
ANNUAL FINANCIAL REPORT WAYNE COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2014



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

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

WAYNE COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

Our report on the aggregate discretely presented component units is adverse because the financial statements do not include a major component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unmodified.

Our audit resulted in 17 findings and recommendations, which we have reviewed with Wayne County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY EXECUTIVE

- ◆ Deficiencies were noted in the maintenance of accounting records for the Wayne County Board of Public Utilities.
- ◆ Material audit adjustments were required for proper financial statement presentation.
- ◆ The office had deficiencies in budget operations.
- ◆ The office had purchasing deficiencies.
- ◆ Authorizations were not on file to support gross salary amounts for some employees.
- ◆ A tax anticipation note was not issued in compliance with state statutes.
- ◆ Amounts withheld from contractor payments were not deposited into an escrow account.
- ◆ Written agreements do not exist to document loans to the Wayne County Retirement Facilities.

OFFICE OF DIRECTOR OF SCHOOLS

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

- ◆ Invoices were paid without documentation that goods had been received or services rendered.
 - ◆ A cash shortage totaling \$319,134.58 existed as of February 28, 2013.
-

OFFICE OF TRUSTEE

- ◆ The trustee paid warrants issued from the School Federal Projects, Cities Sales Tax, and Community Development/Industrial Park funds that exceeded available cash on deposit.
-

OFFICE OF COUNTY CLERK

- ◆ Employees processed transactions using the same username.
-

OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; AND CLERK AND MASTER

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

OFFICES OF COUNTY EXECUTIVE; PUBLIC LIBRARY; TRUSTEE; COUNTY CLERK; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; AND REGISTER OF DEEDS

- ◆ Duties were not segregated adequately.
-

COUNTY COMMISSION

- ◆ Two county commissioners failed to disclose their conflicts of interest.

INTRODUCTORY SECTION

Wayne County Officials

June 30, 2014

Officials

Jason Rich, County Executive
Barry Pierce, Interim Commissioner of Highways
Gailand Grinder, Director of Schools
Janice Smith, Trustee
Billy Vencion, Assessor of Property
Stan Horton, County Clerk
Bill Crews, Circuit, General Sessions, and Juvenile Courts Clerk
Carolyn Mathis, Clerk and Master
Ruth Butler, Register of Deeds
Ric Wilson, Sheriff

Board of County Commissioners

Jason Rich, County Executive, Chairman	James Haggard, Jr.
O.C. Berry, Jr.	Jim Kelley
Joe Hanback	Tom Mathis, Jr.
Randy Whitten	Warren Miller, III
David Martin	John McDonald
Rickey Kelley	Brian Harris
Joe Hall	Phillip Casteel
Tim Powell	

Board of Education

Barry Hanback, Chairman	Patrick Blackburn
Andy Yarbrough	Pat Brown
Dwight Bumphus	
Greg Eaton	

Audit Committee

John McDonald, Chairman
Tim Powell
Regina Tesnow
Sarah Cook

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

Wayne County Executive and
Board of County Commissioners
Wayne 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 Wayne 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 Wayne County Emergency Communications District. 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 Wayne County Emergency Communications District, is based solely on the report of the other auditors. We were unable to determine Wayne County Emergency Communications District's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Wayne County Retirement Facilities, a component unit requiring discrete presentation, was not included in the county's financial statements. We

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

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

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
General Fund	Unmodified
Solid Waste/Sanitation Fund	Unmodified
Highway/Public Works Fund	Unmodified
General Debt Service Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Adverse Opinion on Aggregate Discretely Presented Component Unit Activities

The financial statements of the Wayne County Retirement Facilities (which include the Wayne County Nursing Home, the Wayne Care Nursing Home, and the Wayne County Assisted Living Facility), a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units' financial statements referred to above do not include amounts for the Wayne County Retirement Facilities, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

Adverse Opinion

In our opinion, because of the significance of the matter described in the “Basis for Adverse Opinion on Governmental Activities” paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of Wayne County, Tennessee, as of June 30, 2014, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for the General, Solid Waste/Sanitation, 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., Wayne 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 information on pages 71 - 73 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

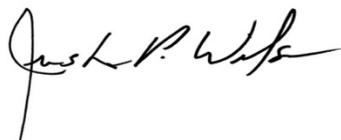
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Wayne County School Department (a discretely presented component unit), and miscellaneous schedules are presented for the purposes of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described above in the “Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units” paragraph, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2014, on our consideration of Wayne 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 Wayne County’s internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 22, 2014

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government Governmental Activities	Component Units	
		Wayne County School Department	Emergency Communica- tions District
<u>ASSETS</u>			
Cash	\$ 100	\$ 555	\$ 313,701
Equity in Pooled Cash and Investments	4,389,231	1,469,299	0
Inventories	0	35,735	0
Accounts Receivable	183,782	0	21,097
Due from Other Governments	804,821	316,203	0
Property Taxes Receivable	3,950,067	1,975,033	0
Allowance for Uncollectible Property Taxes	(116,419)	(58,210)	0
Prepaid Items	0	8,005	17,056
Notes Receivable	200,000	0	0
Restricted Assets:			
Customer Deposits	2,750	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	738,374	495,517	55,244
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	10,966,411	12,589,048	687,132
Infrastructure	14,483,946	0	0
Other Capital Assets	1,102,183	1,132,319	615,209
Total Assets	<u>\$ 36,705,246</u>	<u>\$ 17,963,504</u>	<u>\$ 1,709,439</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 109,269	\$ 0	\$ 17,056
Accrued Payroll	2,354	457,890	0
Payroll Deductions Payable	17	0	0
Contracts Payable	85,373	0	0
Retainage Payable	43,724	0	0
Due to State of Tennessee	91	10,085	0
Accrued Interest Payable	80,992	0	0
Other Accrued Liabilities	0	0	5,077
Current Liabilities Payable from Restricted Assets:			
Customer Deposits Payable	2,750	0	0
Noncurrent Liabilities:			
Due Within One Year	1,967,813	97,884	96,510
Due in More Than One Year (net of unamortized premium on debt)	24,121,739	3,361,185	524,134
Total Liabilities	<u>\$ 26,414,122</u>	<u>\$ 3,927,044</u>	<u>\$ 642,777</u>

(Continued)

Exhibit A

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

	Primary Government <u>Governmental Activities</u>	Component Units	
		Wayne County School Department	Emergency Communica- tions District
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,619,235	\$ 1,809,617	\$ 0
Total Deferred Inflows of Resources	<u>\$ 3,619,235</u>	<u>\$ 1,809,617</u>	<u>\$ 0</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 14,701,312	\$ 14,216,884	\$ 736,941
Restricted for:			
General Government	34,611	0	0
Administration of Justice	17,434	0	0
Public Safety	299,308	0	0
Social, Cultural, and Recreational Services	45,870	0	0
Capital Projects	9,122	0	0
Highway/Public Works	1,922,859	0	0
Education	0	63,332	0
Central Cafeteria	0	183,208	0
Unrestricted	<u>(10,358,627)</u>	<u>(2,236,581)</u>	<u>329,721</u>
Total Net Position	<u>\$ 6,671,889</u>	<u>\$ 12,226,843</u>	<u>\$ 1,066,662</u>

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Program Revenues			Capital Grants and Contributions	Governmental Activities	Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions			Wayne County School Department	Emergency Communi- cations District
Primary Government:							
Governmental Activities:							
General Government	\$ 1,108,598	\$ 168,661	\$ 270,570	\$ 0	\$ (669,367)	\$ 0	\$ 0
Finance	444,896	382,096	0	0	(62,800)	0	0
Administration of Justice	787,596	388,937	9,000	0	(389,659)	0	0
Public Safety	3,301,079	1,090,225	119,371	0	(2,091,483)	0	0
Public Health and Welfare	1,352,086	39,042	156,355	0	(1,156,689)	0	0
Social, Cultural, and Recreational Services	214,580	10,852	27,682	428,106	252,060	0	0
Agriculture and Natural Resources	86,617	0	9,750	0	(76,867)	0	0
Highways/Public Works	2,583,701	8,462	2,013,429	0	(561,810)	0	0
Interest on Long-term Debt	998,886	0	0	0	(998,886)	0	0
Total Governmental Activities	\$ 10,878,039	\$ 2,088,275	\$ 2,606,157	\$ 428,106	\$ (5,755,501)	\$ 0	\$ 0
Total Primary Government	\$ 10,878,039	\$ 2,088,275	\$ 2,606,157	\$ 428,106	\$ (5,755,501)	\$ 0	\$ 0
Component Units:							
Wayne County School Department	\$ 22,470,100	\$ 429,197	\$ 3,942,740	\$ 0	\$ 0	\$ (18,098,163)	\$ 0
Emergency Communications District	362,499	126,069	142,860	255,932	0	0	162,362
Total Component Units	\$ 22,832,599	\$ 555,266	\$ 4,085,600	\$ 255,932	\$ 0	\$ (18,098,163)	\$ 162,362

(Continued)

Exhibit B

Wayne County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Expenses	Program Revenues		Component Units		Emergency Communi- cations District
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Wayne County School Department	
		Primary Government Total Governmental Activities				
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes		\$ 2,693,965	\$ 1,925,248	\$	0	0
Property Taxes Levied for Debt Service		1,007,147	0		0	0
Local Option Sales Tax		940,938	666,509		0	0
Wheel Tax		582,875	0		0	0
Litigation Tax - General		44,138	0		0	0
Litigation Tax - Jail, Workhouse, or Courthouse		43,379	0		0	0
Litigation Tax - Sheriff		42,744	0		0	0
Business Tax		95,087	0		0	0
Mineral Severance Tax		48,530	0		0	0
Wholesale Beer Tax		156,609	0		0	0
Other Local Taxes		61,533	31,342		0	0
Grants and Contributions Not Restricted to Specific Programs		1,189,217	13,876,169		0	0
Unrestricted Investment Earnings		36,673	0		0	2,808
E-rate Funding		0	0		29,642	0
Miscellaneous		28,002	39,888		16,391	0
Insurance Recovery		21,196	0		0	0
Total General Revenues		\$ 6,992,033	\$ 16,568,798	\$	19,199	0
Change in Net Position		\$ 1,236,532	\$ (1,529,365)	\$	181,561	0
Net Position, July 1, 2013		3,399,416	13,756,208		885,101	0
Restatement - See Note I.D.9.		2,035,941	0		0	0
Net Position, June 30, 2014		\$ 6,671,889	\$ 12,226,843	\$	1,066,662	0

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

Exhibit C-1

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other	Governmental Funds	
ASSETS							
Cash	\$ 100	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	100
Equity in Pooled Cash and Investments	731,800	275,833	1,269,016	1,404,130	708,452	0	4,389,231
Accounts Receivable	120,323	10,951	0	43,326	9,182	0	183,782
Due from Other Governments	162,360	0	353,828	175,576	113,057	0	804,821
Property Taxes Receivable	1,975,033	830,087	42,936	1,102,011	0	0	3,950,067
Allowance for Uncollectible Property Taxes	(58,210)	(24,465)	(1,265)	(32,479)	0	0	(116,419)
Restricted Assets:							
Customer Deposits	0	0	0	0	2,750	0	2,750
Notes Receivable - Long-term	0	0	0	200,000	0	0	200,000
Total Assets	\$ 2,931,406	\$ 1,092,406	\$ 1,664,515	\$ 2,892,564	\$ 833,441	\$ 0	\$ 9,414,332
LIABILITIES							
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 109,269	\$ 0	109,269
Accrued Payroll	0	0	2,354	0	0	0	2,354
Payroll Deductions Payable	0	0	0	0	17	0	17
Contracts Payable	0	0	0	0	85,373	0	85,373
Retainage Payable	0	0	0	0	43,724	0	43,724
Due to State of Tennessee	91	0	0	0	0	0	91
Current Liabilities Payable from Restricted Assets:							
Customer Deposits Payable	0	0	0	0	2,750	0	2,750
Total Liabilities	\$ 91	\$ 0	\$ 2,354	\$ 0	\$ 241,133	\$ 0	\$ 243,578

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other	Governmental Funds	
\$ 1,809,617 \$	760,564 \$	39,340 \$	1,009,714 \$	0 \$	0 \$	3,619,235	
102,760	43,190	2,234	57,337	0	0	205,521	
88,376	0	176,914	87,686	0	0	352,976	
\$ 2,000,753 \$	803,754 \$	218,488 \$	1,154,737 \$	0 \$	0 \$	4,177,732	

DEFERRED INFLOWS OF RESOURCES

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

FUND BALANCES

Restricted:						
Restricted for General Government	\$ 34,611	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,611
Restricted for Administration of Justice	17,434	0	0	0	0	17,434
Restricted for Public Safety	222,132	0	0	0	77,176	299,308
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	45,870	45,870
Restricted for Highways/Public Works	0	0	1,443,673	0	315,746	1,759,419
Restricted for Capital Projects	0	0	0	0	9,122	9,122
Committed:						
Committed for Public Health and Welfare	0	288,652	0	0	0	288,652
Committed for Debt Service	0	0	0	1,737,827	0	1,737,827
Committed for Capital Projects	0	0	0	0	144,394	144,394
Assigned:						
Assigned for Public Safety	896	0	0	0	0	896
Assigned for Social, Cultural, and Recreational Services	38,025	0	0	0	0	38,025
Unassigned	617,464	0	0	0	0	617,464
Total Fund Balances	\$ 930,562 \$	288,652 \$	1,443,673 \$	1,737,827 \$	592,308 \$	4,993,022
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,931,406 \$	1,092,406 \$	1,664,515 \$	2,892,564 \$	833,441 \$	9,414,332

