343

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 2,473,635	$ 2,473,635	$ 0
Due from Other Governments	419,190	440,482	419,190	440,482
Total Assets	$ 419,190	$ 2,914,117	$ 2,892,825	$ 440,482
Liabilities				
Due to Other Taxing Units	$ 419,190	$ 2,914,117	$ 2,892,825	$ 440,482
Total Liabilities	$ 419,190	$ 2,914,117	$ 2,892,825	$ 440,482
Community Development - Agency Fund				
Assets				
Equity in Pooled Cash and Investments	$ 67,778	$ 270,515	$ 338,293	$ 0
Loan Proceeds Receivable	98,198	13,797	98,198	13,797
Total Assets	$ 165,976	$ 284,312	$ 436,491	$ 13,797
Liabilities				
Accounts Payable	$ 27,575	$ 13,797	$ 27,575	$ 13,797
Contracts Payable	131,481	0	131,481	0
Retainage Payable	6,920	0	6,920	0
Due to Litigants, Heirs, and Others	0	270,515	270,515	0
Total Liabilities	$ 165,976	$ 284,312	$ 436,491	$ 13,797
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 1,441,669	$ 9,043,902	$ 8,490,507	$ 1,995,064
Total Assets	$ 1,441,669	$ 9,043,902	8,490,507	$ 1,995,064
Liabilities				
Due to Litigants, Heirs, and Others	$ 1,441,669	$ 9,043,902	$ 8,490,507	$ 1,995,064
Total Liabilities	$ 1,441,669	$ 9,043,902	$ 8,490,507	$ 1,995,064

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
Totals - All Agency Funds				
Assets				
Cash	$ 1,441,669	$ 9,043,902	$ 8,490,507	$ 1,995,064
Equity in Pooled Cash and Investments	67,778	2,744,150	2,811,928	0
Due from Other Governments	419,190	440,482	419,190	440,482
Loan Proceeds Receivable	98,198	13,797	98,198	13,797
Total Assets	$ 2,026,835	$ 12,242,331	$ 11,819,823	$ 2,449,343
Liabilities				
Accounts Payable	$ 27,575	$ 13,797	$ 27,575	$ 13,797
Contracts Payable	131,481	0	131,481	0
Retainage Payable	6,920	0	6,920	0
Due to Litigants, Heirs, and Others	1,441,669	9,314,417	8,761,022	1,995,064
Due to Other Taxing Units	419,190	2,914,117	2,892,825	440,482
Total Liabilities	$ 2,026,835	$ 12,242,331	$ 11,819,823	$ 2,449,343

Giles County School Department

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

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

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

Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities:				
Instruction	$ 20,324,952	$ 45,419	$ 1,433,597	$ (18,845,936)
Support Services	10,681,843	74,630	579,607	(10,027,606)
Operation of Non-instructional Services	2,793,917	372,387	2,252,371	(169,159)
Total Governmental Activities	$ 33,800,712	$ 492,436	$ 4,265,575	$ (29,042,701)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				$ 6,523,199
Local Option Sales Tax				3,348,942
Other Local Taxes				2,978
Grants and Contributions Not Restricted to Specific Programs				19,548,609
Unrestricted Investment Earnings				783
Miscellaneous				22,160
Total General Revenues				$ 29,446,671
Change in Net Position				$ 403,970
Net Position, July 1, 2013				17,937,973
Net Position, June 30, 2014				$ 18,341,943

Exhibit I-2

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

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
ASSETS			
Equity in Pooled Cash and Investments	$ 4,836,639	$ 1,124,839	$ 5,961,478
Inventories	0	58,873	58,873
Accounts Receivable	12,388	443	12,831
Due from Other Governments	752,482	58,501	810,983
Due from Other Funds	112,361	1,823	114,184
Property Taxes Receivable	6,366,601	0	6,366,601
Allowance for Uncollectible Property Taxes	(194,855)	0	(194,855)
Total Assets	$ 11,885,616	$ 1,244,479	$ 13,130,095
LIABILITIES			
Accounts Payable	$ 41,086	$ 33,675	$ 74,761
Accrued Payroll	25,352	0	25,352
Payroll Deductions Payable	684,675	96,117	780,792
Retainage Payable	0	7,155	7,155
Other Withholding Taxes	4,184	0	4,184
Due to Other Funds	1,823	112,361	114,184
Total Liabilities	$ 757,120	$ 249,308	$ 1,006,428
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 5,914,033	$ 0	$ 5,914,033
Deferred Delinquent Property Taxes	227,722	0	227,722
Other Deferred/Unavailable Revenue	299,692	0	299,692
Total Deferred Inflows of Resources	$ 6,441,447	$ 0	$ 6,441,447
FUND BALANCES			
Nonspendable:			
Inventory	$ 0	$ 58,873	$ 58,873
Restricted:			
Restricted for Education	4,374	816,178	820,552
Committed:			
Committed for Education	15,127	0	15,127
Committed for Capital Outlay	0	77,327	77,327
Assigned:			
Assigned for Education	308,679	42,793	351,472
Unassigned	4,358,869	0	4,358,869
Total Fund Balances	$ 4,687,049	$ 995,171	$ 5,682,220
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 11,885,616	$ 1,244,479	$ 13,130,095

Exhibit I-3

Giles County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Giles 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)		$ 5,682,220
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 621,198	
Add: construction in progress	139,603	
Add: buildings and improvements net of accumulated depreciation	14,032,716	
Add: other capital assets net of accumulated depreciation	2,265,534	17,059,051
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on primary government debt for notes	$ (84,056)	
Less: other postemployment benefits liability	(4,842,686)	(4,926,742)
(3) Other long-tem assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		527,414
Net position of governmental activities (Exhibit A)		$ 18,341,943

Exhibit I-4

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

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
Revenues			
Local Taxes	$ 9,842,603	$ 0	$ 9,842,603
Licenses and Permits	2,204	0	2,204
Charges for Current Services	128,060	364,376	492,436
Other Local Revenues	24,472	3,583	28,055
State of Tennessee	19,749,438	22,444	19,771,882
Federal Government	127,236	3,907,750	4,034,986
Total Revenues	$ 29,874,013	$ 4,298,153	$ 34,172,166
Expenditures			
Current:			
Instruction	$ 17,176,708	$ 1,987,193	$ 19,163,901
Support Services	10,243,635	131,602	10,375,237
Operation of Non-instructional Services	645,743	2,134,029	2,779,772
Debt Service:			
Other Debt Service	25,212	0	25,212
Capital Projects	0	828,673	828,673
Total Expenditures	$ 28,091,298	$ 5,081,497	$ 33,172,795
Excess (Deficiency) of Revenues Over Expenditures	$ 1,782,715	$ (783,344)	$ 999,371
Other Financing Sources (Uses)			
Transfers In	$ 0	$ 906,000	$ 906,000
Transfers Out	(906,000)	0	(906,000)
Total Other Financing Sources (Uses)	$ (906,000)	$ 906,000	$ 0
Net Change in Fund Balances	$ 876,715	$ 122,656	$ 999,371
Fund Balance, July 1, 2013	3,810,334	872,515	4,682,849
Fund Balance, June 30, 2014	$ 4,687,049	$ 995,171	$ 5,682,220

Exhibit I-5

Giles County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Giles 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)		$ 999,371
(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	$ 624,136	
	Less: current-year depreciation expense	(1,092,821)	(468,685)
(2)	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Add: deferred delinquent property taxes and other deferred June 30, 2014	$ 527,414	
	Less: deferred delinquent property taxes and other deferred June 30, 2013	(494,898)	32,516
(3)	The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
	Add: principal contributions on notes to primary government		25,212
(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		(184,444)
	Change in net position of governmental activities (Exhibit B)		$ 403,970

Exhibit I-6

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

	Special Revenue Funds			Capital Projects Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Nonmajor Governmental Funds
ASSETS					
Equity in Pooled Cash and Investments	$ 149,772	$ 887,463	$ 1,037,235	$ 87,604	$ 1,124,839
Inventories	0	58,873	58,873	0	58,873
Accounts Receivable	0	443	443	0	443
Due from Other Governments	58,501	0	58,501	0	58,501
Due from Other Funds	1,823	0	1,823	0	1,823
Total Assets	$ 210,096	$ 946,779	$ 1,156,875	$ 87,604	$ 1,244,479
LIABILITIES					
Accounts Payable	$ 5,081	$ 25,472	$ 30,553	$ 3,122	$ 33,675
Payroll Deductions Payable	65,219	30,898	96,117	0	96,117
Retainage Payable	0	0	0	7,155	7,155
Due to Other Funds	112,361	0	112,361	0	112,361
Total Liabilities	$ 182,661	$ 56,370	$ 239,031	$ 10,277	$ 249,308
FUND BALANCES					
Nonspendable:					
Inventory	$ 0	$ 58,873	$ 58,873	$ 0	$ 58,873
Restricted:					
Restricted for Education	3,959	812,219	816,178	0	816,178
Committed:					
Committed for Capital Outlay	0	0	0	77,327	77,327
Assigned:					
Assigned for Education	23,476	19,317	42,793	0	42,793
Total Fund Balances	$ 27,435	$ 890,409	$ 917,844	$ 77,327	$ 995,171
Total Liabilities and Fund Balances	$ 210,096	$ 946,779	$ 1,156,875	$ 87,604	$ 1,244,479

Exhibit I-7

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

	Special Revenue Funds			Capital Projects Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Nonmajor Governmental Funds
Revenues					
Charges for Current Services	$ 0	$ 364,376	$ 364,376	$ 0	$ 364,376
Other Local Revenues	0	3,583	3,583	0	3,583
State of Tennessee	0	22,444	22,444	0	22,444
Federal Government	2,120,303	1,787,447	3,907,750	0	3,907,750
Total Revenues	$ 2,120,303	$ 2,177,850	$ 4,298,153	$ 0	$ 4,298,153
Expenditures					
Current:					
Instruction	$ 1,987,193	$ 0	$ 1,987,193	$ 0	$ 1,987,193
Support Services	131,569	33	131,602	0	131,602
Operation of Non-instructional Services	0	2,134,029	2,134,029	0	2,134,029
Capital Projects	0	0	0	828,673	828,673
Total Expenditures	$ 2,118,762	$ 2,134,062	$ 4,252,824	$ 828,673	$ 5,081,497
Excess (Deficiency) of Revenues Over Expenditures	$ 1,541	$ 43,788	$ 45,329	$ (828,673)	$ (783,344)
Other Financing Sources (Uses)					
Transfers In	$ 0	$ 0	$ 0	$ 906,000	$ 906,000
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 0	$ 906,000	$ 906,000
Net Change in Fund Balances	$ 1,541	$ 43,788	$ 45,329	$ 77,327	$ 122,656
Fund Balance, July 1, 2013	25,894	846,621	872,515	0	872,515
Fund Balance, June 30, 2014	$ 27,435	$ 890,409	$ 917,844	$ 77,327	$ 995,171