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

Wayne 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)		\$	4,993,022
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	738,374	
Add: buildings and improvements net of accumulated depreciation		10,966,411	
Add: infrastructure net of accumulated depreciation		14,483,946	
Add: other capital assets net of accumulated depreciation		<u>1,102,183</u>	27,290,914
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(25,505,491)	
Less: other loans payable		(500,000)	
Less: compensated absences payable		(64,750)	
Less: accrued interest on bonds and other loans		(80,992)	
Less: other deferred revenue - premium on debt		<u>(19,311)</u>	(26,170,544)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>558,497</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>6,671,889</u></u>

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

Exhibit C-3

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	Governmental Funds		
Revenues								
Local Taxes	\$ 2,466,179	\$ 843,908	\$ 40,705	\$ 2,427,791	\$ 57,700	\$ 5,836,283		
Licenses and Permits	7,316	0	0	0	0	7,316		
Fines, Forfeitures, and Penalties	147,983	0	0	0	14,000	161,983		
Charges for Current Services	65,060	0	0	0	108,242	173,302		
Other Local Revenues	107,448	39,042	10,608	203	26,609	183,910		
Fees Received from County Officials	665,905	0	0	0	0	665,905		
State of Tennessee	2,309,278	0	1,933,471	0	89,716	4,332,465		
Federal Government	90,228	0	79,958	0	428,106	598,292		
Other Governments and Citizens Groups	9,750	0	0	200,000	5,000	214,750		
Total Revenues	\$ 5,869,147	\$ 882,950	\$ 2,064,742	\$ 2,627,994	\$ 729,373	\$ 12,174,206		
Expenditures								
Current:								
General Government	\$ 903,697	\$ 0	\$ 0	\$ 0	\$ 0	\$ 903,697		
Finance	419,334	0	0	0	0	419,334		
Administration of Justice	633,278	0	0	0	15,012	648,290		
Public Safety	2,726,175	0	0	0	20,590	2,746,765		
Public Health and Welfare	146,628	830,946	0	0	0	977,574		
Social, Cultural, and Recreational Services	222,668	0	0	0	0	222,668		
Agriculture and Natural Resources	86,319	0	0	0	0	86,319		
Other Operations	693,241	0	0	0	176,225	869,466		
Highways	53,795	0	2,094,224	0	0	2,148,019		
Support Services	10,269	0	0	0	0	10,269		
Debt Service:								
Principal on Debt	0	0	0	2,492,912	0	2,492,912		
Interest on Debt	0	0	0	1,000,188	0	1,000,188		

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	Governmental Funds	
<u>Expenditures (Cont.)</u>							
Debt Service (Cont.)							
Other Debt Service	\$ 0	\$ 0	\$ 0	\$ 216,480	\$ 0	\$ 0	\$ 216,480
Capital Projects	0	0	0	0	1,130,830	0	1,130,830
Total Expenditures	\$ 5,895,404	\$ 830,946	\$ 2,094,224	\$ 3,709,580	\$ 1,342,657	\$ 0	\$ 13,872,811
Excess (Deficiency) of Revenues Over Expenditures	\$ (26,257)	\$ 52,004	\$ (29,482)	\$ (1,081,586)	\$ (613,284)	\$ 0	\$ (1,698,605)
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,207,000	\$ 0	\$ 1,207,000
Notes Issued	0	0	0	0	297,015	0	297,015
Other Loans Issued	0	0	0	0	300,000	0	300,000
Insurance Recovery	21,196	0	0	0	0	0	21,196
Transfers In	100,000	0	0	1,146,250	0	0	1,246,250
Transfers Out	0	0	0	(100,000)	(1,146,250)	0	(1,246,250)
Total Other Financing Sources (Uses)	\$ 121,196	\$ 0	\$ 0	\$ 1,046,250	\$ 657,765	\$ 0	\$ 1,825,211
Net Change in Fund Balances	\$ 94,939	\$ 52,004	\$ (29,482)	\$ (35,336)	\$ 44,481	\$ 0	\$ 126,606
Fund Balance, July 1, 2013	835,623	236,648	1,473,155	1,773,163	547,827	0	4,866,416
Fund Balance, June 30, 2014	\$ 930,562	\$ 288,652	\$ 1,443,673	\$ 1,737,827	\$ 592,308	\$ 0	\$ 4,993,022

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

Exhibit C-4

Wayne 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)		\$ 126,606
(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	\$ 1,628,818	
Less: current-year depreciation expense	<u>(1,103,348)</u>	525,470
(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	\$ 558,497	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(649,276)</u>	(90,779)
(3) The issuance of long-term debt (e.g., notes, bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: note proceeds	\$ (297,015)	
Less: bonds proceeds	(1,207,000)	
Less: other loan proceeds	(300,000)	
Add: change in premium on debt issuances	9,948	
Add: principal payments on notes	1,128,949	
Add: principal payments on bonds	<u>1,363,963</u>	698,845
(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	\$ 1,302	
Change in compensated absences payable	<u>(24,912)</u>	<u>(23,610)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,236,532</u>

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

Exhibit C-5

Wayne 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	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 2,466,179	\$ 0	\$ 2,466,179	\$ 2,365,925	\$ 2,487,173	\$ (20,994)
Licenses and Permits	7,316	0	7,316	4,255	4,255	3,061
Fines, Forfeitures, and Penalties	147,983	0	147,983	171,521	171,521	(23,538)
Charges for Current Services	65,060	0	65,060	11,566	58,445	6,615
Other Local Revenues	107,448	0	107,448	62,967	113,467	(6,019)
Fees Received from County Officials	665,905	0	665,905	663,005	680,992	(15,087)
State of Tennessee	2,309,278	0	2,309,278	2,086,635	2,313,077	(3,799)
Federal Government	90,228	0	90,228	33,000	60,371	29,857
Other Governments and Citizens Groups	9,750	0	9,750	0	0	9,750
Total Revenues	\$ 5,869,147	\$ 0	\$ 5,869,147	\$ 5,398,874	\$ 5,889,301	\$ (20,154)
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 83,159	\$ 0	\$ 83,159	\$ 77,618	\$ 83,788	\$ 629
County Mayor/Executive	152,690	0	152,690	150,077	152,838	148
Election Commission	145,684	0	145,684	119,538	151,736	6,052
Register of Deeds	125,908	0	125,908	112,855	125,720	(188)
County Buildings	375,705	0	375,705	302,077	378,524	2,819
Other General Administration	20,551	0	20,551	23,798	23,798	3,247
<u>Finance</u>						
Property Assessor's Office	135,452	0	135,452	142,792	143,047	7,595
Reappraisal Program	7,356	0	7,356	16,598	16,343	8,987
County Trustee's Office	137,921	0	137,921	131,941	138,223	302
County Clerk's Office	138,605	0	138,605	137,514	140,864	2,259
<u>Administration of Justice</u>						
Circuit Court	159,257	0	159,257	166,336	166,336	7,079
General Sessions Court	221,393	0	221,393	217,687	221,905	512

(Continued)

Exhibit C-5

Wayne 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	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
	\$	0 \$	0 \$	3,050 \$	3,050 \$	3,050
<u>Expenditures (Cont.)</u>						
<u>Administration of Justice (Cont.)</u>						
Drug Court	117,851	0	117,851	113,550	118,367	516
Chancery Court	60,783	0	60,783	65,503	65,503	4,720
Juvenile Court	57,331	0	57,331	57,107	57,522	191
Judicial Commissioners	16,663	0	16,663	34,926	34,926	18,263
Courtroom Security						
<u>Public Safety</u>						
Sheriff's Department	1,067,867	0	1,067,867	839,964	1,046,505	(21,362)
Jail	1,495,885	(9,377)	1,486,508	1,408,601	1,484,144	(2,364)
Rural Fire Protection	75,965	0	75,965	79,150	79,150	3,185
Civil Defense	23,522	0	23,522	0	23,522	0
Other Emergency Management	37,127	0	37,127	39,148	39,148	2,021
County Coroner/Medical Examiner	21,068	0	21,068	25,053	25,053	3,985
Public Safety Grants Program	3,146	0	3,146	0	0	(3,146)
Other Public Safety	1,595	0	1,595	2,600	2,600	1,005
<u>Public Health and Welfare</u>						
Local Health Center	35,511	0	35,511	52,310	52,310	16,799
Alcohol and Drug Programs	2,500	0	2,500	2,500	2,500	0
Other Local Health Services	91,617	0	91,617	99,996	99,996	8,379
Regional Mental Health Center	9,000	0	9,000	9,000	9,000	0
Other Local Welfare Services	8,000	0	8,000	7,500	9,000	1,000
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	36,000	0	36,000	36,000	36,000	0
Libraries	169,676	0	169,676	145,327	168,715	(961)
Other Social, Cultural, and Recreational	16,992	0	16,992	18,750	18,750	1,758

(Continued)

Exhibit C-5

Wayne 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	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	\$ 47,840	\$ 0	\$ 47,840	\$ 47,514	\$ 47,514	\$(326)
Forest Service	0	0	0	2,000	2,000	2,000
Soil Conservation	38,479	0	38,479	29,411	38,551	72
<u>Other Operations</u>						
Other Economic and Community Development	51,371	0	51,371	46,000	46,000	(5,371)
Veterans' Services	8,895	0	8,895	14,032	14,032	5,137
Other Charges	496,623	0	496,623	355,000	554,623	58,000
Contributions to Other Agencies	80,958	0	80,958	4,200	80,958	0
Employee Benefits	0	0	0	5,000	5,000	5,000
Miscellaneous	55,394	0	55,394	65,554	52,493	(2,901)
<u>Highways</u>						
Litter and Trash Collection	53,795	0	53,795	45,480	48,556	(5,239)
<u>Support Services</u>						
Other Programs	10,269	0	10,269	9,740	10,332	63
<u>Total Expenditures</u>	\$ 5,895,404	\$ (9,377)	\$ 5,886,027	\$ 5,262,797	\$ 6,018,942	\$ 132,915
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ (26,257)	\$ 9,377	\$ (16,880)	\$ 136,077	\$ (129,641)	\$ 112,761
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 21,196	\$ 0	\$ 21,196	\$ 0	\$ 11,288	\$ 9,908
Transfers In	100,000	0	100,000	58,000	58,000	42,000
<u>Total Other Financing Sources</u>	\$ 121,196	\$ 0	\$ 121,196	\$ 58,000	\$ 69,288	\$ 51,908
<u>Net Change in Fund Balance Fund Balance, July 1, 2013</u>	\$ 94,939	\$ 9,377	\$ 104,316	\$ 194,077	\$ (60,353)	\$ 164,669
<u>Fund Balance, June 30, 2014</u>	\$ 835,623	\$ (9,377)	\$ 826,246	\$ 926,918	\$ 926,918	\$ (100,672)
<u>Fund Balance, June 30, 2014</u>	\$ 930,562	\$ 0	\$ 930,562	\$ 1,120,995	\$ 866,565	\$ 63,997

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

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 843,908 \$	0 \$	843,908 \$	816,529 \$	816,529 \$	27,379
Other Local Revenues	39,042	0	39,042	30,000	30,000	9,042
Total Revenues	\$ 882,950 \$	0 \$	882,950 \$	846,529 \$	846,529 \$	36,421
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Other Waste Collection	\$ 63,129 \$	0 \$	63,129 \$	60,777 \$	63,426 \$	297
Landfill Operation and Maintenance	1,217	(1,000)	217	11,500	1,300	1,083
Other Waste Disposal	766,600	(3,500)	763,100	751,776	759,327	(3,773)
Total Expenditures	\$ 830,946 \$	(4,500) \$	826,446 \$	824,053 \$	824,053 \$	(2,393)
Excess (Deficiency) of Revenues Over Expenditures	\$ 52,004 \$	4,500 \$	56,504 \$	22,476 \$	22,476 \$	34,028
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 52,004 \$	4,500 \$	56,504 \$	22,476 \$	22,476 \$	34,028
	236,648	(4,500)	232,148	205,739	205,739	26,409
Fund Balance, June 30, 2014	\$ 288,652 \$	0 \$	288,652 \$	228,215 \$	228,215 \$	60,437

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

Exhibit C-7

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 40,705	\$ 0	\$ 0	\$ 40,705	\$ 39,631	\$ 42,567	\$ (1,862)
Other Local Revenues	10,608	0	0	10,608	30,000	30,000	(19,392)
State of Tennessee	1,933,471	0	0	1,933,471	2,757,191	2,757,191	(823,720)
Federal Government	79,958	0	0	79,958	0	0	79,958
Total Revenues	\$ 2,064,742	\$ 0	\$ 0	\$ 2,064,742	\$ 2,826,822	\$ 2,829,758	\$ (765,016)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 166,153	\$ (142)	\$ 0	\$ 166,011	\$ 201,945	\$ 200,311	\$ 34,300
Highway and Bridge Maintenance	1,173,726	(16,921)	391,036	1,547,841	1,664,047	1,673,469	125,628
Operation and Maintenance of Equipment	620,912	(11,731)	0	609,181	771,873	771,900	162,719
Other Charges	72,827	(800)	0	72,027	82,200	82,200	10,173
Employee Benefits	39,262	0	0	39,262	39,800	39,800	538
Capital Outlay	21,344	0	0	21,344	863,330	854,331	832,987
Total Expenditures	\$ 2,094,224	\$ (29,594)	\$ 391,036	\$ 2,455,666	\$ 3,623,195	\$ 3,622,011	\$ 1,166,345
Excess (Deficiency) of Revenues Over Expenditures	\$ (29,482)	\$ 29,594	\$ (391,036)	\$ (390,924)	\$ (796,373)	\$ (792,253)	\$ 401,329
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (29,482)	\$ 29,594	\$ (391,036)	\$ (390,924)	\$ (796,373)	\$ (792,253)	\$ 401,329
Fund Balance, July 1, 2013	1,473,155	(29,594)	0	1,443,561	1,052,805	1,052,805	390,756
Fund Balance, June 30, 2014	\$ 1,443,673	\$ 0	\$ (391,036)	\$ 1,052,637	\$ 256,432	\$ 260,552	\$ 792,085

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 321,679
Accounts Receivable	60
Due from Other Governments	<u>87,197</u>
Total Assets	<u>\$ 408,936</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 87,197
Due to Litigants, Heirs, and Others	<u>321,739</u>
Total Liabilities	<u>\$ 408,936</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Wayne County's financial statements are presented in accordance with generally accepted accounting principles (GAAP), except for the component units' opinion unit because the financial statements of the Wayne County Retirement Facilities (which include the Wayne County Nursing Home and the Wayne County Assisted Living Facility), a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. 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 Wayne County:

A. Reporting Entity

Wayne County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Wayne 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 Wayne County School Department operates the public school system in the county, and the voters of Wayne 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 Wayne County General Hospital Board of Trustees operates the Wayne County Retirement Facilities composed of the (1) Wayne County Nursing Home, (2) Wayne Care Nursing Home, and (3) Wayne County Assisted Living Facility. The Board of Trustees is a component unit of Wayne County. The board provides health care to the citizens of Wayne County, and the Wayne County Commission appoints its governing body. Patient charges provide the majority of the revenues for the board. Before the issuance of debt instruments, the board must obtain the County Commission's approval. The financial statements of the Wayne County Retirement Facilities were not available from other auditors in time for inclusion in this report.

The Wayne County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Wayne County, and the Wayne 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 Wayne County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Wayne County Retirement Facilities were not available in time for inclusion, as previously mentioned. Complete financial statements of the Wayne County Retirement Facilities (Wayne County Nursing Home, Wayne Care Nursing Home, and Wayne County Assisted Living Facility) and the Wayne County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Wayne County Nursing Home and
Wayne Care Nursing Home
Highway 64 East
Waynesboro, TN 38485

Wayne County Assisted Living Facility
210 Fairlane Drive
Waynesboro, TN 38485

Wayne County Emergency Communications District
113 Hollis Street East
P.O. Box 911
Waynesboro, TN 38485

Related Organization – The Wayne County Industrial Development Board is a related organization of Wayne County. The County Commission appoints its board members, but the county's accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally

supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Wayne 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 Wayne 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.

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

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

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

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

Fund financial statements of Wayne 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. Wayne 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. Wayne 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.

Wayne 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.

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions related to the solid waste transfer station. Local taxes are the foundational revenues of this 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, Wayne 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 and local sales taxes received by the state to be forwarded to the various cities in Wayne County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Wayne 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 Wayne County School Department reports the following fund type:

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.

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 Wayne 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. Wayne 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 Investments 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

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

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to two 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 Community Development/Industrial Park fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the Community Development/Industrial Park Fund.

3. Inventories and Prepaid Items

Inventories of the Wayne 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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayment items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaids 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 40
Other Capital Assets	5 - 20
Infrastructure:	
Roads	20
Bridges	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 revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

Primary Government

It is the county's policy to permit employees to accumulate earned but unused vacation, sick leave, and compensatory time benefits. There is no liability for unpaid accumulated vacation and sick leave since Wayne County does not have a policy to pay any amounts when employees separate from service with the government. Payments are made for accumulated balances for compensatory time in excess of 240 hours. A liability for compensated absences is reported in governmental funds only if amounts have matured.

Discretely Presented Wayne County School Department

The School Department does not have a policy to permit employees to accumulate earned but unused vacation leave. General policy of the School Department for all professional personnel (teachers) permits the unlimited accumulation (maximum of 20 days for support personnel) of unused sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

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, special termination benefits, 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, Wayne County had \$13,435,200 in outstanding debt for capital purposes for the discretely presented Wayne County School Department. This debt is a liability of Wayne County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Wayne 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.

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.

9. Restatement

Capital assets were restated \$2,035,941 from the prior year because waterline extensions had been omitted.

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 Wayne 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 Wayne County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances

may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor/Executive, Election Commission, Register of Deeds, 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.

B. Expenditures Exceeded Appropriations

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

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
Register of Deeds	\$ 188
Sheriff's Department	21,362
Jail	2,364
Public Safety Grants Program	3,146
Libraries	961
Agriculture Extension Office	326
Other Economic and Community Development	5,371
Miscellaneous	2,901
Litter and Trash Collection	5,239
General Debt Service:	
Transfers Out	100,000
General Purpose School:	
Regular Instruction Program	89,142
Community Services	211

Expenditures exceeded total appropriations approved by the County Commission in the Solid Waste/Sanitation Fund by \$2,393.

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Wayne County and the Wayne 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, Wayne 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 Wayne County and the discretely presented Wayne 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	\$ 236,533

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. Wayne 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. Wayne County has no investment policy that would further limit its investment choices. As of June 30, 2014, Wayne County's investment in the State Treasurer's Investment Pool was unrated.

B. Note Receivable

On June 19, 2007, Wayne County loaned \$200,000 to the Wayne County Nursing Home – Component Unit. This note matured on December 1, 2009; but the note has not yet been retired. However, Wayne County does expect to collect the note receivable in the future. Therefore, the General Debt Service

Fund reflected a long-term note receivable of \$200,000 from the Wayne County Nursing Home on June 30, 2014, which is included in the committed fund balance account.

C. Capital Assets

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

Primary Government - Governmental Activities:

	* Restated Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 735,291	\$ 3,083	\$ 0	\$ 738,374
Total Capital Assets Not Depreciated	<u>\$ 735,291</u>	<u>\$ 3,083</u>	<u>\$ 0</u>	<u>\$ 738,374</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 15,741,739	\$ 0	\$ 0	\$ 15,741,739
Infrastructure	15,068,594	1,526,919	0	16,595,513
Other Capital Assets	4,115,526	98,816	(15,698)	4,198,644
Total Capital Assets Depreciated	<u>\$ 34,925,859</u>	<u>\$ 1,625,735</u>	<u>\$ (15,698)</u>	<u>\$ 36,535,896</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 4,349,801	\$ 425,527	\$ 0	\$ 4,775,328
Infrastructure	1,689,704	421,863	0	2,111,567
Other Capital Assets	2,856,201	255,958	(15,698)	3,096,461
Total Accumulated Depreciation	<u>\$ 8,895,706</u>	<u>\$ 1,103,348</u>	<u>\$ (15,698)</u>	<u>\$ 9,983,356</u>
Total Capital Assets Depreciated, Net	<u>\$ 26,030,153</u>	<u>\$ 522,387</u>	<u>\$ 0</u>	<u>\$ 26,552,540</u>
Governmental Activities Capital Assets, Net	<u>\$ 26,765,444</u>	<u>\$ 525,470</u>	<u>\$ 0</u>	<u>\$ 27,290,914</u>

* See Note I.D.9. for restatement.

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

Governmental Activities:

General Government	\$ 24,919
Finance	2,280
Administration of Justice	85,852
Public Safety	257,464
Public Health and Welfare	144,780
Social, Cultural, and Recreational Services	110,597
Agriculture and Natural Resources	298
Highway/Public Works	<u>477,158</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 1,103,348</u>
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Discretely Presented Wayne County School Department -

Governmental Activities

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 495,517	\$ 0	\$ 0	\$ 495,517
Total Capital Assets Not Depreciated	<u>\$ 495,517</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 495,517</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 27,064,377	\$ 0	\$ 0	\$ 27,064,377
Other Capital Assets	3,515,699	0	(220,410)	3,295,289
Total Capital Assets Depreciated	<u>\$ 30,580,076</u>	<u>\$ 0</u>	<u>\$ (220,410)</u>	<u>\$ 30,359,666</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 13,754,991	\$ 720,338	\$ 0	\$ 14,475,329
Other Capital Assets	2,174,836	208,544	(220,410)	2,162,970
Total Accumulated Depreciation	<u>\$ 15,929,827</u>	<u>\$ 928,882</u>	<u>\$ (220,410)</u>	<u>\$ 16,638,299</u>
Total Capital Assets Depreciated, Net	<u>\$ 14,650,249</u>	<u>\$ (928,882)</u>	<u>\$ 0</u>	<u>\$ 13,721,367</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,145,766</u>	<u>\$ (928,882)</u>	<u>\$ 0</u>	<u>\$ 14,216,884</u>

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

Governmental Activities:

Instruction	\$ 15,174
Support Services	882,553
Operation of Non-instructional Services	<u>31,155</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 928,882</u></u>

D. Construction Commitments

At June 30, 2014, Wayne County had uncompleted contracts of approximately \$163,892 for the construction of water lines. Funding for these future expenditures has been received from a federal grant.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	\$ 38,075
Nonmajor governmental	General Purpose School	9,004

These balances resulted from the time lag between the dates that reimbursable expenditures occurred and payments between funds were made.

Interfund Transfers:

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

Primary Government

<u>Transfers Out</u>	<u>Transfers In</u>	
	General Fund	General Debt Service Fund
General Debt Service Fund	\$ 100,000	\$ 0
Nonmajor governmental fund	0	1,146,250
Total	<u><u>\$ 100,000</u></u>	<u><u>\$ 1,146,250</u></u>

F. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 38 years for bonds and two years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and other loans included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds	2.75 to 4.25 %	3-12-52	\$ 17,489,000	\$ 14,750,491
General Obligation Bonds - Refunding	3.2 to 4	12-1-23	16,935,000	10,755,000
Other Loans	1.49	2-7-15	500,000	500,000

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 1,403,063	\$ 956,113	\$ 2,359,176
2016	1,478,777	902,613	2,381,390
2017	1,534,515	845,629	2,380,144
2018	1,595,275	786,440	2,381,715
2019	1,651,060	725,033	2,376,093
2020-2024	9,302,999	2,614,742	11,917,741
2025-2029	4,126,828	1,301,140	5,427,968
2030-2034	3,124,823	486,673	3,611,496
2035-2039	632,749	125,750	758,499
2040-2044	266,525	78,115	344,640
2045-2049	255,960	35,724	291,684
2050-2052	132,917	5,137	138,054
Total	<u>\$ 25,505,491</u>	<u>\$ 8,863,109</u>	<u>\$ 34,368,600</u>

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2015	\$ 500,000	\$ 9,426	\$ 509,426
Total	<u>\$ 500,000</u>	<u>\$ 9,426</u>	<u>\$ 509,426</u>

There is \$1,737,827 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and other loans, totaled \$1,528, based on the 2010 federal census.

Changes in Long-term Obligations

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

Governmental Activities:

	Bonds		Notes	
Balance, July 1, 2013	\$	25,662,454	\$	831,934
Additions		1,207,000		297,015
Reductions		(1,363,963)		(1,128,949)
Balance, June 30, 2014	<u>\$</u>	<u>25,505,491</u>	<u>\$</u>	<u>0</u>
Balance Due Within One Year	<u>\$</u>	<u>1,403,063</u>	<u>\$</u>	<u>0</u>

	Other Loans	Compensated Absences
Balance, July 1, 2013	\$ 200,000	\$ 39,838
Additions	300,000	99,794
Reductions	0	(74,882)
	<hr/>	<hr/>
Balance, June 30, 2014	\$ 500,000	\$ 64,750
	<hr/> <hr/>	<hr/> <hr/>
Balance Due Within One Year	\$ 500,000	\$ 64,750
	<hr/> <hr/>	<hr/> <hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 26,070,241
Less: Due Within One Year	(1,967,813)
Add: Unamortized Premium on Debt	<hr/> 19,311
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<hr/> <hr/> \$ 24,121,739

Compensated absences will be paid from the employing funds, primarily the General, Solid Waste/Sanitation, and Highway/Public Works funds.

Discretely Presented Wayne County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Termination Benefits	Other Postemployment Benefits
Balance, July 1, 2013	\$ 224,470	\$ 2,870,201
Additions	159,086	474,957
Reductions	(77,508)	(192,137)
	<hr/>	<hr/>
Balance, June 30, 2014	\$ 306,048	\$ 3,153,021
	<hr/> <hr/>	<hr/> <hr/>
Balance Due Within One Year	\$ 97,884	\$ 0
	<hr/> <hr/>	<hr/> <hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 3,459,069
Less: Due Within One Year	<u>(97,884)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,361,185</u>

Termination and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

G. On-Behalf Payments

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Wayne 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 \$62,482 and \$29,493, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

Wayne County issued tax anticipation notes from the General Debt Service Fund in advance of property tax collections and deposited the proceeds in the General Fund. These notes were necessary to provide funds for operations. 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	\$ 300,000	\$ (300,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county decided it was more economically feasible to purchase commercial insurance for the risks of loss to which it is exposed. These risks include general liability, property, casualty, and workers' compensation. Settled claims have not exceeded this commercial coverage during this fiscal year.

Wayne County does not provide health insurance for its general government employees.

Discretely Presented Wayne County School Department

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

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

Effective July 1, 2014, the Wayne County Retirement Facilities, a discretely presented component unit (composed of Wayne County Nursing Home, Wayne Care Nursing Home, and the Wayne County Assisted Living Facility), leased the operations with the intent of future sale of the Wayne County Nursing Home and Wayne Care Nursing Home to a private corporation. The Wayne County Retirement Facilities retained the ownership of the Wayne County Assisted Living Facility.

On August 31, 2014, Barry Pierce left the Office of Commissioner of Highways and was succeeded by Chuck Moser.

On October 3, 2014, the county's General Debt Service Fund issued a \$200,000 tax anticipation note to the General Fund for temporary operating funds.

On November 24, 2014, the county's General Debt Service Fund issued a \$120,000 tax anticipation note to the General Fund for temporary operating funds.

D. Contingent Liabilities

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

To facilitate the construction of an assisted living facility, the Industrial Development Board of Wayne County, Tennessee, issued \$2,250,000 in lease revenue and tax bonds dated October 1, 2001. Wayne County leased the facility site to the board pursuant to a ground lease, and the board constructed the facility thereon and leased the facility to Wayne County pursuant to a facilities sublease agreement. The facility is operated by the Wayne County General Hospital Board of Trustees. Wayne County is required to make payments under the sublease from the net revenues of the facility. If such revenues are insufficient, Wayne County is obligated to appropriate, from legally available funds, an amount sufficient to pay such rentals and, if necessary, levy additional ad valorem taxes on all taxable property located in the county.