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 9,842,603	$ 0	$ 0	$ 9,842,603	$ 9,582,376	$ 9,582,376	$ 260,227
Licenses and Permits	2,204	0	0	2,204	2,300	2,300	(96)
Charges for Current Services	128,060	0	0	128,060	133,000	133,000	(4,940)
Other Local Revenues	24,472	0	0	24,472	36,500	36,500	(12,028)
State of Tennessee	19,749,438	0	0	19,749,438	19,516,969	19,823,820	(74,382)
Federal Government	127,236	0	0	127,236	55,000	173,986	(46,750)
Total Revenues	$ 29,874,013	$ 0	$ 0	$ 29,874,013	$ 29,326,145	$ 29,751,982	$ 122,031
Expenditures							
Instruction							
Regular Instruction Program	$ 13,640,451	$ (24,353)	$ 13,107	$ 13,629,205	$ 14,312,278	$ 14,384,967	$ 755,762
Special Education Program	2,675,568	0	0	2,675,568	2,583,533	2,761,402	85,834
Vocational Education Program	860,689	0	225	860,914	916,768	916,768	55,854
Support Services							
Attendance	82,011	0	0	82,011	99,938	95,619	13,608
Health Services	543,743	0	0	543,743	535,273	579,552	35,809
Other Student Support	702,427	0	0	702,427	777,500	733,000	30,573
Regular Instruction Program	1,023,516	0	0	1,023,516	1,102,500	1,113,500	89,984
Special Education Program	288,865	0	2,410	291,275	551,602	297,744	6,469
Vocational Education Program	34,592	0	0	34,592	62,450	62,450	27,858
Other Programs	217,264	0	0	217,264	0	217,264	0
Board of Education	769,446	0	0	769,446	868,379	850,379	80,933
Director of Schools	258,912	0	0	258,912	244,800	274,503	15,591
Office of the Principal	1,473,133	0	0	1,473,133	1,543,500	1,484,060	10,927
Operation of Plant	2,165,475	0	8,364	2,173,839	2,212,900	2,222,688	48,849
Maintenance of Plant	704,136	(1,000)	2,555	705,691	812,280	842,280	136,589
Transportation	1,980,115	(115,255)	259,716	2,124,576	2,001,350	2,366,436	241,860
Operation of Non-instructional Services							
Community Services	112,842	0	1,733	114,575	161,123	160,011	45,436
Early Childhood Education	532,901	0	20,569	553,470	544,970	587,450	33,980

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Other Debt Service							
Education	$ 25,212	$ 0	$ 0	$ 25,212	$ 0	$ 25,212	$ 0
Total Expenditures	$ 28,091,298	$ (140,608)	$ 308,679	$ 28,259,369	$ 29,331,144	$ 29,975,285	$ 1,715,916
Excess (Deficiency) of Revenues Over Expenditures	$ 1,782,715	$ 140,608	$ (308,679)	$ 1,614,644	$ (4,999)	$ (223,303)	$ 1,837,947
Other Financing Sources (Uses)							
Insurance Recovery	$ 0	$ 0	$ 0	$ 0	$ 5,000	$ 5,000	$ (5,000)
Transfers Out	(906,000)	0	0	(906,000)	0	(906,000)	0
Total Other Financing Sources	$ (906,000)	$ 0	$ 0	$ (906,000)	$ 5,000	$ (901,000)	$ (5,000)
Net Change in Fund Balance	$ 876,715	$ 140,608	$ (308,679)	$ 708,644	$ 1	$ (1,124,303)	$ 1,832,947
Fund Balance, July 1, 2013	3,810,334	(140,608)	0	3,669,726	3,450,453	2,569,726	1,100,000
Fund Balance, June 30, 2014	$ 4,687,049	$ 0	$ (308,679)	$ 4,378,370	$ 3,450,454	$ 1,445,423	$ 2,932,947

Exhibit I-9

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Federal Government	$ 2,120,303	$ 0	$ 2,120,303	$ 2,476,079	$ 3,064,922	$ (944,619)
Total Revenues	$ 2,120,303	$ 0	$ 2,120,303	$ 2,476,079	$ 3,064,922	$ (944,619)
Expenditures						
Instruction						
Regular Instruction Program	$ 1,390,198	$ 0	$ 1,390,198	$ 1,220,491	$ 1,622,275	$ 232,077
Special Education Program	577,138	0	577,138	636,567	718,841	141,703
Vocational Education Program	19,857	23,476	43,333	50,788	45,788	2,455
Support Services						
Other Student Support	66,406	0	66,406	64,099	89,947	23,541
Regular Instruction Program	43,585	0	43,585	282,119	292,275	248,690
Special Education Program	20,524	0	20,524	220,930	285,982	265,458
Vocational Education Program	1,054	0	1,054	1,084	1,084	30
Transportation	0	0	0	0	8,730	8,730
Total Expenditures	$ 2,118,762	$ 23,476	$ 2,142,238	$ 2,476,078	$ 3,064,922	$ 922,684
Excess (Deficiency) of Revenues Over Expenditures	$ 1,541	$ (23,476)	$ (21,935)	$ 1	$ 0	$ (21,935)
Net Change in Fund Balance	$ 1,541	$ (23,476)	$ (21,935)	$ 1	$ 0	$ (21,935)
Fund Balance, July 1, 2013	25,894	0	25,894	0	0	25,894
Fund Balance, June 30, 2014	$ 27,435	$ (23,476)	$ 3,959	$ 1	$ 0	$ 3,959

Exhibit I-10

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Charges for Current Services	$ 364,376	$ 0	$ 364,376	$ 379,014	$ 379,014	$ (14,638)
Other Local Revenues	3,583	0	3,583	750	1,105	2,478
State of Tennessee	22,444	0	22,444	22,095	22,095	349
Federal Government	1,787,447	0	1,787,447	1,651,182	1,651,182	136,265
Total Revenues	$ 2,177,850	$ 0	$ 2,177,850	$ 2,053,041	$ 2,053,396	$ 124,454
Expenditures						
Support Services						
Board of Education	$ 33	$ 0	$ 33	$ 50	$ 50	$ 17
Operation of Non-instructional Services						
Food Service	2,134,029	19,317	2,153,346	2,152,991	2,153,346	0
Total Expenditures	$ 2,134,062	$ 19,317	$ 2,153,379	$ 2,153,041	$ 2,153,396	$ 17
Excess (Deficiency) of Revenues Over Expenditures	$ 43,788	$ (19,317)	$ 24,471	$ (100,000)	$ (100,000)	$ 124,471
Net Change in Fund Balance	$ 43,788	$ (19,317)	$ 24,471	$ (100,000)	$ (100,000)	$ 124,471
Fund Balance, July 1, 2013	846,621	0	846,621	100,000	100,000	746,621
Fund Balance, June 30, 2014	$ 890,409	$ (19,317)	$ 871,092	$ 0	$ 0	$ 871,092

MISCELLANEOUS SCHEDULES

Exhibit J-1

Giles County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Paid and/or Matured During Period	Outstanding 6-30-14
NOTES PAYABLE							
Payable through General Debt Service Fund							
Sewer Project, Series 2011	$ 2,000,000	3.19 %	5-6-11	5-1-23	$ 1,718,000	$ 149,000	$ 1,569,000
Highway Capital Outlay Notes, Series 2011	1,000,000	2.65	7-22-11	6-30-21	825,000	94,000	731,000
Total Payable through General Debt Service Fund					$ 2,543,000	$ 243,000	$ 2,300,000
Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund							
Energy Efficient Schools Initiative	176,500	0	7-13-10	10-1-17	$ 109,268	$ 25,212	$ 84,056
Total Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund					$ 109,268	$ 25,212	$ 84,056
Total Notes Payable					$ 2,652,268	$ 268,212	$ 2,384,056
BONDS PAYABLE							
Payable through General Debt Service Fund							
Refunding General Obligation	1,267,560	1.71	5-1-13	4-1-17	$ 1,267,560	$ 307,560	$ 960,000
Total Bonds Payable					$ 1,267,560	$ 307,560	$ 960,000

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	$ 274,212	$ 69,423	$ 343,635
2016	282,212	61,998	344,210
2017	290,212	54,334	344,546
2018	281,420	46,432	327,852
2019	281,000	38,284	319,284
2020	289,000	29,899	318,899
2021	298,000	21,273	319,273
2022	191,000	12,377	203,377
2023	197,000	6,284	203,284
Total	$ 2,384,056	$ 340,304	$ 2,724,360

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	$ 310,000	$ 16,416	$ 326,416
2016	320,000	11,115	331,115
2017	330,000	5,643	335,643
Total	$ 960,000	$ 33,174	$ 993,174

Exhibit J-3

Giles County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Giles County School Department
For the Year Ended June 30, 2014

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Highway/Public Works	Operations	$ 9,030
Solid Waste/Sanitation	General	To Close Fund	61,977
Total Transfers Primary Government			$ 71,007
DISCRETELY PRESENTED GILES COUNTY SCHOOL DEPARTMENT			
General Purpose School	Education Capital Projects	Renovation Projects	$ 906,000
Total Transfers Discretely Presented Giles County School Department			$ 906,000

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, *TCA*	$ 75,804	$ 50,000	Auto-Owners Mutual Insurance Company
Highway Commissioner	Section 8-24-102, *TCA*	72,195	100,000	State Automobile Mutual Insurance Company
Director of Schools:				
Dr. Timothy Webb (7-1-13 through 6-16-14)	State Board of Education and County Board of Education	118,203 (1)	100,000	"
J.B. Smith, III, Interim (6-17-14 through 6-30-14)	State Board of Education and County Board of Education	2,638	(5)	
Finance Director	County Commission	65,000	50,000	Auto-Owners Mutual Insurance Company
Trustee	Section 8-24-102, *TCA*	65,632	1,000,000	"
Assessor of Property	Section 8-24-102, *TCA*	65,632	10,000	State Automobile Mutual Insurance Company
County Clerk	Section 8-24-102, *TCA*	65,632 (2)	50,000	Auto-Owners Mutual Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, *TCA*	65,632 (3)	50,000	"
Clerk and Master	Section 8-24-102, *TCA*	65,632 (3)	60,000	State Automobile Mutual Insurance Company
Register of Deeds	Section 8-24-102, *TCA*	65,632 (3)	25,000	Auto-Owners Mutual Insurance Company
Sheriff	Section 8-24-102, *TCA*	72,195 (4)	25,000	"
Employee Blanket Bonds				
Public Employee Dishonesty - County Departments			150,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Department			150,000	"

(1) Includes a chief executive officer training supplement of $900, termination pay of $15,666, and accrued vacation leave of $7,637. Does not include a travel supplement of $7,000.
(2) Does not include Certified Public Administrators incentive pay of $251.
(3) Does not include Certified Public Administrators incentive pay of $255.
(4) Does not include a law enforcement training supplement of $600.
(5) The interim director of schools is an employee of the Board of Education and is bonded under the public employee dishonesty blanket bond.