E. Change in Administration

Commissioner of Highways Billy Joe Martin resigned on April 1, 2014, and was succeeded by Barry Pierce on April 2, 2014.

F. Joint Venture

The Joint Economic and Community Development Board is a joint venture between Wayne County and the cities of Clifton, Collinwood, and Waynesboro. The board comprises 11 members as follows: Wayne County executive; mayors of the cities of Waynesboro, Clifton, and Collinwood; and seven appointed members from the private sector. The purpose of the board is to expand and diversify the economy of the cities and county. The cities and county provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Wayne County made no contributions to the operations of the Joint Economic and Community Development Board during the year ended June 30, 2014.

Wayne County does not have an equity interest in the above-noted joint venture. Complete financial statements for the Joint Economic and Community Development Board can be obtained from its administrative office at the following address:

Administrative Office:

Joint Economic and Community Development Board
Wayne County Executive
P.O. Box 848
Waynesboro, TN 38485

G. Jointly Governed Organization

The South Central Tennessee Railroad Authority (SCTRA) was created by Wayne County in conjunction with Hickman, Lewis, and Perry counties and the cities of Centerville, Linden, Hohenwald, and Waynesboro. The SCTRA's board comprises 16 members, who are the elected county executive or city mayor and an appointed member of the County Commission or City Council from each of the respective counties or cities. Wayne County did not appropriate any funds for this operation during the year, and the county does not have any ongoing financial interest or responsibility for the entity. Funding sources for the SCTRA are lease payments, switching fees, interest earned, and grants. Complete financial statements for the Railroad Authority can be obtained from Keaton & Turner, Attorneys, P.O. Box 789, Hohenwald, TN 38462.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

Employees of Wayne 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 Wayne 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

Wayne 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 6.36 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, Wayne County's annual pension cost of \$575,164 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	\$575,164	100%	\$0
6-30-13	584,825	100	0
6-30-12	677,890	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 96.83 percent funded. The actuarial accrued liability for benefits was \$21.81 million, and the actuarial value of assets was \$21.11 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.69 million. The covered payroll (annual payroll of active employees covered by the plan) was \$8.28 million, and the ratio of the UAAL to the covered payroll was 8.36 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 Wayne County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member’s high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit

provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2014, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2014, 2013, and 2012, were \$946,200, \$943,563, and \$974,268, respectively, equal to the required contributions for each year.

2. Deferred Compensation

The Wayne County School Department offers its employees a deferred compensation plan established pursuant to IRC Section 457. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plan.

I. Other Postemployment Benefits (OPEB)

Discretely Presented Wayne County School Department

Plan Description

The School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated*, for teachers. Prior to reaching

the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tennessee.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2014, the discretely presented Wayne County School Department contributed \$192,137 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 472,000
Interest on the NOPEBO	114,808
Adjustment to the ARC	(111,851)
Annual OPEB cost	<hr/> \$ 474,957
Amount of contribution	(192,137)
Increase/decrease in NOPEBO	\$ 282,820
Net OPEB obligation, 7-1-13	<hr/> 2,870,201
Net OPEB obligation, 6-30-14	<hr/> <hr/> \$ 3,153,021

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Education Group	\$ 622,180	28 %	\$ 2,407,233
6-30-13	"	628,080	26	2,870,201
6-30-14	"	474,957	40	3,153,021

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:
(dollars in thousands)

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 4,621
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,621
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 13,030
UAAL as a % of covered payroll	35%

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

Actuarial Methods and Assumptions

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

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

J. Termination Benefits

The discretely presented Wayne County School Department offers a voluntary termination benefit for employees who retire with 30 years of experience in the Wayne County School System or have reached 60 years of age and are eligible for full retirement with the Tennessee Consolidated Retirement System. The employees must also have at least 50 days of accumulated sick leave and not be retired from another school system. This incentive consists of a cash payment equivalent to 50 percent of the regular daily salary for each day of accumulated sick leave at the retirement date, to be paid out at \$6,000 per year. Currently, 19 school employees have accepted the board's offer. The estimated cost of the cash payment reported in the government-wide Statement of Net Position is \$306,048. The estimated cost did not include a discounted rate because the School Department felt its effects were immaterial. The effects to the School Department's actuarial accrued liability for pension benefits for current, terminated, and retired employees could not be determined.

K. Pollution Remediation

Approximately 40 years ago, Wayne County Highway Department purchased salvaged steel from a Giles County scrap vendor for the construction of approximately 60 county bridges.

In 2009, mercury was discovered in Beech Creek, and it was determined that the source of the mercury was one of the bridges constructed from the salvaged steel. The ensuing investigation traced the source of the steel to Occidental Chemical Company in Muscle Shoals, Alabama. The steel beams were originally used as troughs in a chemical process to manufacture sodium hydroxide. The steel was coated in a layer of mercury, which was then coated in granite. When the steel was scrapped, the granite and mercury layers were not removed. When Wayne County constructed bridges from the steel, the granite and mercury layers, which were mistaken for concrete, were left on the steel and installed facing downward. Over time, the mercury has leached out of the mixture and dripped into the waterway.

Occidental Chemical Company is owned by Glen Springs Holding Company. Glen Springs has agreed to take all responsibility for the cleanup operation. All of the approximately 60 bridges that have been identified as constructed with the salvaged steel will be removed and replaced with new bridges. The steel will be transported to a landfill in Texas designed to accept this type of hazardous material. Glen Springs will bear the full cost of removal, cleanup, disposal, and replacement of the bridges. Additionally, they have agreed to bear the cost of dredging the creek beds if that process is determined to be necessary. This agreement between Glen Springs and Wayne County is documented by a Memorandum of Understanding, a copy of which is available in the Wayne County Executive's Office.

Based on the limited information available at June 30, 2014, future remediation costs could not be reasonably determined.

L. Purchasing Laws

Office of County Executive

Purchasing procedures for the Office of County Executive are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-207, *Tennessee Code Annotated (TCA)*, which provide for all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Commissioner of Highways

Purchasing procedures for the Highway Department are governed by Chapter 66, Private Acts of 2008, and provisions of the Uniform Road Law, Section 54-7-113, *TCA*, which provides for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

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

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

A. Summary of Significant Accounting Policies

1. Reporting Entity

Wayne County Emergency Communications District is a component unit of Wayne County, Tennessee. The district encompasses the same boundaries as Wayne County, Tennessee. The powers of the district are vested in and exercised by a majority of the members of the board of directors, who are appointed by the Wayne County Executive. The Wayne County Commission has the ability to adjust the district's service charges. The district must obtain the County Commission's approval before the issuance of most debt. The district is considered a political subdivision and is exempt from federal and state income taxes.

2. **Basis of Accounting**

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

3. **Cash and Cash Equivalents**

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

4. **Capital Assets**

Capital assets of the district are recorded at cost. Depreciation is computed over the estimated life of the assets using the straight-line method. The estimated life for property, plant, and equipment in service is from three to 40 years. The district does capitalize interest incurred on construction projects.

5. **Estimates**

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

6. **Net Position Flow Assumption**

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

7. **Supply Inventory**

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

8. Operating Revenues and Operating Expenses

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

B. Cash and Certificates of Deposit

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

C. Capital Assets

A summary of changes in capital assets in service is as follows:

	Balance 7-1-13	Additions	Disposals	Balance 6-30-14
Land	\$ 55,244	\$ 0	\$ 0	\$ 55,244
Equipment	695,925	149,261	(8,005)	837,181
Buildings	820,294	0	0	820,294
Vehicles	17,746	27,776	0	45,522
Maps	32,227	0	0	32,227
	<u>\$ 1,621,436</u>	<u>\$ 177,037</u>	<u>\$ (8,005)</u>	<u>\$ 1,790,468</u>
Less Accumulated Depreciation	<u>(366,371)</u>			<u>(432,883)</u>
Utility Plant - Net	<u>\$ 1,255,065</u>			<u>\$ 1,357,585</u>

Depreciation expense consists of equipment (\$47,954), vehicles (\$5,555), and building (\$20,507). All assets except land are being depreciated.

D. Long-term Debt

The following is a summary of changes in long-term debt:

	Balance 7-1-13	Retirements	Balance 6-30-14
Mortgage Loan	\$ 509,977	\$ (25,000)	\$ 484,977
Equipment Lease	199,632	(63,965)	135,667
Total	<u>\$ 709,609</u>	<u>\$ (88,965)</u>	<u>\$ 620,644</u>

Future maturities of note principal and interest are as follows:

Year Ending June 30	Principal	Interest
2015	\$ 96,510	\$ 27,468
2016	99,157	23,455
2017	30,000	19,338
2018	30,000	17,973
2019	30,000	16,608
2020-2024	190,000	58,468
2025-2027	144,977	12,969
Total	<u>\$ 620,644</u>	<u>\$ 176,279</u>

The building of the district is pledged as collateral on the mortgage loan indebtedness until the existing principal and interest are paid in full.

E. Risk Management

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

F. Commitments and Contingencies

Federal and State Grants

In the normal course of operations, the district receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authorities; the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise because of these audits, is not believed to be material.

G. Budgets and Budgetary Accounting

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

1. Formal budgets are adopted and approved by board vote on an annual basis. These budgets are adopted on a basis consistent with generally accepted accounting principles.
2. The board approves total budget appropriations. The manager is authorized to transfer budget amounts between line items within each department; however, any revisions that alter the total appropriations of any fund must be approved by the board.
3. The budget amounts shown in the financial statements are the final authorized amounts as amended during the year.

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-13	\$ 21,115	\$ 21,807	692	96.83 %	\$ 8,281	8.36 %
7-1-11	18,885	19,226	341	98.23	7,818	4.36
7-1-09	15,419	15,419	0	100	7,302	0

Exhibit E-2

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

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-10	\$ 0	\$ 6,454	\$ 6,454	0 %	\$ 13,467	48 %
"	7-1-11	0	6,186	6,186	0	13,450	46
"	7-1-13	0	4,621	4,621	0	13,030	35

WAYNE 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.

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

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for revenues generated by the Tennessee River Resort Act and expended for tourism.

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

Capital Projects Funds

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

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

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for revenues provided for community development and industrial park projects.

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

Exhibit F-1

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

	Special Revenue Funds		Capital Projects Funds		
	Drug Control	Other Special Revenue	Total	General Capital Projects	Community Development/Industrial Park
ASSETS					
Equity in Pooled Cash and Investments	\$ 76,748	\$ 44,828	\$ 121,576	\$ 7,681	\$ 263,449
Accounts Receivable	428	0	428	0	8,754
Due from Other Governments	0	0	0	0	113,057
Restricted Assets:					
Customer Deposits	0	0	0	0	2,750
Total Assets	\$ 77,176	\$ 44,828	\$ 122,004	\$ 7,681	\$ 388,010
LIABILITIES					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 109,269
Payroll Deductions Payable	0	17	17	0	0
Contracts Payable	0	0	0	0	85,373
Retainage Payable	0	0	0	0	43,724
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	0	0	0	0	2,750
Total Liabilities	\$ 0	\$ 17	\$ 17	\$ 0	\$ 241,116
FUND BALANCES					
Restricted:					
Restricted for Public Safety	\$ 77,176	\$ 0	\$ 77,176	\$ 0	\$ 0
Restricted for Social, Cultural, and Recreational Services	0	44,811	44,811	0	1,059
Restricted for Highways/Public Works	0	0	0	0	0
Restricted for Capital Projects	0	0	0	0	9,122
Committed:					
Committed for Capital Projects	0	0	0	7,681	136,713
Total Fund Balances	\$ 77,176	\$ 44,811	\$ 121,987	\$ 7,681	\$ 146,894
Total Liabilities and Fund Balances	\$ 77,176	\$ 44,828	\$ 122,004	\$ 7,681	\$ 388,010

(Continued)

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

		<u>Capital Projects Funds (Cont.)</u>		Total
		Highway Capital Projects	Total	Nonmajor Governmental Funds
<u>ASSETS</u>				
Equity in Pooled Cash and Investments		\$ 315,746 \$	586,876 \$	708,452
Accounts Receivable		0	8,754	9,182
Due from Other Governments		0	113,057	113,057
Restricted Assets:				
Customer Deposits		0	2,750	2,750
Total Assets		\$ 315,746 \$	711,437 \$	833,441
<u>LIABILITIES</u>				
Accounts Payable		\$ 0 \$	109,269 \$	109,269
Payroll Deductions Payable		0	0	17
Contracts Payable		0	85,373	85,373
Retainage Payable		0	43,724	43,724
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable		0	2,750	2,750
Total Liabilities		\$ 0 \$	241,116 \$	241,133
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety		\$ 0 \$	0 \$	77,176
Restricted for Social, Cultural, and Recreational Services		0	1,059	45,870
Restricted for Highways/Public Works		315,746	315,746	315,746
Restricted for Capital Projects		0	9,122	9,122
Committed:				
Committed for Capital Projects		0	144,394	144,394
Total Fund Balances		\$ 315,746 \$	470,321 \$	592,308
Total Liabilities and Fund Balances		\$ 315,746 \$	711,437 \$	833,441