Exhibit J-5

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

		Special Revenue Funds			Debt Service Fund
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
Local Taxes					
County Property Taxes					
Current Property Tax	$ 5,990,902	$ 0	$ 0	$ 1,864,861	$ 213,914
Trustee's Collections - Prior Year	245,334	0	0	71,217	8,169
Trustee's Collections - Bankruptcy	3,871	0	0	1,202	138
Circuit/Clerk & Master Collections - Prior Years	138,231	0	0	42,917	4,923
Interest and Penalty	34,087	0	0	10,576	1,223
Payments in-Lieu-of Taxes - Local Utilities	307,266	0	0	0	0
Payments in-Lieu-of Taxes - Other	1,192	0	0	0	0
County Local Option Taxes					
Local Option Sales Tax	0	0	0	0	848,438
Hotel/Motel Tax	88,918	0	0	0	0
Litigation Tax - General	363,404	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	423,847	0	0	0	0
Business Tax	217,579	0	0	0	0
Mineral Severance Tax	0	0	0	21,227	0
Statutory Local Taxes					
Bank Excise Tax	145,839	0	0	0	0
Wholesale Beer Tax	200,173	0	0	0	0
Interstate Telecommunications Tax	1,773	0	0	0	0
Other Statutory Local Taxes	119	0	0	0	0
Total Local Taxes	$ 8,162,535	$ 0	$ 0	$ 2,012,000	$ 1,076,805
Licenses and Permits					
Licenses					
Animal Vaccination	$ 2,800	$ 0	$ 0	$ 0	$ 0
Cable TV Franchise	8,997	0	0	0	0

(Continued)

Exhibit J-5

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

		Special Revenue Funds			Debt Service Fund
	General	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
Licenses and Permits (Cont.)					
Permits					
Beer Permits	$ 475	$ 0	$ 0	$ 0	$ 0
Total Licenses and Permits	$ 12,272	$ 0	$ 0	$ 0	$ 0
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines for Littering	$ 185	$ 0	$ 0	$ 0	$ 0
Officers Costs	27,646	0	0	0	0
Drug Control Fines	0	29,882	0	0	0
Drug Court Fees	3,960	0	0	0	0
Jail Fees	4,539	0	0	0	0
DUI Treatment Fines	4,325	0	0	0	0
Data Entry Fee - Circuit Court	1,226	0	0	0	0
Courtroom Security Fee	404	0	0	0	0
General Sessions Court					
Fines	11,511	0	0	0	0
Fines for Littering	566	0	0	0	0
Officers Costs	35,695	0	0	0	0
Game and Fish Fines	3,643	0	0	0	0
Drug Control Fines	0	7,045	0	0	0
Drug Court Fees	4,253	0	0	0	0
Jail Fees	13,404	0	0	0	0
DUI Treatment Fines	4,445	0	0	0	0
Data Entry Fee - General Sessions Court	36,726	0	0	0	0
Courtroom Security Fee	79	0	0	0	0

(Continued)

Exhibit J-5

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

		Special Revenue Funds			Debt Service Fund
	General	Drug Control	Constitu-tional Officers - Fees	Highway / Public Works	General Debt Service
Fines, Forfeitures, and Penalties (Cont.)					
Chancery Court					
Officers Costs	$ 1,829	$ 0	$ 0	$ 0	$ 0
Data Entry Fee - Chancery Court	3,646	0	0	0	0
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	0	8,406	0	0	0
Total Fines, Forfeitures, and Penalties	$ 158,082	$ 45,333	$ 0	$ 0	$ 0
Charges for Current Services					
General Service Charges					
Patient Charges	$ 1,541,467	$ 0	$ 0	$ 0	$ 0
Service Charges	62,716	0	0	0	0
Fees					
Copy Fees	1,566	0	0	0	0
Greenbelt Late Application Fee	450	0	0	0	0
Telephone Commissions	28,989	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	891,894	0	0
Data Processing Fee - Register	9,102	0	0	0	0
Data Processing Fee - Sheriff	3,733	0	0	0	0
Sexual Offender Registration Fees - Sheriff	3,300	0	0	0	0
Data Processing Fee - County Clerk	3,650	0	0	0	0
Total Charges for Current Services	$ 1,654,973	$ 0	$ 891,894	$ 0	$ 0
Other Local Revenues					
Recurring Items					
Investment Income	$ 9,530	$ 0	$ 0	$ 0	$ 0
Lease/Rentals	126,356	0	0	0	0

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds: Drug Control	Special Revenue Funds: Constitutional Officers - Fees	Special Revenue Funds: Highway / Public Works	Debt Service Fund: General Debt Service
Other Local Revenues (Cont.)					
Recurring Items (Cont.)					
Commissary Sales	$ 17,784	$ 0	$ 0	$ 0	$ 0
Sale of Recycled Materials	0	0	0	4,230	0
Commodity Rebates	2,589	0	0	0	0
Miscellaneous Refunds	4,561	0	0	1,443	0
Nonrecurring Items					
Damages Recovered from Individuals	1,510	950	0	0	0
Contributions and Gifts	191	0	0	0	0
Performance Bond Forfeitures	3,239	0	0	0	0
Total Other Local Revenues	$ 165,760	$ 950	$ 0	$ 5,673	$ 0
Fees Received from County Officials					
Excess Fees					
County Clerk	$ 75,657	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	199,937	0	0	0	0
Register	5,072	0	0	0	0
Trustee	331,131	0	0	0	0
Fees in-Lieu-of Salary					
Clerk and Master	134,271	0	0	0	0
Sheriff	12,175	0	0	0	0
Total Fees Received from County Officials	$ 758,243	$ 0	$ 0	$ 0	$ 0
State of Tennessee					
General Government Grants					
Juvenile Services Program	$ 9,000	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit J-5

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

		Special Revenue Funds			Debt Service Fund
	General	Drug Control	Constitu-tional Officers - Fees	Highway / Public Works	General Debt Service
State of Tennessee (Cont.)					
Public Safety Grants					
Law Enforcement Training Programs	$ 16,986	$ 0	$ 0	$ 0	$ 0
Health and Welfare Grants					
Health Department Programs	156,396	0	0	0	0
Public Works Grants					
Bridge Program	0	0	0	115,934	0
State Aid Program	0	0	0	387,353	0
Litter Program	0	0	0	40,873	0
Tennessee Industrial Infrastructure Program	0	0	0	0	0
Other State Revenues					
Income Tax	65,463	0	0	0	0
Beer Tax	17,806	0	0	0	0
Vehicle Certificate of Ttle Fees	1,283	0	0	0	0
Alcoholic Beverage Tax	65,550	0	0	0	0
Mixed Drink Tax	2,545	0	0	0	0
Contracted Prisoner Boarding	567,173	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	1,881,894	0
Petroleum Special Tax	0	0	0	21,275	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	31,629	0	0	0	0
Other State Revenues	34,449	0	0	0	0
Total State of Tennessee	$ 983,444	$ 0	$ 0	$ 2,447,329	$ 0
Federal Government					
Federal Through State					
Homeland Security Grants	$ 73,611	$ 0	$ 0	$ 0	$ 0
Other Federal through State	192,710	0	0	0	0

(Continued)

Exhibit J-5

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

		Special Revenue Funds			Debt Service Fund
	General	Drug Control	Constitu-tional Officers - Fees	Highway / Public Works	General Debt Service
Federal Government (Cont.)					
Direct Federal Revenue					
Asset Forfeiture Funds	$ 1,353	$ 3,391	$ 0	$ 0	$ 0
Public Safety Partnership and Community Policing - COPS	12,985	0	0	0	0
Other Direct Federal Revenue	21,336	0	0	0	0
Total Federal Government	$ 301,995	$ 3,391	$ 0	$ 0	$ 0
Other Governments and Citizens Groups					
Other Governments					
Paving and Maintenance	$ 0	$ 0	$ 0	$ 15,910	$ 0
Contributions	107,840	0	0	0	25,212
Contracted Services	3,103	0	0	0	0
Citizens Groups					
Donations	0	2,090	0	0	0
Total Other Governments and Citizens Groups	$ 110,943	$ 2,090	$ 0	$ 15,910	$ 25,212
Total	$ 12,308,247	$ 51,764	$ 891,894	$ 4,480,912	$ 1,102,017

(Continued)

Exhibit J-5

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

	Capital Projects Fund	
	General Capital Projects	Total
Local Taxes		
County Property Taxes		
Current Property Tax	$ 0	$ 8,069,677
Trustee's Collections - Prior Year	0	324,720
Trustee's Collections - Bankruptcy	0	5,211
Circuit/Clerk & Master Collections - Prior Years	0	186,071
Interest and Penalty	0	45,886
Payments in-Lieu-of Taxes - Local Utilities	0	307,266
Payments in-Lieu-of Taxes - Other	0	1,192
County Local Option Taxes		
Local Option Sales Tax	0	848,438
Hotel/Motel Tax	0	88,918
Litigation Tax - General	0	363,404
Litigation Tax - Jail, Workhouse, or Courthouse	0	423,847
Business Tax	0	217,579
Mineral Severance Tax	0	21,227
Statutory Local Taxes		
Bank Excise Tax	0	145,839
Wholesale Beer Tax	0	200,173
Interstate Telecommunications Tax	0	1,773
Other Statutory Local Taxes	0	119
Total Local Taxes	$ 0	$ 11,251,340
Licenses and Permits		
Licenses		
Animal Vaccination	$ 0	$ 2,800
Cable TV Franchise	0	8,997

(Continued)

Exhibit J-5

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

	Capital Projects Fund	
	General Capital Projects	Total
Licenses and Permits (Cont.)		
Permits		
Beer Permits	$ 0	$ 475
Total Licenses and Permits	$ 0	$ 12,272
Fines, Forfeitures, and Penalties		
Circuit Court		
Fines for Littering	$ 0	$ 185
Officers Costs	0	27,646
Drug Control Fines	0	29,882
Drug Court Fees	0	3,960
Jail Fees	0	4,539
DUI Treatment Fines	0	4,325
Data Entry Fee - Circuit Court	0	1,226
Courtroom Security Fee	0	404
General Sessions Court		
Fines	0	11,511
Fines for Littering	0	566
Officers Costs	0	35,695
Game and Fish Fines	0	3,643
Drug Control Fines	0	7,045
Drug Court Fees	0	4,253
Jail Fees	0	13,404
DUI Treatment Fines	0	4,445
Data Entry Fee - General Sessions Court	0	36,726
Courtroom Security Fee	0	79

(Continued)

Exhibit J-5

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

	Capital Projects Fund	
	General Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)		
Chancery Court		
Officers Costs	$ 0	$ 1,829
Data Entry Fee - Chancery Court	0	3,646
Other Fines, Forfeitures, and Penalties		
Proceeds from Confiscated Property	0	8,406
Total Fines, Forfeitures, and Penalties	$ 0	$ 203,415
Charges for Current Services		
General Service Charges		
Patient Charges	$ 0	$ 1,541,467
Service Charges	0	62,716
Fees		
Copy Fees	0	1,566
Greenbelt Late Application Fee	0	450
Telephone Commissions	0	28,989
Constitutional Officers' Fees and Commissions	0	891,894
Data Processing Fee - Register	0	9,102
Data Processing Fee - Sheriff	0	3,733
Sexual Offender Registration Fees - Sheriff	0	3,300
Data Processing Fee - County Clerk	0	3,650
Total Charges for Current Services	$ 0	$ 2,546,867
Other Local Revenues		
Recurring Items		
Investment Income	$ 0	$ 9,530
Lease/Rentals	0	126,356

(Continued)

Exhibit J-5

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

	Capital Projects Fund	
	General Capital Projects	Total
Other Local Revenues (Cont.)		
Recurring Items (Cont.)		
Commissary Sales	$ 0	$ 17,784
Sale of Recycled Materials	0	4,230
Commodity Rebates	0	2,589
Miscellaneous Refunds	0	6,004
Nonrecurring Items		
Damages Recovered from Individuals	0	2,460
Contributions and Gifts	0	191
Performance Bond Forfeitures	0	3,239
Total Other Local Revenues	$ 0	$ 172,383
Fees Received from County Officials		
Excess Fees		
County Clerk	$ 0	$ 75,657
Circuit Court Clerk	0	199,937
Register	0	5,072
Trustee	0	331,131
Fees in-Lieu-of Salary		
Clerk and Master	0	134,271
Sheriff	0	12,175
Total Fees Received from County Officials	$ 0	$ 758,243
State of Tennessee		
General Government Grants		
Juvenile Services Program	$ 0	$ 9,000

(Continued)

Exhibit J-5

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

	Capital Projects Fund	
	General Capital Projects	Total
State of Tennessee (Cont.)		
Public Safety Grants		
Law Enforcement Training Programs	$ 0	$ 16,986
Health and Welfare Grants		
Health Department Programs	0	156,396
Public Works Grants		
Bridge Program	0	115,934
State Aid Program	0	387,353
Litter Program	0	40,873
Tennessee Industrial Infrastructure Program	29,838	29,838
Other State Revenues		
Income Tax	0	65,463
Beer Tax	0	17,806
Vehicle Certificate of Ttle Fees	0	1,283
Alcoholic Beverage Tax	0	65,550
Mixed Drink Tax	0	2,545
Contracted Prisoner Boarding	0	567,173
Gasoline and Motor Fuel Tax	0	1,881,894
Petroleum Special Tax	0	21,275
Registrar's Salary Supplement	0	15,164
Other State Grants	0	31,629
Other State Revenues	0	34,449
Total State of Tennessee	$ 29,838	$ 3,460,611
Federal Government		
Federal Through State		
Homeland Security Grants	$ 0	$ 73,611
Other Federal through State	251,491	444,201

(Continued)

Exhibit J-5

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

	Capital Projects Fund	
	General Capital Projects	Total
Federal Government (Cont.)		
Direct Federal Revenue		
Asset Forfeiture Funds	$ 0	$ 4,744
Public Safety Partnership and Community Policing - COPS	0	12,985
Other Direct Federal Revenue	0	21,336
Total Federal Government	$ 251,491	$ 556,877
Other Governments and Citizens Groups		
Other Governments		
Paving and Maintenance	$ 0	$ 15,910
Contributions	0	133,052
Contracted Services	0	3,103
Citizens Groups		
Donations	0	2,090
Total Other Governments and Citizens Groups	$ 0	$ 154,155
Total	$ 281,329	$ 19,116,163

Exhibit J-6

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

	General Purpose School	Special Revenue Funds School Federal Projects	Special Revenue Funds Central Cafeteria	Total
Local Taxes				
County Property Taxes				
Current Property Tax	$ 6,096,091	$ 0	$ 0	$ 6,096,091
Trustee's Collections - Prior Year	232,803	0	0	232,803
Trustee's Collections - Bankruptcy	3,929	0	0	3,929
Circuit/Clerk & Master Collections - Prior Years	140,292	0	0	140,292
Interest and Penalty	34,596	0	0	34,596
County Local Option Taxes				
Local Option Sales Tax	3,331,914	0	0	3,331,914
Statutory Local Taxes				
Interstate Telecommunications Tax	2,978	0	0	2,978
Total Local Taxes	$ 9,842,603	$ 0	$ 0	$ 9,842,603
Licenses and Permits				
Licenses				
Marriage Licenses	$ 2,204	$ 0	$ 0	$ 2,204
Total Licenses and Permits	$ 2,204	$ 0	$ 0	$ 2,204
Charges for Current Services				
Fees				
Copy Fees	$ 1	$ 0	$ 0	$ 1
Education Charges				
Tuition - Out-of-State Systems	45,419	0	0	45,419
Lunch Payments - Children	0	0	249,341	249,341
Lunch Payments - Adults	0	0	37,647	37,647
Income from Breakfast	0	0	10,843	10,843
A la carte Sales	0	0	66,545	66,545
Receipts from Individual Schools	74,630	0	0	74,630
Other Charges for Services				
Other Charges for Services	8,010	0	0	8,010
Total Charges for Current Services	$ 128,060	$ 0	$ 364,376	$ 492,436
Other Local Revenues				
Recurring Items				
Investment Income	$ 0	$ 0	$ 783	$ 783
Sale of Materials and Supplies	1,415	0	0	1,415
Miscellaneous Refunds	3,957	0	0	3,957

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Total
Other Local Revenues (Cont.)				
Nonrecurring Items				
Sale of Equipment	$ 16,393	$ 0	$ 0	$ 16,393
Damages Recovered from Individuals	178	0	0	178
Contributions and Gifts	2,312	0	2,800	5,112
Other Local Revenues				
Other Local Revenues	217	0	0	217
Total Other Local Revenues	$ 24,472	$ 0	$ 3,583	$ 28,055
State of Tennessee				
General Government Grants				
On-behalf Contributions for OPEB	$ 217,264	$ 0	$ 0	$ 217,264
State Education Funds				
Basic Education Program	17,572,000	0	0	17,572,000
Early Childhood Education	442,480	0	0	442,480
School Food Service	0	0	22,444	22,444
Energy Efficient School Initiative	17,077	0	0	17,077
Other State Education Funds	533,074	0	0	533,074
Career Ladder Program	139,289	0	0	139,289
Career Ladder - Extended Contract	33,970	0	0	33,970
Other State Revenues				
Mixed Drink Tax	10,849	0	0	10,849
State Revenue Sharing - T.V.A.	776,135	0	0	776,135
Other State Grants	7,300	0	0	7,300
Total State of Tennessee	$ 19,749,438	$ 0	$ 22,444	$ 19,771,882
Federal Government				
Federal Through State				
USDA School Lunch Program	$ 0	$ 0	$ 1,112,899	$ 1,112,899
USDA - Commodities	0	0	161,202	161,202
Breakfast	0	0	502,955	502,955
USDA - Other	0	0	10,391	10,391
Vocational Education - Basic Grants to States	0	55,171	0	55,171
Title I Grants to Local Education Agencies	0	965,045	0	965,045
Special Education - Grants to States	112,361	567,931	0	680,292
Special Education Preschool Grants	0	17,985	0	17,985
Rural Education	0	52,112	0	52,112
Eisenhower Professional Development State Grants	0	174,816	0	174,816
Race-to-the-Top - ARRA	0	255,585	0	255,585
Other Federal through State	14,875	31,658	0	46,533
Total Federal Government	$ 127,236	$ 2,120,303	$ 1,787,447	$ 4,034,986
Total	$ 29,874,013	$ 2,120,303	$ 2,177,850	$ 34,172,166

Exhibit J-7

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

General Fund				
General Government				
County Commission				
Board and Committee Members Fees	$	27,195		
Social Security		1,667		
Employer Medicare		394		
Dues and Memberships		1,750		
Travel		9,664		
Other Supplies and Materials		758		
Total County Commission			$	41,428
County Mayor/Executive				
County Official/Administrative Officer	$	75,804		
Secretary(ies)		29,400		
Other Salaries and Wages		23,005		
Social Security		7,154		
State Retirement		10,043		
Medical Insurance		19,137		
Employer Medicare		1,673		
Advertising		1,658		
Communication		1,392		
Dues and Memberships		300		
Postal Charges		564		
Other Supplies and Materials		5,553		
Other Charges		3,827		
Total County Mayor/Executive				179,510
County Attorney				
Legal Services	$	47,782		
Total County Attorney				47,782
Election Commission				
County Official/Administrative Officer	$	59,068		
Deputy(ies)		29,502		
Clerical Personnel		28,008		
Election Commission		3,025		
Election Workers		8,765		
Social Security		7,348		
State Retirement		9,633		
Medical Insurance		21,975		
Employer Medicare		1,718		
Communication		1,293		
Data Processing Services		2,900		
Dues and Memberships		250		
Legal Notices, Recording, and Court Costs		922		
Maintenance Agreements		9,920		
Postal Charges		426		
Travel		3,978		
Other Supplies and Materials		5,159		
Other Charges		1,251		

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
General Government (Cont.)		
Election Commission (Cont.)		
Data Processing Equipment	$ 817	
Office Equipment	1,248	
Voting Machines	59,489	
Total Election Commission		$ 256,695
Register of Deeds		
Other Salaries and Wages	$ 630	
Social Security	39	
State Retirement	7,762	
Medical Insurance	14,580	
Employer Medicare	9	
Communication	1,216	
Data Processing Services	8,988	
Dues and Memberships	588	
Postal Charges	462	
Rentals	1,073	
Travel	1,454	
Other Supplies and Materials	4,266	
Total Register of Deeds		41,067
County Buildings		
Custodial Personnel	$ 82,037	
Social Security	4,978	
State Retirement	6,605	
Medical Insurance	22,565	
Employer Medicare	1,164	
Architects	23,664	
Communication	10,944	
Maintenance and Repair Services - Buildings	31,768	
Maintenance and Repair Services - Equipment	14,293	
Pest Control	1,773	
Custodial Supplies	11,365	
Gasoline	1,516	
Utilities	72,614	
Other Charges	1,413	
Building Improvements	376,607	
Total County Buildings		663,306
Finance		
Accounting and Budgeting		
County Official/Administrative Officer	$ 65,000	
Accountants/Bookkeepers	222,759	
In-Service Training	2,170	
Social Security	17,245	
State Retirement	23,827	
Medical Insurance	51,163	
Employer Medicare	4,033	