Exhibit F-2

Wayne 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		
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Total	General Capital Projects	Industrial	Community Development/Park
<u>Revenues</u>							
Local Taxes	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	9,170
Fines, Forfeitures, and Penalties	14,000	0	0	14,000	0	0	0
Charges for Current Services	0	0	15,012	15,012	0	0	93,230
Other Local Revenues	0	0	0	0	0	0	26,609
State of Tennessee	0	62,034	0	62,034	0	0	27,682
Federal Government	0	0	0	0	0	0	428,106
Other Governments and Citizens Groups	0	0	0	0	0	0	5,000
Total Revenues	14,000 \$	62,034 \$	15,012 \$	91,046 \$	0 \$	0 \$	589,797
<u>Expenditures</u>							
Current:							
Administration of Justice	0 \$	0 \$	15,012 \$	15,012 \$	0 \$	0 \$	0
Public Safety	20,590	0	0	20,590	0	0	0
Other Operations	0	54,806	0	54,806	0	0	121,419
Capital Projects	0	0	0	0	12,781	0	1,117,564
Total Expenditures	20,590 \$	54,806 \$	15,012 \$	90,408 \$	12,781 \$	0 \$	1,238,983
Excess (Deficiency) of Revenues Over Expenditures	(6,590) \$	7,228 \$	0 \$	638 \$	(12,781) \$	(649,186)	
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,207,000
Notes Issued	0	0	0	0	0	0	297,015
Other Loans Issued	0	0	0	0	0	0	300,000
Transfers Out	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	(1,146,250)
Total Other Financing Sources (Uses)	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	657,765
Net Change in Fund Balances Fund Balance, July 1, 2013	(6,590) \$	7,228 \$	0 \$	638 \$	(12,781) \$	8,579	138,315
Fund Balance, June 30, 2014	77,176 \$	44,811 \$	0 \$	121,987 \$	7,681 \$	146,894	

(Continued)

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

	Capital Projects Funds (Cont.)		Total
	Highway Capital Projects	Total	Nonmajor Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 48,530	\$ 57,700	\$ 57,700
Fines, Forfeitures, and Penalties	0	0	14,000
Charges for Current Services	0	93,230	108,242
Other Local Revenues	0	26,609	26,609
State of Tennessee	0	27,682	89,716
Federal Government	0	428,106	428,106
Other Governments and Citizens Groups	0	5,000	5,000
Total Revenues	\$ 48,530	\$ 638,327	\$ 729,373
<u>Expenditures</u>			
Current:			
Administration of Justice	0	0	15,012
Public Safety	0	0	20,590
Other Operations	0	121,419	176,225
Capital Projects	485	1,130,830	1,130,830
Total Expenditures	\$ 485	\$ 1,252,249	\$ 1,342,657
Excess (Deficiency) of Revenues Over Expenditures	\$ 48,045	\$ (613,922)	\$ (613,284)
<u>Other Financing Sources (Uses)</u>			
Bonds Issued	0	1,207,000	1,207,000
Notes Issued	0	297,015	297,015
Other Loans Issued	0	300,000	300,000
Transfers Out	0	(1,146,250)	(1,146,250)
Total Other Financing Sources (Uses)	\$ 0	\$ 657,765	\$ 657,765
Net Change in Fund Balances	\$ 48,045	\$ 43,843	\$ 44,481
Fund Balance, July 1, 2013	267,701	426,478	547,827
Fund Balance, June 30, 2014	\$ 315,746	\$ 470,321	\$ 592,308

Exhibit F-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 14,000	\$ 22,300	\$ 22,300	\$ (8,300)
Total Revenues	\$ 14,000	\$ 22,300	\$ 22,300	\$ (8,300)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 20,590	\$ 52,900	\$ 52,900	\$ 32,310
Total Expenditures	\$ 20,590	\$ 52,900	\$ 52,900	\$ 32,310
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,590)	\$ (30,600)	\$ (30,600)	\$ 24,010
Net Change in Fund Balance	\$ (6,590)	\$ (30,600)	\$ (30,600)	\$ 24,010
Fund Balance, July 1, 2013	83,766	66,131	66,131	17,635
Fund Balance, June 30, 2014	\$ 77,176	\$ 35,531	\$ 35,531	\$ 41,645

Exhibit F-4

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
State of Tennessee	\$ 62,034	\$ 65,000	\$ 65,000	\$ (2,966)
Total Revenues	\$ 62,034	\$ 65,000	\$ 65,000	\$ (2,966)
<u>Expenditures</u>				
<u>Other Operations</u>				
Tourism	\$ 44,806	\$ 45,860	\$ 45,860	\$ 1,054
Tourism-resort District	10,000	10,000	10,000	0
Total Expenditures	\$ 54,806	\$ 55,860	\$ 55,860	\$ 1,054
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,228	\$ 9,140	\$ 9,140	\$ (1,912)
Net Change in Fund Balance	\$ 7,228	\$ 9,140	\$ 9,140	\$ (1,912)
Fund Balance, July 1, 2013	37,583	43,877	43,877	(6,294)
Fund Balance, June 30, 2014	\$ 44,811	\$ 53,017	\$ 53,017	\$ (8,206)

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

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,427,791	\$ 2,357,427	\$ 2,357,427	\$ 70,364
Other Local Revenues	203	0	0	203
Other Governments and Citizens Groups	200,000	200,000	200,000	0
Total Revenues	<u>\$ 2,627,994</u>	<u>\$ 2,557,427</u>	<u>\$ 2,557,427</u>	<u>\$ 70,567</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,466,412	\$ 617,431	\$ 1,466,579	\$ 167
Highways and Streets	43,500	0	43,500	0
Education	983,000	875,000	983,000	0
<u>Interest on Debt</u>				
General Government	427,250	647,753	473,111	45,861
Highways and Streets	44,602	0	44,602	0
Education	528,336	417,602	528,338	2
<u>Other Debt Service</u>				
General Government	206,480	44,489	209,395	2,915
Highways and Streets	5,000	5,000	5,000	0
Education	5,000	6,500	5,000	0
Total Expenditures	<u>\$ 3,709,580</u>	<u>\$ 2,613,775</u>	<u>\$ 3,758,525</u>	<u>\$ 48,945</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,081,586)</u>	<u>\$ (56,348)</u>	<u>\$ (1,201,098)</u>	<u>\$ 119,512</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 1,146,250	\$ 0	\$ 1,146,250	\$ 0
Transfers Out	(100,000)	0	0	(100,000)
Total Other Financing Sources	<u>\$ 1,046,250</u>	<u>\$ 0</u>	<u>\$ 1,146,250</u>	<u>\$ (100,000)</u>
Net Change in Fund Balance	\$ (35,336)	\$ (56,348)	\$ (54,848)	\$ 19,512
Fund Balance, July 1, 2013	1,773,163	1,850,985	1,850,985	(77,822)
Fund Balance, June 30, 2014	<u>\$ 1,737,827</u>	<u>\$ 1,794,637</u>	<u>\$ 1,796,137</u>	<u>\$ (58,310)</u>

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.

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

Exhibit H-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 321,679	\$ 321,679
Accounts Receivable	0	60	60
Due from Other Governments	87,197	0	87,197
Total Assets	<u>\$ 87,197</u>	<u>\$ 321,739</u>	<u>\$ 408,936</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 87,197	\$ 0	\$ 87,197
Due to Litigants, Heirs, and Others	0	321,739	321,739
Total Liabilities	<u>\$ 87,197</u>	<u>\$ 321,739</u>	<u>\$ 408,936</u>

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities- Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 460,398	\$ 460,398	\$ 0
Due from Other Governments	83,416	87,197	83,416	87,197
Total Assets	\$ 83,416	\$ 547,595	\$ 543,814	\$ 87,197
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 83,416	\$ 547,595	\$ 543,814	\$ 87,197
Total Liabilities	\$ 83,416	\$ 547,595	\$ 543,814	\$ 87,197
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 330,384	\$ 4,816,162	\$ 4,824,867	\$ 321,679
Accounts Receivable	36	60	36	60
Total Assets	\$ 330,420	\$ 4,816,222	\$ 4,824,903	\$ 321,739
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 330,420	\$ 4,816,222	\$ 4,824,903	\$ 321,739
Total Liabilities	\$ 330,420	\$ 4,816,222	\$ 4,824,903	\$ 321,739
<u>Total - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 330,384	\$ 4,816,162	\$ 4,824,867	\$ 321,679
Equity in Pooled Cash and Investments	0	460,398	460,398	0
Accounts Receivable	36	60	36	60
Due from Other Governments	83,416	87,197	83,416	87,197
Total Assets	\$ 413,836	\$ 5,363,817	\$ 5,368,717	\$ 408,936
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 83,416	\$ 547,595	\$ 543,814	\$ 87,197
Due to Litigants, Heirs, and Others	330,420	4,816,222	4,824,903	321,739
Total Liabilities	\$ 413,836	\$ 5,363,817	\$ 5,368,717	\$ 408,936

Wayne County School Department

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

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

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

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

Exhibit I-1

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 13,244,886	\$ 0	\$ 2,814,325	\$ (10,430,561)
Support Services	6,732,997	55,056	119,516	(6,558,425)
Operation of Non-instructional Services	2,492,217	374,141	1,008,899	(1,109,177)
Total Governmental Activities	\$ 22,470,100	\$ 429,197	\$ 3,942,740	\$ (18,098,163)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 1,925,248
Local Option Sales Tax				666,509
Other Local Taxes				31,342
Grants and Contributions Not Restricted to Specific Programs				13,876,169
E-Rate Funding				29,642
Miscellaneous				39,888
Total General Revenues				\$ 16,568,798
Change in Net Position				\$ (1,529,365)
Net Position, July 1, 2013				13,756,208
Net Position, June 30, 2014				\$ 12,226,843

Exhibit I-2

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	<u>General</u>	<u>Other</u>	<u>Total</u>
	<u>Purpose</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>mental</u>	<u>Funds</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 555	\$ 555
Equity in Pooled Cash and Investments	1,240,151	229,148	1,469,299
Inventories	0	35,735	35,735
Due from Other Governments	291,394	24,809	316,203
Due from Other Funds	38,075	9,004	47,079
Property Taxes Receivable	1,975,033	0	1,975,033
Allowance for Uncollectible Property Taxes	(58,210)	0	(58,210)
Prepaid Items	0	8,005	8,005
Total Assets	<u>\$ 3,486,443</u>	<u>\$ 307,256</u>	<u>\$ 3,793,699</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 430,381	\$ 27,509	\$ 457,890
Due to Other Funds	9,004	38,075	47,079
Due to State of Tennessee	7,530	2,555	10,085
Total Liabilities	<u>\$ 446,915</u>	<u>\$ 68,139</u>	<u>\$ 515,054</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 1,809,617	\$ 0	\$ 1,809,617
Deferred Delinquent Property Taxes	102,760	0	102,760
Other Deferred/Unavailable Revenue	140,846	0	140,846
Total Deferred Inflows of Resources	<u>\$ 2,053,223</u>	<u>\$ 0</u>	<u>\$ 2,053,223</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 35,735	\$ 35,735
Prepaid Items	0	8,005	8,005
Restricted:			
Restricted for Education	52,423	150,377	202,800
Committed:			
Committed for Education	0	45,000	45,000
Assigned:			
Assigned for Education	75,381	0	75,381
Unassigned	858,501	0	858,501
Total Fund Balances	<u>\$ 986,305</u>	<u>\$ 239,117</u>	<u>\$ 1,225,422</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,486,443</u>	<u>\$ 307,256</u>	<u>\$ 3,793,699</u>

Exhibit I-3

Wayne County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Wayne 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)		\$	1,225,422
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	495,517	
Add: buildings and improvements net of accumulated depreciation		12,589,048	
Add: other capital assets net of accumulated depreciation		<u>1,132,319</u>	14,216,884
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: termination benefits liability	\$	(306,048)	
Less: other postemployment benefits liability		<u>(3,153,021)</u>	(3,459,069)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>243,606</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>12,226,843</u></u>

Exhibit I-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 2,625,151	\$ 0	\$ 2,625,151
Licenses and Permits	580	0	580
Charges for Current Services	55,056	374,141	429,197
Other Local Revenues	69,390	140	69,530
State of Tennessee	14,784,089	13,350	14,797,439
Federal Government	433,256	2,499,533	2,932,789
Total Revenues	<u>\$ 17,967,522</u>	<u>\$ 2,887,164</u>	<u>\$ 20,854,686</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 11,598,409	\$ 1,185,255	\$ 12,783,664
Support Services	5,373,043	369,597	5,742,640
Operation of Non-instructional Services	1,092,977	1,357,539	2,450,516
Debt Service:			
Other Debt Service	200,000	0	200,000
Total Expenditures	<u>\$ 18,264,429</u>	<u>\$ 2,912,391</u>	<u>\$ 21,176,820</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ (296,907)</u>	<u>\$ (25,227)</u>	<u>\$ (322,134)</u>
Net Change in Fund Balances	\$ (296,907)	\$ (25,227)	\$ (322,134)
Fund Balance, July 1, 2013	1,283,212	264,344	1,547,556
Fund Balance, June 30, 2014	<u>\$ 986,305</u>	<u>\$ 239,117</u>	<u>\$ 1,225,422</u>

Exhibit I-5

Wayne County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Wayne 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)		\$	(322,134)
(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:			
Less: current-year depreciation expense			(928,882)
(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	\$	243,606	
Less: deferred delinquent property taxes and other deferred June 30, 2013		<u>(157,557)</u>	86,049
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in termination benefits liability	\$	(81,578)	
Change in other postemployment benefits liability		<u>(282,820)</u>	<u>(364,398)</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ (1,529,365)</u>

Exhibit I-6

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

	Special Revenue Funds		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 555	\$ 555
Equity in Pooled Cash and Investments	89,932	139,216	229,148
Inventories	0	35,735	35,735
Due from Other Governments	13,197	11,612	24,809
Due from Other Funds	9,004	0	9,004
Prepaid Items	0	8,005	8,005
Total Assets	\$ 112,133	\$ 195,123	\$ 307,256
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 26,814	\$ 695	\$ 27,509
Due to Other Funds	28,156	9,919	38,075
Due to State of Tennessee	1,254	1,301	2,555
Total Liabilities	\$ 56,224	\$ 11,915	\$ 68,139
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 35,735	\$ 35,735
Prepaid Items	0	8,005	8,005
Restricted:			
Restricted for Education	10,909	139,468	150,377
Committed:			
Committed for Education	45,000	0	45,000
Total Fund Balances	\$ 55,909	\$ 183,208	\$ 239,117
Total Liabilities and Fund Balances	\$ 112,133	\$ 195,123	\$ 307,256