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Finance (Cont.)				
Accounting and Budgeting (Cont.)				
Advertising	$	4,434		
Audit Services		8,846		
Communication		1,340		
Data Processing Services		16,055		
Postal Charges		3,870		
Rentals		3,285		
Travel		5,952		
Other Contracted Services		935		
Other Supplies and Materials		7,206		
Other Charges		158		
Data Processing Equipment		8,619		
Total Accounting and Budgeting			$	446,897
Property Assessor's Office				
County Official/Administrative Officer	$	65,632		
Deputy(ies)		216,532		
Bonus Payments		167		
Board and Committee Members Fees		2,250		
Social Security		16,903		
State Retirement		22,627		
Medical Insurance		46,900		
Employer Medicare		3,953		
Communication		1,988		
Dues and Memberships		1,750		
Maintenance and Repair Services - Equipment		3,677		
Maintenance and Repair Services - Vehicles		131		
Postal Charges		1,325		
Rentals		4,168		
Travel		959		
Other Contracted Services		5,008		
Gasoline		3,381		
Other Supplies and Materials		3,280		
Vehicle and Equipment Insurance		850		
Other Charges		876		
Total Property Assessor's Office				402,357
Reappraisal Program				
Contracts with Government Agencies	$	9,365		
Data Processing Services		13,818		
Total Reappraisal Program				23,183
County Trustee's Office				
State Retirement	$	10,899		
Medical Insurance		14,580		
Bank Charges		30		
Communication		1,093		
Data Processing Services		6,118		

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Finance (Cont.)		
County Trustee's Office (Cont.)		
Postal Charges	$ 5,242	
Other Supplies and Materials	3,132	
Data Processing Equipment	15,350	
Total County Trustee's Office		$ 56,444
County Clerk's Office		
State Retirement	$ 15,446	
Medical Insurance	36,450	
Communication	1,741	
Dues and Memberships	478	
Legal Notices, Recording, and Court Costs	90	
Maintenance Agreements	17,854	
Postal Charges	7,475	
Travel	1,950	
Other Supplies and Materials	5,157	
Other Charges	160	
Office Equipment	2,006	
Total County Clerk's Office		88,807
Administration of Justice		
Circuit Court		
Jury and Witness Expense	$ 25,330	
In-Service Training	734	
State Retirement	25,865	
Medical Insurance	58,320	
Employer Medicare	71	
Communication	1,668	
Operating Lease Payments	3,777	
Postal Charges	4,570	
Rentals	24,000	
Travel	4,307	
Remittance of Revenue Collected	9,157	
Other Contracted Services	900	
Other Supplies and Materials	17,471	
Data Processing Equipment	100,215	
Total Circuit Court		276,385
General Sessions Court		
Judge(s)	$ 105,728	
Other Salaries and Wages	22,021	
Social Security	7,909	
State Retirement	10,280	
Medical Insurance	13,430	
Employer Medicare	1,850	
Communication	988	
Rentals	300	
Travel	2,102	

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
General Sessions Court (Cont.)				
Other Contracted Services	$	900		
Other Supplies and Materials		281		
Other Charges		652		
Total General Sessions Court			$	166,441
Chancery Court				
County Official/Administrative Officer	$	65,632		
Deputy(ies)		59,442		
Other Salaries and Wages		9,404		
Social Security		7,590		
State Retirement		10,190		
Medical Insurance		22,565		
Employer Medicare		1,897		
Communication		1,278		
Data Processing Services		6,121		
Dues and Memberships		478		
Postal Charges		2,000		
Rentals		1,733		
Travel		999		
Other Supplies and Materials		2,872		
Other Charges		126		
Total Chancery Court				192,327
Judicial Commissioners				
Other Salaries and Wages	$	27,431		
Social Security		1,701		
Employer Medicare		398		
Travel		310		
Total Judicial Commissioners				29,840
Courtroom Security				
Deputy(ies)	$	101,916		
Sergeant(s)		39,182		
In-Service Training		240		
Social Security		8,623		
State Retirement		11,683		
Medical Insurance		27,874		
Employer Medicare		2,017		
Uniforms		641		
Total Courtroom Security				192,176
Public Safety				
Sheriff's Department				
County Official/Administrative Officer	$	72,195		
Deputy(ies)		335,107		
Investigator(s)		222,952		
Captain(s)		49,895		

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Lieutenant(s)	$ 82,098	
Sergeant(s)	145,796	
Accountants/Bookkeepers	54,656	
Salary Supplements	16,800	
School Resource Officer	36,033	
Overtime Pay	59,650	
In-Service Training	9,245	
Social Security	64,701	
State Retirement	87,633	
Medical Insurance	196,984	
Employer Medicare	15,132	
Communication	22,505	
Dues and Memberships	4,045	
Maintenance and Repair Services - Equipment	2,300	
Maintenance and Repair Services - Vehicles	35,423	
Postal Charges	1,221	
Towing Services	425	
Travel	6,313	
Data Processing Supplies	12,671	
Gasoline	120,887	
Tires and Tubes	9,998	
Uniforms	6,721	
Other Supplies and Materials	11,339	
Vehicle and Equipment Insurance	28,200	
Other Charges	4,291	
Law Enforcement Equipment	39,969	
Motor Vehicles	48,650	
Total Sheriff's Department		$ 1,803,835
Traffic Control		
Maintenance and Repair Services - Equipment	$ 462	
Utilities	2,179	
Total Traffic Control		2,641
Drug Enforcement		
Other Charges	$ 16,259	
Total Drug Enforcement		16,259
Administration of the Sexual Offender Registry		
Other Charges	$ 1,100	
Law Enforcement Equipment	1,928	
Total Administration of the Sexual Offender Registry		3,028
Jail		
Supervisor/Director	$ 34,242	
Sergeant(s)	104,733	
Accountants/Bookkeepers	26,000	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Jail (Cont.)		
Foremen	$ 26,155	
Guards	640,392	
Cafeteria Personnel	51,052	
Maintenance Personnel	30,410	
Overtime Pay	25,024	
Social Security	56,261	
State Retirement	77,668	
Medical Insurance	206,144	
Employer Medicare	13,158	
Maintenance and Repair Services - Buildings	49,464	
Medical and Dental Services	172,653	
Pest Control	1,296	
Drugs and Medical Supplies	54,557	
Food Supplies	170,870	
Prisoners Clothing	1,469	
Uniforms	1,015	
Utilities	93,707	
Other Supplies and Materials	1,097	
Other Charges	22,680	
Furniture and Fixtures	4,014	
Total Jail		$ 1,864,061
Juvenile Services		
Supervisor/Director	$ 32,932	
In-Service Training	175	
Social Security	1,990	
State Retirement	2,419	
Medical Insurance	5,450	
Employer Medicare	465	
Communication	778	
Travel	466	
Other Contracted Services	582	
Total Juvenile Services		45,257
Fire Prevention and Control		
Dues and Memberships	$ 650	
Travel	1,617	
Other Supplies and Materials	306	
Total Fire Prevention and Control		2,573
Rescue Squad		
Contributions	$ 219,681	
Total Rescue Squad		219,681
Other Emergency Management		
County Official/Administrative Officer	$ 52,000	
Assistant(s)	41,821	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Other Emergency Management (Cont.)		
Salary Supplements	$ 7,740	
Overtime Pay	7,635	
Other Salaries and Wages	19,260	
Social Security	7,398	
State Retirement	10,682	
Medical Insurance	21,693	
Employer Medicare	1,730	
Communication	6,517	
Maintenance and Repair Services - Vehicles	4,093	
Rentals	4,120	
Travel	1,755	
Other Contracted Services	13,643	
Gasoline	8,891	
Uniforms	780	
Other Supplies and Materials	20,194	
Vehicle and Equipment Insurance	2,071	
Other Charges	24,563	
Communication Equipment	9,715	
Land	4,832	
Total Other Emergency Management		$ 271,133
County Coroner/Medical Examiner		
Medical and Dental Services	$ 24,841	
Other Contracted Services	46,611	
Total County Coroner/Medical Examiner		71,452
Other Public Safety		
Communication	$ 757	
Instructional Supplies and Materials	1,157	
Other Supplies and Materials	675	
Other Charges	538	
Total Other Public Safety		3,127
Public Health and Welfare		
Local Health Center		
Communication	$ 2,953	
Janitorial Services	11,053	
Maintenance and Repair Services - Buildings	4,614	
Pest Control	420	
Other Contracted Services	11,000	
Utilities	14,363	
Other Supplies and Materials	2,474	
Furniture and Fixtures	910	
Total Local Health Center		47,787
Rabies and Animal Control		
Supervisor/Director	$ 28,260	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Rabies and Animal Control (Cont.)		
Part-time Personnel	$ 7,540	
Social Security	2,202	
State Retirement	2,340	
Medical Insurance	7,325	
Employer Medicare	515	
Communication	2,301	
Maintenance and Repair Services - Buildings	115	
Maintenance and Repair Services - Vehicles	833	
Veterinary Services	2,448	
Other Contracted Services	120	
Animal Food and Supplies	1,783	
Custodial Supplies	1,725	
Gasoline	5,653	
Uniforms	470	
Utilities	2,062	
Other Supplies and Materials	123	
Vehicle and Equipment Insurance	686	
Other Charges	1,337	
Total Rabies and Animal Control		$ 67,838
Ambulance/Emergency Medical Services		
Supervisor/Director	$ 57,000	
Medical Personnel	912,495	
Secretary(ies)	23,380	
Part-time Personnel	103,574	
Overtime Pay	119,388	
In-Service Training	5,802	
Social Security	72,853	
State Retirement	92,755	
Life Insurance	669	
Medical Insurance	170,356	
Unemployment Compensation	3,816	
Employer Medicare	17,038	
Communication	13,947	
Data Processing Services	109,345	
Maintenance and Repair Services - Buildings	7,605	
Maintenance and Repair Services - Equipment	2,712	
Maintenance and Repair Services - Vehicles	44,156	
Postal Charges	155	
Travel	2,967	
Other Contracted Services	800	
Drugs and Medical Supplies	95,942	
Gasoline	84,907	
Lubricants	9,927	
Tires and Tubes	5,940	
Uniforms	7,970	
Utilities	15,368	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Ambulance/Emergency Medical Services (Cont.)		
Other Supplies and Materials	$ 4,737	
Building and Contents Insurance	296	
Liability Insurance	20,100	
Premiums on Corporate Surety Bonds	17	
Refunds	369	
Vehicle and Equipment Insurance	9,020	
Workers' Compensation Insurance	34,146	
Other Charges	19,410	
Other Equipment	6,705	
Total Ambulance/Emergency Medical Services		$ 2,075,667
Alcohol and Drug Programs		
Other Supplies and Materials	$ 180	
Total Alcohol and Drug Programs		180
Regional Mental Health Center		
Contributions	$ 20,700	
Total Regional Mental Health Center		20,700
Other Local Welfare Services		
Contributions	$ 27,535	
Pauper Burials	7,200	
Total Other Local Welfare Services		34,735
Sanitation Management		
Contracts with Private Agencies	$ 67,025	
Total Sanitation Management		67,025
Transfer Stations		
Supervisor/Director	$ 33,118	
Social Security	2,024	
State Retirement	2,742	
Medical Insurance	7,399	
Employer Medicare	473	
Communication	759	
Travel	765	
Other Contracted Services	73,965	
Other Supplies and Materials	177	
Other Charges	50	
Total Transfer Stations		121,472
Other Public Health and Welfare		
Other Salaries and Wages	$ 191,578	
Social Security	11,732	
State Retirement	15,843	
Life Insurance	136	
Medical Insurance	34,750	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Other Public Health and Welfare (Cont.)		
Unemployment Compensation	$ 632	
Employer Medicare	2,744	
Travel	4,956	
Other Supplies and Materials	1,080	
Total Other Public Health and Welfare		$ 263,451
Social, Cultural, and Recreational Services		
Senior Citizens Assistance		
Contributions	$ 20,660	
Total Senior Citizens Assistance		20,660
Libraries		
Contributions	$ 125,342	
Total Libraries		125,342
Parks and Fair Boards		
Contributions	$ 19,500	
Maintenance and Repair Services - Buildings	10,875	
Other Contracted Services	5,250	
Custodial Supplies	151	
Utilities	9,715	
Other Charges	736	
Total Parks and Fair Boards		46,227
Other Social, Cultural, and Recreational		
Part-time Personnel	$ 11,990	
Other Salaries and Wages	11,452	
Social Security	743	
Employer Medicare	335	
Communication	771	
Maintenance and Repair Services - Office Equipment	1,218	
Postal Charges	116	
Other Supplies and Materials	288	
Total Other Social, Cultural, and Recreational		26,913
Agriculture and Natural Resources		
Agriculture Extension Service		
Salary Supplements	$ 55,890	
Secretary(ies)	104	
Part-time Personnel	3,660	
Other Salaries and Wages	20,038	
Board and Committee Members Fees	750	
Social Security	1,246	
State Retirement	1,659	
Medical Insurance	4,900	
Employer Medicare	345	
Other Fringe Benefits	21,414	

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Agriculture and Natural Resources (Cont.)				
Agriculture Extension Service (Cont.)				
Communication	$	2,575		
Maintenance and Repair Services - Buildings		3,304		
Maintenance and Repair Services - Equipment		1,027		
Maintenance and Repair Services - Vehicles		241		
Postal Charges		200		
Travel		1,263		
Food Preparation Supplies		1,264		
Gasoline		1,316		
Instructional Supplies and Materials		605		
Utilities		6,608		
Other Supplies and Materials		1,607		
Vehicle and Equipment Insurance		725		
In Service/Staff Development		995		
Total Agriculture Extension Service			$	131,736
Forest Service				
Communication	$	973		
Contracts with Government Agencies		2,000		
Total Forest Service				2,973
Soil Conservation				
Clerical Personnel	$	35,600		
Other Salaries and Wages		37,519		
Social Security		4,478		
State Retirement		6,054		
Medical Insurance		13,666		
Employer Medicare		1,047		
Other Charges		1,900		
Total Soil Conservation				100,264
Flood Control				
Postal Charges	$	644		
Travel		3,684		
Other Supplies and Materials		7,444		
Communication Equipment		23,395		
Total Flood Control				35,167
Other Operations				
Industrial Development				
Other Charges	$	56,650		
Other Construction		10,000		
Total Industrial Development				66,650
Other Economic and Community Development				
Contributions	$	24,710		
Dues and Memberships		6,073		
Total Other Economic and Community Development				30,783

(Continued)

Exhibit J-7

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

General Fund (Cont.)			
Other Operations (Cont.)			
Airport			
Contributions	$ 45,591		
Total Airport		$ 45,591	
Veterans' Services			
Supervisor/Director	$ 13,650		
Social Security	846		
Employer Medicare	198		
Communication	986		
Travel	665		
Other Charges	31		
Total Veterans' Services		16,376	
Other Charges			
Building and Contents Insurance	$ 52,632		
Liability Insurance	170,707		
Premiums on Corporate Surety Bonds	485		
Trustee's Commission	165,297		
Workers' Compensation Insurance	169,834		
Total Other Charges		558,955	
Contributions to Other Agencies			
Contracts with Government Agencies	$ 100,000		
Contributions	5,000		
Total Contributions to Other Agencies		105,000	
Employee Benefits			
Educational Incentive - Official/Admin Officer	$ 1,016		
Educational Incentive - Other County Employees	10,500		
Social Security	1,306		
Life Insurance	2,827		
Unemployment Compensation	10,599		
Employer Medicare	167		
Total Employee Benefits		26,415	
Miscellaneous			
Refunds	$ 491		
Total Miscellaneous		491	
Capital Projects			
Administration of Justice Projects			
Building Improvements	$ 45,234		
Total Administration of Justice Projects		45,234	
Total General Fund			$ 11,491,324

(Continued)

Exhibit J-7

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

Drug Control Fund			
Public Safety			
Drug Enforcement			
Communication	$ 1,678		
Confidential Drug Enforcement Payments	6,000		
Dues and Memberships	1,400		
Travel	5,108		
Veterinary Services	160		
Animal Food and Supplies	495		
Other Supplies and Materials	240		
Other Charges	8,377		
Data Processing Equipment	18,900		
Law Enforcement Equipment	19,999		
Motor Vehicles	49,761		
Total Drug Enforcement		$ 112,118	
Total Drug Control Fund			$ 112,118
Constitutional Officers - Fees Fund			
General Government			
Register of Deeds			
Constitutional Officers' Operating Expenses	$ 101,060		
Total Register of Deeds		$ 101,060	
Finance			
County Trustee's Office			
Constitutional Officers' Operating Expenses	$ 142,351		
Total County Trustee's Office		142,351	
County Clerk's Office			
Constitutional Officers' Operating Expenses	$ 219,923		
Total County Clerk's Office		219,923	
Administration of Justice			
Circuit Court			
Constitutional Officers' Operating Expenses	$ 370,533		
Total Circuit Court		370,533	
General Sessions Court			
Constitutional Officers' Operating Expenses	$ 131		
Total General Sessions Court		131	
Total Constitutional Officers - Fees Fund			833,998
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 72,195		
Assistant(s)	39,864		
Educational Incentive - Other County Employees	1,500		

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Administration (Cont.)		
In-Service Training	$ 130	
Social Security	6,670	
State Retirement	9,268	
Life Insurance	47	
Medical Insurance	12,368	
Unemployment Compensation	343	
Employer Medicare	1,560	
Communication	5,973	
Dues and Memberships	3,205	
Evaluation and Testing	2,445	
Legal Notices, Recording, and Court Costs	448	
Maintenance and Repair Services - Buildings	3,522	
Maintenance and Repair Services - Office Equipment	240	
Postal Charges	288	
Travel	3,077	
Drugs and Medical Supplies	78	
Electricity	16,132	
Office Supplies	2,569	
Other Supplies and Materials	322	
Office Equipment	966	
Total Administration		$ 183,210
Highway and Bridge Maintenance		
Supervisor/Director	$ 141,692	
Foremen	143,725	
Equipment Operators - Heavy	199,317	
Equipment Operators - Light	228,138	
Truck Drivers	262,360	
Laborers	140,225	
Social Security	67,265	
State Retirement	91,542	
Life Insurance	738	
Medical Insurance	229,946	
Unemployment Compensation	12,673	
Employer Medicare	15,731	
Laundry Service	4,329	
Asphalt - Hot Mix	97,907	
Asphalt - Liquid	760,869	
Crushed Stone	387,511	
Fertilizer, Lime, and Seed	2,076	
General Construction Materials	3,696	
Other Road Supplies	4,641	
Pipe	29,336	
Road Signs	14,350	
Structural Steel	884	
Total Highway and Bridge Maintenance		2,838,951

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Operation and Maintenance of Equipment			
Mechanic(s)	$ 193,277		
Social Security	11,700		
State Retirement	16,003		
Life Insurance	136		
Medical Insurance	42,429		
Unemployment Compensation	2,143		
Employer Medicare	2,736		
Equipment and Machinery Parts	132,277		
Fuel Oil	265,731		
Garage Supplies	3,999		
Tires and Tubes	43,742		
Total Operation and Maintenance of Equipment		$ 714,173	
Litter and Trash Collection			
Assistant(s)	$ 2,098		
Truck Drivers	8,350		
Social Security	634		
State Retirement	278		
Medical Insurance	538		
Unemployment Compensation	261		
Employer Medicare	148		
Travel	385		
Instructional Supplies and Materials	21,553		
Other Supplies and Materials	6,713		
Total Litter and Trash Collection		40,958	
Other Charges			
Building and Contents Insurance	$ 2,552		
Liability Insurance	24,565		
Trustee's Commission	59,342		
Vehicle and Equipment Insurance	22,500		
Workers' Compensation Insurance	48,514		
Liability Claims	4,134		
Total Other Charges		161,607	
Capital Outlay			
Engineering Services	$ 8,450		
Matching Share	124,971		
Bridge Construction	117,384		
Highway Equipment	38,356		
State Aid Projects	391,423		
Total Capital Outlay		680,584	
Total Highway/Public Works Fund			$ 4,619,483

(Continued)

Exhibit J-7

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

General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 307,560		
Principal on Notes	149,000		
Total General Government		$ 456,560	
Highways and Streets			
Principal on Notes	$ 94,000		
Total Highways and Streets		94,000	
Education			
Principal on Other Loans	$ 25,212		
Total Education		25,212	
Interest on Debt			
General Government			
Interest on Bonds	$ 19,869		
Interest on Notes	54,804		
Total General Government		74,673	
Highways and Streets			
Interest on Notes	$ 21,881		
Total Highways and Streets		21,881	
Other Debt Service			
General Government			
Contributions	$ 279,507		
Trustee's Commission	31,487		
Total General Government		310,994	
Total General Debt Service Fund			$ 983,320
General Capital Projects Fund			
Capital Projects			
Public Health and Welfare Projects			
Legal Notices, Recording, and Court Costs	$ 115		
Other Contracted Services	29,883		
Building Improvements	221,493		
Total Public Health and Welfare Projects		$ 251,491	
Public Utility Projects			
Engineering Services	$ 14,451		
Legal Services	11,399		
Permits	350		
Other Contracted Services	1,411		
Total Public Utility Projects		27,611	
Other General Government Projects			
Engineering Services	$ 3,311		

(Continued)

Exhibit J-7

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

General Capital Projects Fund (Cont.)			
Capital Projects (Cont.)			
Other General Government Projects (Cont.)			
Other Contracted Services	$ 6,000		
Other Construction	25,352		
Total Other General Government Projects		$ 34,663	
Total General Capital Projects Fund			$ 313,765
Highway Capital Projects Fund			
Capital Projects			
Highway and Street Capital Projects			
Highway Equipment	$ 99,333		
Total Highway and Street Capital Projects		$ 99,333	
Total Highway Capital Projects Fund			99,333
Total Governmental Funds - Primary Government			$ 18,453,341