Exhibit I-7

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

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 374,141	\$ 374,141
Other Local Revenues	0	140	140
State of Tennessee	0	13,350	13,350
Federal Government	1,503,984	995,549	2,499,533
Total Revenues	<u>\$ 1,503,984</u>	<u>\$ 1,383,180</u>	<u>\$ 2,887,164</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,185,255	\$ 0	\$ 1,185,255
Support Services	369,597	0	369,597
Operation of Non-instructional Services	0	1,357,539	1,357,539
Total Expenditures	<u>\$ 1,554,852</u>	<u>\$ 1,357,539</u>	<u>\$ 2,912,391</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ (50,868)</u>	<u>\$ 25,641</u>	<u>\$ (25,227)</u>
Net Change in Fund Balances	\$ (50,868)	\$ 25,641	\$ (25,227)
Fund Balance, July 1, 2013	<u>106,777</u>	<u>157,567</u>	<u>264,344</u>
Fund Balance, June 30, 2014	<u>\$ 55,909</u>	<u>\$ 183,208</u>	<u>\$ 239,117</u>

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,625,151	\$ 0	\$ 0	\$ 2,625,151	\$ 2,615,851	\$ 2,615,851	\$ 9,300
Licenses and Permits	580	0	0	580	550	550	30
Charges for Current Services	55,056	0	0	55,056	35,000	35,000	20,056
Other Local Revenues	69,390	0	0	69,390	59,519	115,246	(45,856)
State of Tennessee	14,784,089	0	0	14,784,089	14,331,683	14,992,265	(208,176)
Federal Government	433,256	0	0	433,256	312,202	301,479	131,777
Total Revenues	\$ 17,967,522	\$ 0	\$ 0	\$ 17,967,522	\$ 17,354,805	\$ 18,060,391	\$ (92,869)

Expenditures

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts	Variance with Final Budget - Positive (Negative)
					Original	Final
<u>Instruction</u>						
Regular Instruction Program	\$ 9,801,594	\$ (156,149)	\$ 72,805	\$ 9,718,250	\$ 8,882,931	\$ 9,629,108
Alternative Instruction Program	84,159	0	0	84,159	73,980	84,480
Special Education Program	1,201,048	(757)	935	1,201,226	1,282,946	1,232,101
Vocational Education Program	444,274	(1,239)	0	443,035	491,548	452,048
Adult Education Program	67,334	0	0	67,334	81,250	85,846
<u>Support Services</u>						
Attendance	32,868	0	0	32,868	46,089	41,089
Health Services	141,172	(1,332)	0	139,840	140,016	142,216
Other Student Support	452,227	(3,970)	4,215	452,472	472,318	478,047
Regular Instruction Program	501,102	(902)	2,348	502,548	510,187	504,887
Special Education Program	268,684	(136)	4,660	273,208	266,570	294,170
Vocational Education Program	114,249	0	0	114,249	120,357	119,799
Adult Programs	105,236	0	0	105,236	109,067	109,067
Other Programs	91,975	0	0	91,975	0	91,975
Board of Education	280,842	0	117	280,959	250,980	293,280
Director of Schools	149,852	(135)	0	149,717	155,196	152,539
Office of the Principal	616,350	0	0	616,350	664,549	625,122
Fiscal Services	57,864	0	414	58,278	66,058	65,058
Operation of Plant	1,354,087	(5,097)	1,102	1,350,092	1,378,270	1,388,979
Maintenance of Plant	331,177	(19,994)	15,020	326,203	296,822	334,243

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 875,358	\$ (534)	\$ 3,511	\$ 878,335	\$ 909,292	\$ 923,524	\$ 45,189
Operation of Non-instructional Services							
Community Services	29,823	0	0	29,823	29,612	29,612	(211)
Early Childhood Education	1,063,154	(46,142)	22,219	1,039,231	1,049,568	1,041,306	2,075
Other Debt Service							
Education	200,000	0	0	200,000	200,000	200,000	0
Total Expenditures	\$ 18,264,429	\$ (236,387)	\$ 127,346	\$ 18,155,388	\$ 17,477,606	\$ 18,318,496	\$ 163,108
Excess (Deficiency) of Revenues Over Expenditures	\$ (296,907)	\$ 236,387	\$ (127,346)	\$ (187,866)	\$ (122,801)	\$ (258,105)	\$ 70,239
Net Change in Fund Balance	\$ (296,907)	\$ 236,387	\$ (127,346)	\$ (187,866)	\$ (122,801)	\$ (258,105)	\$ 70,239
Fund Balance, July 1, 2013	1,283,212	(236,387)	0	1,046,825	849,940	849,940	196,885
Fund Balance, June 30, 2014	\$ 986,305	\$ 0	\$ (127,346)	\$ 858,959	\$ 727,139	\$ 591,835	\$ 267,124

Exhibit I-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 1,503,984 \$	0 \$	0 \$	1,503,984 \$	1,611,259 \$	1,780,098 \$	(276,114)
Total Revenues	\$ 1,503,984 \$	0 \$	0 \$	1,503,984 \$	1,611,259 \$	1,780,098 \$	(276,114)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 824,383 \$	(309) \$	100 \$	824,174 \$	868,596 \$	887,148 \$	62,974
Special Education Program	338,478	0	0	338,478	371,463	408,765	70,287
Vocational Education Program	22,393	0	0	22,393	21,194	22,393	0
Adult Education Program	1	(1)	0	0	0	0	0
<u>Support Services</u>							
Other Student Support	118,500	(1,822)	679	117,357	103,150	123,538	6,181
Regular Instruction Program	75,278	0	0	75,278	75,103	103,733	28,455
Special Education Program	156,634	0	472	157,106	148,401	211,713	54,607
Vocational Education Program	256	0	0	256	800	256	0
Transportation	18,929	0	0	18,929	22,552	22,552	3,623
Total Expenditures	\$ 1,554,852 \$	(2,132) \$	1,251 \$	1,553,971 \$	1,611,259 \$	1,780,098 \$	226,127
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (50,868) \$	2,132 \$	(1,251) \$	(49,987) \$	0 \$	0 \$	(49,987)
Net Change in Fund Balance	\$ (50,868) \$	2,132 \$	(1,251) \$	(49,987) \$	0 \$	0 \$	(49,987)
Fund Balance, July 1, 2013	106,777	(2,132)	0	104,645	0	0	104,645
Fund Balance, June 30, 2014	\$ 55,909 \$	0 \$	(1,251) \$	54,658 \$	0 \$	0 \$	54,658

Exhibit I-10

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 374,141	\$ 0	\$ 0	\$ 374,141	\$ 449,999	\$ 449,999	\$ (75,858)
Other Local Revenues	140	0	0	140	500	500	(360)
State of Tennessee	13,350	0	0	13,350	48,798	48,798	(35,448)
Federal Government	995,549	0	0	995,549	838,500	927,995	67,554
Total Revenues	\$ 1,383,180	\$ 0	\$ 0	\$ 1,383,180	\$ 1,337,797	\$ 1,427,292	\$ (44,112)
<u>Expenditures</u>							
<u>Operation of Non-instructional Services</u>							
Food Service	\$ 1,357,539	(250)	764	\$ 1,358,053	\$ 1,301,291	\$ 1,390,786	\$ 32,733
Total Expenditures	\$ 1,357,539	(250)	764	\$ 1,358,053	\$ 1,301,291	\$ 1,390,786	\$ 32,733
Excess (Deficiency) of Revenues Over Expenditures	\$ 25,641	250	(764)	25,127	36,506	36,506	(11,379)
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 25,641	250	(764)	25,127	36,506	36,506	(11,379)
	157,567	(250)	0	157,317	117,705	117,705	39,612
Fund Balance, June 30, 2014	\$ 183,208	0	(764)	182,444	154,211	154,211	28,233

MISCELLANEOUS SCHEDULES

Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-14
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Energy Efficiency Capital Outlay Notes	\$ 13,649	0 %	4-9-07	5-8-14	\$ 1,949	\$ 0	\$ 1,949	\$ 0
Water Revenue and Tax Bond Anticipation Note	1,127,000	2.75	11-8-12	3-12-14	829,985	297,015	1,127,000	0
Total Notes Payable					\$ 831,934	\$ 297,015	\$ 1,128,949	\$ 0
OTHER LOANS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Water Line Extension Loan	(1)	1.49	2-7-13	2-7-15	\$ 200,000	\$ 300,000	\$ 0	\$ 500,000
Total Other Loans Payable					\$ 200,000	\$ 300,000	\$ 0	\$ 500,000
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
School Refunding Bonds	9,495,000	3.72	6-3-03	12-1-23	\$ 8,780,000	\$ 0	\$ 90,000	\$ 8,690,000
School Refunding Bonds	5,085,000	3.2	3-10-05	12-1-14	1,030,000	0	650,000	380,000
School Refunding Bonds	2,355,000	4	3-31-05	12-1-23	1,820,000	0	135,000	1,685,000
General Obligation Bond Series 2006	9,450,000	4.05	3-1-06	12-1-30	7,745,000	0	300,000	7,445,000
Water Revenue and Tax Bond Series 2008	332,000	4.25	6-25-08	6-28-46	312,454	0	4,432	308,022
General Obligation Bond Series 2009	6,500,000	4.13	6-3-09	12-1-34	5,975,000	0	180,000	5,795,000
Water Revenue and Tax Bond Series 2012	1,207,000	2.75	3-12-14	3-12-52	0	1,207,000	4,531	1,202,469
Total Bonds Payable					\$ 25,662,454	\$ 1,207,000	\$ 1,363,963	\$ 25,505,491

(1) Total amount authorized was \$1,000,000, of which \$500,000 remains available for draws as of June 30, 2014.

Exhibit J-2

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

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2015	\$ 500,000	\$ 9,426	\$ 509,426
Total	\$ 500,000	\$ 9,426	\$ 509,426

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 1,403,063	\$ 956,113	\$ 2,359,176
2016	1,478,777	902,613	2,381,390
2017	1,534,515	845,629	2,380,144
2018	1,595,275	786,440	2,381,715
2019	1,651,060	725,033	2,376,093
2020	1,711,871	661,409	2,373,280
2021	1,792,707	595,101	2,387,808
2022	1,863,572	525,927	2,389,499
2023	1,939,464	453,679	2,393,143
2024	1,995,385	378,626	2,374,011
2025	761,336	325,364	1,086,700
2026	792,318	294,173	1,086,491
2027	823,332	261,559	1,084,891
2028	854,380	227,688	1,082,068
2029	895,462	192,356	1,087,818
2030	926,579	155,562	1,082,141
2031	962,733	116,979	1,079,712
2032	393,925	88,737	482,662
2033	410,157	71,646	481,803
2034	431,429	53,749	485,178
2035	447,742	35,045	482,787
2036	44,101	24,827	68,928
2037	45,503	23,425	68,928
2038	46,953	21,975	68,928
2039	48,450	20,478	68,928
2040	49,997	18,931	68,928

(Continued)

Exhibit J-2

Wayne County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2041	\$ 51,597	\$ 17,331	\$ 68,928
2042	53,250	15,678	68,928
2043	54,958	13,970	68,928
2044	56,723	12,205	68,928
2045	58,548	10,380	68,928
2046	60,434	8,494	68,928
2047	44,411	6,865	51,276
2048	45,648	5,628	51,276
2049	46,919	4,357	51,276
2050	48,226	3,050	51,276
2051	49,569	1,707	51,276
2052	35,122	380	35,502
Total	\$ 25,505,491	\$ 8,863,109	\$ 34,368,600

Exhibit J-3

Wayne County, Tennessee
Schedule of Note Receivable
June 30, 2014

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-14
<u>General Debt Service Fund</u>						
Funds for Operations	Wayne County Nursing Home - Component Unit	\$ 200,000	6-19-07	12-1-09	5.5 %	\$ 200,000
Total Note Receivable						<u>\$ 200,000</u>

This note was not retired by its maturity date; however, Wayne County expects to collect the note in the future.

Exhibit J-4

Wayne County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2014

From Fund	To Fund	Purpose	Amount
General Debt Service	General	Nursing home (1)	\$ 100,000
Community Development/Industrial Park	General Debt Service	To retire debt	<u>1,146,250</u>
Total Transfers			<u><u>\$ 1,246,250</u></u>

(1) The County Commission authorized a \$100,000 contribution to the nursing home component unit. This transfer was made from General Debt Service Fund nonproperty tax revenues to the General Fund and subsequently to the nursing home.

Exhibit J-5

Wayne County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Wayne 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	\$ 71,184	\$ 50,000	State Automobile Mutual Insurance Company
Commissioner of Highways:				
Billy Joe Martin (7-1-13 through 4-1-14)	Section 8-24-102, TCA	51,446	100,000	"
Barry Pierre (4-2-14 through 6-30-14)	Section 8-24-102, TCA	16,349	100,000	"
Director of Schools	State Board of Education and County Board of Education	87,013 (1)	(2)	
Trustee	Section 8-24-102, TCA	61,632	709,700	"
Assessor of Property	Section 8-24-102, TCA	61,632	50,000	"
County Clerk	Section 8-24-102, TCA	61,632	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	61,632	50,000	Auto Owners Mutual Insurance Company
Clerk and Master	Section 8-24-102, TCA	61,632 (3)	35,000	"
Register of Deeds	Section 8-24-102, TCA	61,632	25,000	State Automobile Mutual Insurance Company
Sheriff	Section 8-24-102, TCA	67,795 (4)	50,000	Auto Owners Mutual Insurance Company
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			150,000	The Travelers Indemnity Company
Public Employee Dishonesty - School Department			150,000	Tennessee Risk Management Trust

- (1) Includes a chief executive officer training supplement of \$1,000. Does not include 100 percent of the premium for family health insurance (\$12,371).
- (2) The director of schools is an employee of the Board of Education and is bonded under the public employee dishonesty blanket bond.
- (3) Does not include special commissioner fees of \$15,012.
- (4) Does not include a law enforcement training supplement of \$600.

Exhibit J-6

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

	Special Revenue Funds						Highway / Public Works
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 1,699,785	\$ 719,603	\$ 0	\$ 0	\$ 0	\$ 0	37,186
Trustee's Collections - Prior Year	105,616	45,147	0	0	0	0	2,246
Circuit/Clerk and Master Collections - Prior Years	40,346	17,088	0	0	0	0	669
Interest and Penalty	16,371	6,900	0	0	0	0	355
Pickup Taxes	2,042	865	0	0	0	0	45
Payments in-Lieu-of Taxes - T.V.A.	6,725	2,628	0	0	0	0	147
Payments in-Lieu-of Taxes - Other	2,034	1,098	0	0	0	0	57
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0	0	0
Wheel Tax	145,119	0	0	0	0	0	0
Litigation Tax - General	44,138	0	0	0	0	0	0
Litigation Tax - Special Purpose	9,315	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0
Litigation Tax - Victim-Offender Mediation Center	1,492	0	0	0	0	0	0
Litigation Tax - Courthouse Security	40,446	0	0	0	0	0	0
Business Tax	95,087	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0
Other County Local Option Taxes	42,744	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	107,779	0	0	0	0	0	0
Wholesale Beer Tax	106,030	50,579	0	0	0	0	0
Interstate Telecommunications Tax	1,110	0	0	0	0	0	0
Total Local Taxes	\$ 2,466,179	\$ 843,908	\$ 0	\$ 0	\$ 0	\$ 0	40,705

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	627 \$	0 \$	0 \$	0 \$	0 \$	0
Cable TV Franchise	4,361	0	0	0	0	0
<u>Permits</u>						
Beer Permits	2,328	0	0	0	0	0
Total Licenses and Permits	\$ 7,316	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	3,777 \$	0 \$	0 \$	0 \$	0 \$	0
Officers Costs	1,430	0	0	0	0	0
Drug Control Fines	8,465	0	6,160	0	0	0
Drug Court Fees	1,052	0	0	0	0	0
Jail Fees	1,750	0	0	0	0	0
DUI Treatment Fines	475	0	0	0	0	0
Data Entry Fee - Circuit Court	462	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	12,115	0	0	0	0	0
Fines for Littering	142	0	0	0	0	0
Officers Costs	15,454	0	0	0	0	0
Game and Fish Fines	382	0	0	0	0	0
Drug Control Fines	4,942	0	5,162	0	0	0
Drug Court Fees	6,535	0	0	0	0	0
Jail Fees	10,535	0	0	0	0	0
Interpreter Fee	52,595	0	0	0	0	0
DUI Treatment Fines	4,005	0	0	0	0	0
Data Entry Fee - General Sessions Court	6,390	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 922	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	895	0	0	0	0	0
Interpreter Fee	1,200	0	0	0	0	0
Data Entry Fee - Juvenile Court	286	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	3,068	0	0	0	0	0
Data Entry Fee - Chancery Court	2,136	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	332	0	0	0	0	0
Interpreter Fees	8,638	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	2,678	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 147,983	\$ 0	\$ 14,000	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Water Sales	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Water Tap Sales	0	0	0	0	0	0
<u>Fees</u>						
Copy Fees	330	0	0	0	0	0
Library Fees	10,852	0	0	0	0	0
Telephone Commissions	45,847	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	15,012	0
Data Processing Fee - Register	5,594	0	0	0	0	0
Data Processing Fee - Sheriff	1,241	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Sexual Offender Registration Fee - Sheriff	\$ 1,020	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - County Clerk	176	0	0	0	0	0
Total Charges for Current Services	\$ 65,060	\$ 0	\$ 0	\$ 0	\$ 15,012	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 36,673	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	3,025	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	634
Commissary Sales	42,347	0	0	0	0	0
Sale of Recycled Materials	0	39,042	0	0	0	7,828
Miscellaneous Refunds	21,861	0	0	0	0	2,146
<u>Nonrecurring Items</u>						
Contributions and Gifts	1,100	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	2,442	0	0	0	0	0
Total Other Local Revenues	\$ 107,448	\$ 39,042	\$ 0	\$ 0	\$ 0	\$ 10,608
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of-Salary</u>						
County Clerk	\$ 178,478	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	30,620	0	0	0	0	0
General Sessions Court Clerk	98,607	0	0	0	0	0
Clerk and Master	66,433	0	0	0	0	0
Juvenile Court Clerk	18,960	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						Highway / Public Works
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees		
<u>Fees Received from County Officials (Cont.)</u>							
<u>Fees in-Lieu-of Salary (Cont.)</u>							
Register	\$ 53,149	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Sheriff	16,843	0	0	0	0	0	0
Trustee	202,815	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 665,905	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Other General Government Grants	0	0	0	0	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	7,200	0	0	0	0	0	0
Health and Welfare Grants							
Health Department Programs	118,678	0	0	0	0	0	0
<u>Public Works Grants</u>							
Litter Program	37,677	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	16,097	0	0	0	0	0	0
Resort District Sales Tax	68,414	0	0	62,034	0	0	0
Beer Tax	17,806	0	0	0	0	0	0
Alcoholic Beverage Tax	58,922	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	821,581	0	0	0	0	0	0
Emergency Hospital - Prisoners	60,951	0	0	0	0	0	0
Prisoner Transportation	1,450	0	0	0	0	0	0
Contracted Prisoner Boarding	1,076,338	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	1,922,317

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Petroleum Special Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,154
Registrar's Salary Supplement	15,164	0	0	0	0	0
Total State of Tennessee	\$ 2,309,278	\$ 0	\$ 0	\$ 62,034	\$ 0	\$ 1,933,471
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Community Development	0	0	0	0	0	0
Disaster Relief	0	0	0	0	0	79,958
Homeland Security Grants	39,398	0	0	0	0	0
Other Federal through State	50,830	0	0	0	0	0
Total Federal Government	\$ 90,228	\$ 0	\$ 0	\$ 0	\$ 0	\$ 79,958
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Citizens Groups</u>						
Donations	9,750	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 9,750	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 5,869,147	\$ 882,950	\$ 14,000	\$ 62,034	\$ 15,012	\$ 2,064,742

(Continued)

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

	Debt Service Fund	Capital Projects Funds				Total
		Community				
		General Debt Service	Development/Industrial Park	Highway Capital	Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 918,211	\$ 0	\$ 0	\$ 0	3,374,785	
Trustee's Collections - Prior Year	57,387	0	0	0	210,396	
Circuit/Clerk and Master Collections - Prior Years	21,754	0	0	0	79,857	
Interest and Penalty	8,808	0	0	0	32,434	
Pickup Taxes	1,103	0	0	0	4,055	
Payments in-Lieu-of Taxes - T.V.A.	3,330	0	0	0	12,830	
Payments in-Lieu-of Taxes - Other	1,401	0	0	0	4,590	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	934,662	0	0	0	934,662	
Hotel/Motel Tax	0	9,170	0	0	9,170	
Wheel Tax	437,756	0	0	0	582,875	
Litigation Tax - General	0	0	0	0	44,138	
Litigation Tax - Special Purpose	0	0	0	0	9,315	
Litigation Tax - Jail, Workhouse, or Courthouse	43,379	0	0	0	43,379	
Litigation Tax - Victim-Offender Mediation Center	0	0	0	0	1,492	
Litigation Tax - Courthouse Security	0	0	0	0	40,446	
Business Tax	0	0	0	0	95,087	
Mineral Severance Tax	0	0	0	48,530	48,530	
Other County Local Option Taxes	0	0	0	0	42,744	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	107,779	
Wholesale Beer Tax	0	0	0	0	156,609	
Interstate Telecommunications Tax	0	0	0	0	1,110	
Total Local Taxes	\$ 2,427,791	\$ 9,170	\$ 48,530	\$ 0	5,836,283	

(Continued)

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

	Debt Service Fund	Capital Projects Funds			Total
		General Debt Service	Community Development/Industrial Park	Highway Capital Projects	
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	0 \$	0 \$	0 \$	0 \$	627
Cable TV Franchise	0	0	0	0	4,361
<u>Permits</u>					
Beer Permits	0	0	0	0	2,328
Total Licenses and Permits	0 \$	0 \$	0 \$	0 \$	7,316
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	0 \$	0 \$	0 \$	0 \$	3,777
Officers Costs	0	0	0	0	1,430
Drug Control Fines	0	0	0	0	14,625
Drug Court Fees	0	0	0	0	1,052
Jail Fees	0	0	0	0	1,750
DUI Treatment Fines	0	0	0	0	475
Data Entry Fee - Circuit Court	0	0	0	0	462
<u>General Sessions Court</u>					
Fines	0	0	0	0	12,115
Fines for Littering	0	0	0	0	142
Officers Costs	0	0	0	0	15,454
Game and Fish Fines	0	0	0	0	382
Drug Control Fines	0	0	0	0	10,104
Drug Court Fees	0	0	0	0	6,535
Jail Fees	0	0	0	0	10,535
Interpreter Fee	0	0	0	0	52,595
DUI Treatment Fines	0	0	0	0	4,005
Data Entry Fee - General Sessions Court	0	0	0	0	6,390

(Continued)

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

	Debt Service Fund		Capital Projects Funds			Total
	General Debt Service	Community Development/Industrial Park	Highway Capital Projects			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	922
Officers Costs	0	0	0	0	0	895
Interpreter Fee	0	0	0	0	0	1,200
Data Entry Fee - Juvenile Court	0	0	0	0	0	286
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	3,068
Data Entry Fee - Chancery Court	0	0	0	0	0	2,136
<u>Other Courts - In-county</u>						
Fines	0	0	0	0	0	332
Interpreter Fees	0	0	0	0	0	8,638
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	2,678
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	161,983
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Water Sales	\$ 0	\$ 62,480	\$ 0	\$ 0	\$ 0	62,480
Water Tap Sales	0	30,750	0	0	0	30,750
<u>Fees</u>						
Copy Fees	0	0	0	0	0	330
Library Fees	0	0	0	0	0	10,852
Telephone Commissions	0	0	0	0	0	45,847
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	15,012
Data Processing Fee - Register	0	0	0	0	0	5,594
Data Processing Fee - Sheriff	0	0	0	0	0	1,241

(Continued)

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

	Debt Service Fund		Capital Projects Funds			Total
	General Debt Service	Community Development/Industrial Park	Highway Capital Projects			
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Sexual Offender Registration Fee - Sheriff	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,020
Data Processing Fee - County Clerk	0	0	0	0	0	176
Total Charges for Current Services	\$ 0	\$ 0	\$ 93,230	\$ 0	\$ 0	\$ 173,302
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0	0	0	0	0	36,673
Lease/Rentals	0	6,644	0	0	0	9,669
Sale of Materials and Supplies	0	0	0	0	0	634
Commissary Sales	0	0	0	0	0	42,347
Sale of Recycled Materials	0	0	0	0	0	46,870
Miscellaneous Refunds	203	1,350	0	0	0	25,560
<u>Nonrecurring Items</u>						
Contributions and Gifts	0	18,615	0	0	0	19,715
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	2,442
Total Other Local Revenues	\$ 203	\$ 26,609	\$ 0	\$ 0	\$ 0	\$ 183,910
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	0	0	0	0	0	178,478
Circuit Court Clerk	0	0	0	0	0	30,620
General Sessions Court Clerk	0	0	0	0	0	98,607
Clerk and Master	0	0	0	0	0	66,433
Juvenile Court Clerk	0	0	0	0	0	18,960

(Continued)

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

	Debt Service Fund		Capital Projects Funds			Total
	General Debt Service	Community Development/Industrial Park	Highway Capital Projects			
<u>Fees Received from County Officials (Cont.)</u>						
<u>Fees in-Lieu-of Salary (Cont.)</u>						
Register	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	53,149
Sheriff	0	0	0	0	0	16,843
Trustee	0	0	0	0	0	202,815
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	665,905
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,000
Other General Government Grants	0	0	27,682	0	0	27,682
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	7,200
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	118,678
<u>Public Works Grants</u>						
Litter Program	0	0	0	0	0	37,677
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	16,097
Resort District Sales Tax	0	0	0	0	0	130,448
Beer Tax	0	0	0	0	0	17,806
Alcoholic Beverage Tax	0	0	0	0	0	58,922
State Revenue Sharing - T.V.A.	0	0	0	0	0	821,581
Emergency Hospital - Prisoners	0	0	0	0	0	60,951
Prisoner Transportation	0	0	0	0	0	1,450
Contracted Prisoner Boarding	0	0	0	0	0	1,076,338
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,922,317

(Continued)

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

	Debt Service Fund		Capital Projects Funds			Total
	General Debt Service	Community Development/Industrial Park	Highway Capital Projects			
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Petroleum Special Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,154
Registrar's Salary Supplement	0	0	0	0	0	15,164
Total State of Tennessee	\$ 0	\$ 27,682	\$ 0	\$ 0	\$ 0	\$ 4,332,465
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 0	\$ 329,917	\$ 0	\$ 0	\$ 0	\$ 329,917
Community Development	0	98,189	0	0	0	98,189
Disaster Relief	0	0	0	0	0	79,958
Homeland Security Grants	0	0	0	0	0	39,398
Other Federal through State	0	0	0	0	0	50,830
Total Federal Government	\$ 0	\$ 428,106	\$ 0	\$ 0	\$ 0	\$ 598,292
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 200,000	\$ 5,000	\$ 0	\$ 0	\$ 0	\$ 205,000
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	9,750
Total Other Governments and Citizens Groups	\$ 200,000	\$ 5,000	\$ 0	\$ 0	\$ 0	\$ 214,750
Total	\$ 2,627,994	\$ 589,797	\$ 48,530	\$ 0	\$ 0	\$ 12,174,206