Exhibit J-8

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

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 9,390,551	
Career Ladder Program	87,414	
Career Ladder Extended Contracts	16,170	
Homebound Teachers	5,480	
Educational Assistants	245,425	
Certified Substitute Teachers	80,544	
Non-certified Substitute Teachers	136,693	
Social Security	578,763	
State Retirement	859,754	
Life Insurance	1,250	
Medical Insurance	1,561,972	
Employer Medicare	135,388	
Tuition	45,419	
Other Contracted Services	40,257	
Instructional Supplies and Materials	148,489	
Textbooks	22,882	
Other Supplies and Materials	15,318	
Regular Instruction Equipment	268,682	
Total Regular Instruction Program		$ 13,640,451
Special Education Program		
Teachers	$ 1,077,093	
Career Ladder Program	7,000	
Homebound Teachers	11,615	
Educational Assistants	374,276	
Speech Pathologist	136,802	
Certified Substitute Teachers	4,056	
Non-certified Substitute Teachers	32,415	
Social Security	96,915	
State Retirement	139,001	
Medical Insurance	315,337	
Employer Medicare	22,674	
Contracts with Private Agencies	448,243	
Instructional Supplies and Materials	992	
Other Supplies and Materials	9,069	
Special Education Equipment	80	
Total Special Education Program		2,675,568
Vocational Education Program		
Teachers	$ 568,704	
Career Ladder Program	1,000	
Certified Substitute Teachers	1,656	
Non-certified Substitute Teachers	2,244	
Social Security	32,903	
State Retirement	47,792	
Medical Insurance	100,678	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Vocational Education Program (Cont.)		
Employer Medicare	$ 7,696	
Contracts with Other Public Agencies	79,120	
Other Contracted Services	12,013	
Instructional Supplies and Materials	3,032	
Other Supplies and Materials	3,362	
Vocational Instruction Equipment	489	
Total Vocational Education Program		$ 860,689
Support Services		
Attendance		
Assistant(s)	$ 54,029	
Other Salaries and Wages	10,210	
Social Security	3,228	
State Retirement	4,798	
Medical Insurance	6,784	
Employer Medicare	903	
Travel	2,059	
Total Attendance		82,011
Health Services		
Supervisor/Director	$ 41,689	
Medical Personnel	291,316	
Clerical Personnel	17,122	
Social Security	19,864	
State Retirement	29,204	
Medical Insurance	68,514	
Employer Medicare	4,645	
Communication	162	
Travel	4,339	
Drugs and Medical Supplies	908	
Other Supplies and Materials	50,980	
Other Construction	15,000	
Total Health Services		543,743
Other Student Support		
Career Ladder Program	$ 6,000	
Guidance Personnel	416,205	
Clerical Personnel	30,849	
Social Security	26,199	
State Retirement	40,038	
Medical Insurance	79,368	
Employer Medicare	6,127	
Contracts with Government Agencies	83,677	
Evaluation and Testing	13,884	
Travel	80	
Total Other Student Support		702,427

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Regular Instruction Program		
Supervisor/Director	$ 159,402	
Career Ladder Program	11,917	
Librarians	345,261	
Instructional Computer Personnel	153,050	
Clerical Personnel	47,196	
Social Security	41,896	
State Retirement	62,833	
Medical Insurance	125,515	
Employer Medicare	9,798	
Travel	16,370	
Other Contracted Services	24,736	
Library Books/Media	11,266	
Other Supplies and Materials	4,016	
In Service/Staff Development	4,380	
Other Charges	5,880	
Total Regular Instruction Program		$ 1,023,516
Special Education Program		
Supervisor/Director	$ 52,064	
Career Ladder Program	2,500	
Psychological Personnel	11,947	
Assessment Personnel	103,011	
Secretary(ies)	37,595	
Social Security	12,683	
State Retirement	18,167	
Medical Insurance	15,750	
Employer Medicare	2,966	
Communication	4,093	
Travel	19,430	
Other Contracted Services	1,434	
Other Supplies and Materials	3,237	
In Service/Staff Development	594	
Other Equipment	3,394	
Total Special Education Program		288,865
Vocational Education Program		
Secretary(ies)	$ 23,394	
Social Security	1,445	
State Retirement	1,937	
Medical Insurance	938	
Employer Medicare	338	
Travel	6,443	
Other Supplies and Materials	97	
Total Vocational Education Program		34,592

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Other Programs		
On-behalf Payments to OPEB	$ 217,264	
Total Other Programs		$ 217,264
Board of Education		
Secretary to Board	$ 1,500	
Board and Committee Members Fees	4,592	
In-service Training	3,779	
Social Security	333	
State Retirement	124	
Life Insurance	12,418	
Unemployment Compensation	32,164	
Employer Medicare	88	
Other Fringe Benefits	152,383	
Audit Services	5,600	
Dues and Memberships	6,055	
Legal Services	2,704	
Travel	5,024	
Other Supplies and Materials	48	
Liability Insurance	81,423	
Trustee's Commission	214,690	
Workers' Compensation Insurance	235,743	
Other Charges	10,778	
Total Board of Education		769,446
Director of Schools		
County Official/Administrative Officer	$ 120,841	
Salary Supplements	7,000	
Secretary(ies)	63,540	
Social Security	9,991	
State Retirement	14,221	
Medical Insurance	22,118	
Employer Medicare	2,337	
Advertising	237	
Communication	8,284	
Dues and Memberships	3,290	
Postal Charges	3,486	
Travel	1,880	
Office Supplies	400	
Other Supplies and Materials	392	
Premiums on Corporate Surety Bonds	387	
Other Charges	450	
Administration Equipment	58	
Total Director of Schools		258,912
Office of the Principal		
Principals	$ 527,921	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Office of the Principal (Cont.)		
Career Ladder Program	$ 9,916	
Assistant Principals	190,189	
Secretary(ies)	306,931	
Clerical Personnel	18,340	
Other Salaries and Wages	15,492	
Social Security	63,280	
State Retirement	93,123	
Medical Insurance	176,800	
Employer Medicare	14,800	
Communication	40,520	
Other Contracted Services	15,821	
Total Office of the Principal		$ 1,473,133
Operation of Plant		
Custodial Personnel	$ 384,932	
Other Salaries and Wages	15,214	
Social Security	23,364	
State Retirement	31,362	
Medical Insurance	104,386	
Employer Medicare	5,639	
Laundry Service	4,923	
Pest Control	6,335	
Other Contracted Services	99,593	
Custodial Supplies	34,260	
Electricity	1,035,210	
Natural Gas	142,361	
Propane Gas	46,401	
Water and Sewer	116,680	
Building and Contents Insurance	101,855	
Plant Operation Equipment	12,960	
Total Operation of Plant		2,165,475
Maintenance of Plant		
Supervisor/Director	$ 49,767	
Maintenance Personnel	220,415	
Social Security	16,866	
State Retirement	20,779	
Medical Insurance	52,665	
Employer Medicare	3,945	
Laundry Service	2,119	
Maintenance and Repair Services - Buildings	89,474	
Maintenance and Repair Services - Equipment	25,406	
Travel	887	
Other Contracted Services	19,392	
Diesel Fuel	701	
Equipment and Machinery Parts	48,148	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Maintenance of Plant (Cont.)		
Gasoline	$ 26,719	
Other Supplies and Materials	103,945	
Maintenance Equipment	22,908	
Total Maintenance of Plant		$ 704,136
Transportation		
Mechanic(s)	$ 148,710	
Bus Drivers	640,617	
Clerical Personnel	26,976	
Other Salaries and Wages	49,619	
Social Security	50,961	
State Retirement	68,442	
Medical Insurance	344,881	
Employer Medicare	11,918	
Laundry Service	2,100	
Maintenance and Repair Services - Vehicles	2,396	
Medical and Dental Services	3,240	
Travel	1,711	
Other Contracted Services	8,357	
Diesel Fuel	334,556	
Gasoline	10,949	
Lubricants	7,906	
Tires and Tubes	19,739	
Vehicle Parts	88,160	
Other Supplies and Materials	9,977	
Vehicle and Equipment Insurance	52,900	
Transportation Equipment	96,000	
Total Transportation		1,980,115
Operation of Non-instructional Services		
Community Services		
Supervisor/Director	$ 13,335	
Teachers	22,492	
Educational Assistants	33,697	
Certified Substitute Teachers	1,285	
Social Security	4,327	
State Retirement	4,444	
Employer Medicare	1,012	
Communication	688	
Travel	5,745	
Food Supplies	2,508	
Instructional Supplies and Materials	1,368	
Other Supplies and Materials	19,015	
In Service/Staff Development	1,846	
Other Equipment	1,080	
Total Community Services		112,842

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)			
Operation of Non-instructional Services (Cont.)			
Early Childhood Education			
Supervisor/Director	$ 33,844		
Teachers	199,531		
Clerical Personnel	23,364		
Educational Assistants	66,996		
Custodial Personnel	120		
Certified Substitute Teachers	61		
Non-certified Substitute Teachers	1,291		
Social Security	19,071		
State Retirement	28,021		
Medical Insurance	81,183		
Employer Medicare	4,460		
Communication	584		
Travel	6,941		
Food Supplies	9,162		
Instructional Supplies and Materials	21,403		
Other Supplies and Materials	10,906		
In Service/Staff Development	3,179		
Other Equipment	22,784		
Total Early Childhood Education		$ 532,901	
Other Debt Service			
Education			
Debt Service Contribution to Primary Government	$ 25,212		
Total Education		25,212	
Total General Purpose School Fund			$ 28,091,298
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 818,933		
Social Security	46,598		
State Retirement	72,716		
Medical Insurance	144,074		
Employer Medicare	10,898		
Other Contracted Services	41,974		
Instructional Supplies and Materials	15,633		
Textbooks	3,064		
Other Supplies and Materials	14,424		
Regular Instruction Equipment	221,884		
Total Regular Instruction Program		$ 1,390,198	
Special Education Program			
Educational Assistants	$ 329,008		
Speech Pathologist	54,631		
Social Security	22,122		

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)		
Instruction (Cont.)		
Special Education Program (Cont.)		
State Retirement	$ 31,025	
Medical Insurance	135,178	
Employer Medicare	5,174	
Total Special Education Program		$ 577,138
Vocational Education Program		
Other Salaries and Wages	$ 9,321	
Social Security	578	
Employer Medicare	135	
Instructional Supplies and Materials	7,740	
Other Supplies and Materials	45	
Vocational Instruction Equipment	2,038	
Total Vocational Education Program		19,857
Support Services		
Other Student Support		
Other Salaries and Wages	$ 1,500	
Social Security	93	
State Retirement	111	
Employer Medicare	22	
Evaluation and Testing	16,000	
Travel	13,084	
Other Supplies and Materials	14,463	
In Service/Staff Development	1,895	
Other Charges	9,302	
Regular Instruction Equipment	9,936	
Total Other Student Support		66,406
Regular Instruction Program		
Supervisor/Director	$ 15,479	
Secretary(ies)	7,323	
Social Security	1,408	
State Retirement	1,978	
Employer Medicare	329	
Communication	407	
Travel	857	
Other Supplies and Materials	227	
In Service/Staff Development	14,598	
Other Charges	10	
Other Equipment	969	
Total Regular Instruction Program		43,585
Special Education Program		
Psychological Personnel	$ 11,307	
Other Salaries and Wages	1,660	
Social Security	799	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Special Education Program (Cont.)			
State Retirement	$ 1,142		
Medical Insurance	938		
Employer Medicare	187		
Travel	807		
Other Contracted Services	3,488		
Other Supplies and Materials	196		
Total Special Education Program		$ 20,524	
Vocational Education Program			
Travel	$ 1,054		
Total Vocational Education Program		1,054	
Total School Federal Projects Fund			$ 2,118,762
Central Cafeteria Fund			
Support Services			
Board of Education			
Trustee's Commission	$ 33		
Total Board of Education		$ 33	
Operation of Non-instructional Services			
Food Service			
Supervisor/Director	$ 66,953		
Cafeteria Personnel	586,446		
Social Security	39,974		
State Retirement	43,907		
Medical Insurance	182,008		
Employer Medicare	9,337		
Communication	4,381		
Maintenance and Repair Services - Equipment	16,316		
Transportation - Other than Students	11,334		
Travel	4,118		
Other Contracted Services	2,800		
Food Supplies	866,340		
Uniforms	4,330		
USDA - Commodities	161,202		
Other Supplies and Materials	69,912		
In Service/Staff Development	476		
Food Service Equipment	64,195		
Total Food Service		2,134,029	
Total Central Cafeteria Fund			2,134,062

(Continued)

Exhibit J-8

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

Education Capital Projects Fund			
Capital Projects			
Education Capital Projects			
Architects	$ 3,676		
Building Improvements	73,788		
Heating and Air Conditioning Equipment	182,900		
Regular Instruction Equipment	9,919		
Other Construction	558,390		
Total Education Capital Projects		$ 828,673	
Total Education Capital Projects Fund			$ 828,673
Total Governmental Funds - Giles County School Department			$ 33,172,795

Exhibit J-9

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

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 2,473,635
Total Cash Receipts	$ 2,473,635
Cash Disbursements	
Remittance of Revenues Collected	$ 2,469,218
Trustee's Commission	4,417
Total Cash Disbursements	$ 2,473,635
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2013	0
Cash Balance, June 30, 2014	$ 0

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

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

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Giles County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Giles County's basic financial statements, and have issued our report thereon dated February 25, 2015. Our report includes a reference to other auditors who audited the financial statements of the Giles County Emergency Communications District, as described in our report on Giles County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Giles County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Giles County's internal control. Accordingly, we do not express an opinion on the effectiveness of Giles County's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Giles County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

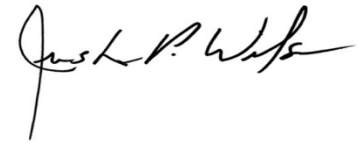
Giles County's Response to Findings

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

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 25, 2015

JPW/sb

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

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

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Giles County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Giles County's major federal programs for the year ended June 30, 2014. Giles County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Giles County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan

and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Giles County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Giles County's compliance.

Opinion on Each Major Federal Program

In our opinion, Giles County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Giles County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Giles County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Giles County's internal control over compliance.

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

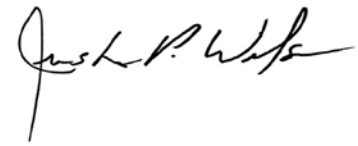
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Giles County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Giles County's basic financial statements. We issued our report thereon dated February 25, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 25, 2015

JPW/sb

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	
U.S. Department of Agriculture:				
Direct Programs:				
Tobacco Transition Payment Program	10.085	N/A	$ 251	
Environmental Quality Incentives Program	10.912	N/A	9,000	
Passed-through State Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	(2)	502,955	
National School Lunch Program	10.555	(2)	1,123,290	(7)
Passed-through State Department of Agriculture:				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	161,202	(7)
Total U.S. Department of Agriculture			$ 1,796,698	
U.S. Department of Housing and Urban Development:				
Passed-through Tennessee Housing Development Agency:				
Home Investment Partnerships Program	14.239	(2)	$ 251,491	
Total U.S. Department of Housing and Urban Development			$ 251,491	
U.S. Department of Justice:				
Direct Program:				
Bulletproof Vest Partnership Program	16.607	N/A	$ 2,085	
Total U.S. Department of Justice			$ 2,085	
U.S. Department of Labor:				
Passed-through South Central Tennessee Workforce Alliance:				
WIA Youth Activities	17.259	(2)	$ 14,875	
Total U.S. Department of Labor			$ 14,875	
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
State and Community Highway Safety	20.600	Z13GHS123	$ 4,640	
National Priority Safety Programs	20.616	Z14GHS134	2,439	
Total U.S. Department of Transportation			$ 7,079	
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	$ 996,147	
Special Education Cluster:				
Special Education - Grants to States	84.027	N/A	691,985	
Special Education - Preschool Grants	84.173	N/A	18,037	
Career and Technical Education - Basic Grants to States	84.048	N/A	31,694	
Safe and Drug-free Schools and Communities - National Program	84.184	(2)	30,320	
Rural Education	84.358	N/A	47,834	
Improving Teacher Quality State Grants	84.367	N/A	160,792	
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	254,314	
Total U.S. Department of Education			$ 2,231,123	
U.S. Election Assistance Commission:				
Passed-through Tennessee Secretary of State:				
Help America Vote Act Requirements Payments	90.401	(2)	$ 48,615	
Total U.S. Election Assistance Commission			$ 48,615	

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Grants to States for Operation of Offices of Rural Health	93.913	GG1437757	$ 137,016
Total U.S. Department of Health and Human Services			$ 137,016
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Hazard Mitigation Grant	97.039	(3)	$ 29,957
Emergency Management Performance Grants	97.042	34101-02913	21,350
Homeland Security Grant Program	97.067	(4)	22,304
Total U.S. Department of Homeland Security			$ 73,611
Total Expenditures of Federal Awards			$ 4,562,593

State Grants		Contract Number	
Energy Efficient Schools Initiative - State Department of Education	N/A	(2)	$ 17,077
Health Department Programs - State Department of Health	N/A	(5)	156,396
Conservation Technical Assistance - State Department of Agriculture	N/A	(2)	8,407
Early Childhood Education - State Department of Education	N/A	(2)	442,480
Statewide Student Management System - State Department of Education	N/A	(2)	10,377
Coordinated School Health - State Department of Education	N/A	(2)	99,798
Project Diabetes Initiative Services - State Department of Health	N/A	(2)	15,000
Safe Schools Act 2003 - State Department of Education	N/A	(2)	21,400
Lottery for Education Afterschool Program - State Department of Education	N/A	(2)	114,467
Litter Program - State Department of Transportation	N/A	(2)	40,873
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	15,670
Hazard Mitigation Grant Program - State Department of Military	N/A	(6)	4,993
Act/Explore/Plan - State Department of Education	N/A	(2)	5,131
Student Ticket Subsidy Grant - Tennessee Arts Commission	N/A	(2)	700
Common Core Through the Arts - Tennessee Arts Commission	N/A	(2)	7,300
Election Commission Grant - Tennessee Secretary of State	N/A	(2)	2,559
FastTrack Industrial Development Program - State Department of Economic and Community Development	N/A	GG-12-39342-00	29,838
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(2)	9,000
Total State Grants			$ 1,001,466

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) 34101-63011: $14,941; 34101-44611: $15,016.
(4) 34101-17712: $13,799; 34101-16413: $8,505.
(5) GG1338460: $20,845; GG1437757: $135,551.
(6) 34101-63011: $2,490; 34101-44611: $2,503.
(7) Total for CFDA No. 10.555 is $1,284,492.

Giles County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2014

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below is the finding from the Annual Financial Report for Giles County, Tennessee, for the year ended June 30, 2013, which has not been corrected.

OFFICES OF CLERK AND MASTER AND REGISTER OF DEEDS

Finding Number	Page Number	Subject
2013-003	144	Duties were not segregated adequately

GILES COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Giles County is unmodified.

2. The audit of the financial statements of Giles County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.

3. The audit disclosed no instances of noncompliance that were material to the financial statements of Giles County.

4. Our audit disclosed no significant deficiencies in internal control over major programs.

5. An unmodified opinion was issued on compliance for major programs.

6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.

7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the State Fiscal Stabilization Fund – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.

8. A $300,000 threshold was used to distinguish between Type A and Type B federal programs.

9. Giles County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF TRUSTEE

FINDING 2014-001 **THE OFFICE HAD ACCOUNTING DEFICIENCIES**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

Our examination revealed the following accounting deficiencies:

A. When the trustee could not readily identify an Automated Clearing House (ACH) bank deposit, the deposit and corresponding revenue entry were not posted to the general ledger. These ACHs totaled $176,643 for the period July 1, 2013, through June 30, 2014. The trustee subsequently recorded these direct deposits in July 2014.

B. The trustee did not post various bank transaction fees and electronic fund transfers totaling $531 to the general ledger during the audit period.

C. The trustee attempted to reconcile the check clearing bank accounts monthly; however, the reconciliations were not performed correctly. It should be noted that identified errors were allowed to accumulate without correction.

Material audit adjustments were required because the trustee'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 office has ineffective controls over the maintenance of its accounting records, which are used to prepare monthly financial statements. This finding resulted from management's lack of oversight. We presented audit adjustments to the trustee that were approved and posted to the general ledger.

RECOMMENDATION

All bank activity should be posted to the accounting records monthly. If the trustee cannot readily determine where to code revenues, the trustee should contact the county departments that generated the revenue to determine proper classification. Reconciliations should be performed on a monthly basis for all bank accounts, and any errors should be corrected timely.

OFFICES OF CLERK AND MASTER AND REGISTER OF DEEDS

FINDING 2014-002 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the officials and employees in the Offices of Clerk and Master and Register of Deeds. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency in 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.

MANAGEMENT'S RESPONSE – REGISTER OF DEEDS

The cost of hiring enough employees to segregate each step involved is not feasible for the Register's Office at this time. We now have only two employees in the office. The budget will not allow us to increase our staff to comply with this recommendation. We will be glad to work with a plan that will comply with these recommendations.

AUDITOR'S COMMENT

We have not recommended hiring additional employees. We realize that due to limited resources and personnel, management may not be able to fully segregate duties among employees. However, duties should be segregated to the extent possible.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards.

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

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