Exhibit J-7

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

	General Purpose School	Special Revenue Funds		Total
		School Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,764,706	\$ 0	\$ 0	\$ 1,764,706
Trustee's Collections - Prior Year	106,626	0	0	106,626
Circuit/Clerk and Master Collections - Prior Years	35,229	0	0	35,229
Interest and Penalty	16,778	0	0	16,778
Pickup Taxes	2,117	0	0	2,117
Payments in-Lieu-of Taxes - T.V.A.	6,970	0	0	6,970
Payments in-Lieu-of Taxes - Other	2,688	0	0	2,688
<u>County Local Option Taxes</u>				
Local Option Sales Tax	658,695	0	0	658,695
Other County Local Option Taxes	29,783	0	0	29,783
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	1,559	0	0	1,559
Total Local Taxes	\$ 2,625,151	\$ 0	\$ 0	\$ 2,625,151
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 580	\$ 0	\$ 0	\$ 580
Total Licenses and Permits	\$ 580	\$ 0	\$ 0	\$ 580
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 164,601	\$ 164,601
Lunch Payments - Adults	0	0	45,545	45,545
Income from Breakfast	0	0	30,574	30,574
Special Milk Sales	0	0	5,372	5,372
A la carte Sales	0	0	128,049	128,049
Receipts from Individual Schools	55,056	0	0	55,056
Total Charges for Current Services	\$ 55,056	\$ 0	\$ 374,141	\$ 429,197
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 140	\$ 140
Lease/Rentals	4,360	0	0	4,360
E-Rate Funding	29,642	0	0	29,642
Retirees' Insurance Payments	6,567	0	0	6,567
Miscellaneous Refunds	869	0	0	869
<u>Nonrecurring Items</u>				
Sale of Equipment	20,943	0	0	20,943
Contributions and Gifts	6,756	0	0	6,756
<u>Other Local Revenues</u>				
Other Local Revenues	253	0	0	253
Total Other Local Revenues	\$ 69,390	\$ 0	\$ 140	\$ 69,530

(Continued)

Exhibit J-7

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 91,975	\$ 0	\$ 0	\$ 91,975
Other General Government Grants	750	0	0	750
<u>Health and Welfare Grants</u>				
Other Health and Welfare Grants	119,516	0	0	119,516
<u>State Education Funds</u>				
Basic Education Program	13,036,000	0	0	13,036,000
Early Childhood Education	948,933	0	0	948,933
School Food Service	0	0	13,350	13,350
Driver Education	14,960	0	0	14,960
Other State Education Funds	358,176	0	0	358,176
Career Ladder Program	124,214	0	0	124,214
Career Ladder - Extended Contract	37,720	0	0	37,720
<u>Other State Revenues</u>				
Other State Grants	51,845	0	0	51,845
Total State of Tennessee	\$ 14,784,089	\$ 0	\$ 13,350	\$ 14,797,439
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 618,878	\$ 618,878
USDA - Commodities	0	0	89,495	89,495
Breakfast	0	0	248,719	248,719
USDA - Other	0	0	38,457	38,457
Adult Education State Grant Program	138,400	0	0	138,400
Vocational Education - Basic Grants to States	0	34,658	0	34,658
Community Based Organizations	83,831	0	0	83,831
Title I Grants to Local Education Agencies	0	654,125	0	654,125
Special Education - Grants to States	25,058	522,189	0	547,247
Special Education Preschool Grants	0	14,219	0	14,219
Rural Education	0	49,109	0	49,109
Eisenhower Professional Development State Grants	0	128,791	0	128,791
Race-to-the-Top - ARRA	0	100,893	0	100,893
Other Federal through State	185,967	0	0	185,967
Total Federal Government	\$ 433,256	\$ 1,503,984	\$ 995,549	\$ 2,932,789
Total	\$ 17,967,522	\$ 1,503,984	\$ 1,383,180	\$ 20,854,686

Exhibit J-8

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

General Fund

General Government

County Commission

Other Salaries and Wages	\$	2,474	
Board and Committee Members Fees		9,702	
Social Security		653	
State Retirement		157	
Unemployment Compensation		61	
Employer Medicare		153	
Advertising		1,232	
Audit Services		5,106	
Communication		951	
Dues and Memberships		5,488	
Legal Services		25,834	
Postal Charges		22,386	
Travel		130	
Office Supplies		323	
Other Supplies and Materials		1,192	
Premiums on Corporate Surety Bonds		22	
Other Charges		7,295	
Total County Commission			\$ 83,159

County Mayor/Executive

County Official/Administrative Officer	\$	71,184	
Accountants/Bookkeepers		23,372	
Purchasing Personnel		19,488	
Longevity Pay		300	
Other Salaries and Wages		4,425	
In-service Training		407	
Social Security		7,159	
State Retirement		7,248	
Employee and Dependent Insurance		709	
Unemployment Compensation		266	
Employer Medicare		1,674	
Communication		3,139	
Data Processing Services		10,424	
Maintenance and Repair Services - Vehicles		75	
Printing, Stationery, and Forms		704	
Travel		748	
Office Supplies		428	
Other Supplies and Materials		272	
Other Charges		668	
Total County Mayor/Executive			152,690

Election Commission

County Official/Administrative Officer	\$	55,468
Part-time Personnel		11,404
Longevity Pay		400
Election Commission		1,950
Election Workers		471

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

In-service Training	\$	2,015	
Social Security		4,201	
State Retirement		3,927	
Employee and Dependent Insurance		329	
Unemployment Compensation		223	
Employer Medicare		983	
Advertising		324	
Communication		1,553	
Data Processing Services		19,179	
Dues and Memberships		250	
Maintenance and Repair Services - Equipment		245	
Printing, Stationery, and Forms		171	
Travel		1,841	
Office Supplies		143	
Other Charges		149	
Office Equipment		1,540	
Voting Machines		38,918	
Total Election Commission			\$ 145,684

Register of Deeds

County Official/Administrative Officer	\$	61,632	
Clerical Personnel		28,390	
Part-time Personnel		507	
Longevity Pay		400	
Social Security		5,621	
State Retirement		5,749	
Employee and Dependent Insurance		485	
Unemployment Compensation		194	
Employer Medicare		1,315	
Advertising		184	
Communication		2,154	
Data Processing Services		7,111	
Dues and Memberships		266	
Maintenance Agreements		7,250	
Maintenance and Repair Services - Office Equipment		714	
Printing, Stationery, and Forms		2,532	
Other Contracted Services		45	
Office Supplies		1,152	
Other Supplies and Materials		12	
Premiums on Corporate Surety Bonds		148	
Other Charges		30	
Office Equipment		17	
Total Register of Deeds			125,908

County Buildings

Supervisor/Director	\$	23,914
Custodial Personnel		27,189

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Maintenance Personnel	\$	19,717	
Longevity Pay		1,575	
Other Per Diem and Fees		212	
Social Security		4,541	
State Retirement		3,984	
Employee and Dependent Insurance		840	
Unemployment Compensation		377	
Employer Medicare		1,062	
Communication		601	
Contracts with Private Agencies		23,471	
Maintenance and Repair Services - Buildings		50,825	
Maintenance and Repair Services - Equipment		188	
Maintenance and Repair Services - Vehicles		421	
Travel		535	
Custodial Supplies		15,095	
Electricity		133,875	
Gasoline		3,620	
Uniforms		1,173	
Utilities		57,460	
Other Supplies and Materials		876	
Other Charges		3,964	
Other Equipment		190	
Total County Buildings			\$ 375,705

Other General Administration

Communication	\$	1,490	
Contracts with Private Agencies		149	
Dues and Memberships		1,651	
Maintenance and Repair Services - Office Equipment		6,390	
Office Supplies		7,538	
Other Charges		3,333	
Total Other General Administration			20,551

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	61,632	
Clerical Personnel		36,642	
Part-time Personnel		5,498	
Longevity Pay		1,600	
Board and Committee Members Fees		650	
Social Security		6,228	
State Retirement		6,273	
Employee and Dependent Insurance		685	
Unemployment Compensation		209	
Employer Medicare		1,490	
Advertising		135	
Communication		1,184	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Contracts with Government Agencies	\$	7,396	
Contracts with Private Agencies		2,505	
Dues and Memberships		46	
Printing, Stationery, and Forms		213	
Travel		367	
Office Supplies		721	
Other Supplies and Materials		31	
Other Charges		57	
Office Equipment		1,890	
Total Property Assessor's Office			\$ 135,452

Reappraisal Program

Contracts with Private Agencies	\$	4,704	
Data Processing Services		2,339	
Travel		313	
Total Reappraisal Program			7,356

County Trustee's Office

County Official/Administrative Officer	\$	61,632	
Clerical Personnel		38,976	
Longevity Pay		625	
Social Security		6,276	
State Retirement		6,450	
Employee and Dependent Insurance		655	
Unemployment Compensation		180	
Employer Medicare		1,468	
Advertising		51	
Communication		3,206	
Data Processing Services		7,390	
Dues and Memberships		130	
Printing, Stationery, and Forms		5,096	
Travel		37	
Other Contracted Services		45	
Office Supplies		1,528	
Other Supplies and Materials		280	
Premiums on Corporate Surety Bonds		3,596	
Office Equipment		300	
Total County Trustee's Office			137,921

County Clerk's Office

County Official/Administrative Officer	\$	61,632
Deputy(ies)		38,976
Part-time Personnel		2,552
Longevity Pay		750
Other Salaries and Wages		3,350
Social Security		6,602
State Retirement		6,553

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Employee and Dependent Insurance	\$	580	
Unemployment Compensation		207	
Employer Medicare		1,544	
Communication		1,278	
Dues and Memberships		115	
Maintenance Agreements		12,244	
Printing, Stationery, and Forms		1,259	
Office Supplies		838	
Other Supplies and Materials		125	
Total County Clerk's Office			\$ 138,605

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		41,764	
Longevity Pay		1,000	
Jury and Witness Expense		10,844	
Social Security		6,460	
State Retirement		6,648	
Employee and Dependent Insurance		970	
Unemployment Compensation		274	
Employer Medicare		1,511	
Communication		4,552	
Contracts with Other Public Agencies		1,392	
Data Processing Services		15,942	
Dues and Memberships		180	
Printing, Stationery, and Forms		2,108	
Rentals		35	
Office Supplies		2,514	
Other Supplies and Materials		1,255	
Other Charges		176	
Total Circuit Court			159,257

General Sessions Court

County Official/Administrative Officer	\$	87,979
Secretary(ies)		21,339
Attendants		38,062
Longevity Pay		700
Other Salaries and Wages		36,692
In-service Training		820
Social Security		11,493
State Retirement		9,118
Employee and Dependent Insurance		1,137
Unemployment Compensation		461
Employer Medicare		2,688
Communication		1,980
Data Processing Services		3,389

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Dues and Memberships	\$	150	
Postal Charges		32	
Printing, Stationery, and Forms		299	
Travel		2,148	
Custodial Supplies		352	
Office Supplies		863	
Uniforms		384	
Other Supplies and Materials		397	
Other Charges		910	
Total General Sessions Court			\$ 221,393

Chancery Court

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		19,488	
Part-time Personnel		4,276	
Longevity Pay		1,550	
Social Security		5,345	
State Retirement		5,204	
Employee and Dependent Insurance		465	
Unemployment Compensation		231	
Employer Medicare		1,250	
Advertising		1,374	
Communication		2,819	
Data Processing Services		11,101	
Dues and Memberships		92	
Printing, Stationery, and Forms		1,773	
Rentals		36	
Other Contracted Services		15	
Gasoline		164	
Office Supplies		760	
Other Supplies and Materials		97	
Other Charges		179	
Total Chancery Court			117,851

Juvenile Court

Youth Service Officer(s)	\$	25,405	
Clerical Personnel		19,438	
Longevity Pay		150	
In-service Training		230	
Social Security		2,804	
State Retirement		2,876	
Employee and Dependent Insurance		300	
Unemployment Compensation		180	
Employer Medicare		656	
Contracts with Private Agencies		5,145	
Data Processing Services		2,981	
Dues and Memberships		70	
Travel		548	
Total Juvenile Court			60,783

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners

County Official/Administrative Officer	\$	48,925	
Longevity Pay		575	
In-service Training		138	
Social Security		3,091	
State Retirement		3,048	
Employee and Dependent Insurance		360	
Unemployment Compensation		180	
Employer Medicare		723	
Travel		291	
Total Judicial Commissioners			\$ 57,331

Courtroom Security

Deputy(ies)	\$	14,416	
Social Security		1,070	
State Retirement		760	
Employee and Dependent Insurance		180	
Unemployment Compensation		26	
Employer Medicare		211	
Total Courtroom Security			16,663

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	67,795	
Supervisor/Director		41,018	
Deputy(ies)		322,954	
Investigator(s)		84,906	
Sergeant(s)		51,024	
Salary Supplements		8,705	
Guards		136	
Longevity Pay		1,750	
In-service Training		18,304	
Social Security		36,075	
State Retirement		36,694	
Employee and Dependent Insurance		4,113	
Unemployment Compensation		1,573	
Employer Medicare		8,437	
Advertising		689	
Communication		11,664	
Contracts with Private Agencies		1,100	
Data Processing Services		595	
Dues and Memberships		752	
Maintenance Agreements		1,794	
Maintenance and Repair Services - Buildings		5,038	
Maintenance and Repair Services - Equipment		20,599	
Maintenance and Repair Services - Office Equipment		376	
Maintenance and Repair Services - Vehicles		48,913	
Postal Charges		1,760	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Printing, Stationery, and Forms	\$	2,460	
Travel		1,707	
Data Processing Supplies		1,575	
Gasoline		95,666	
Law Enforcement Supplies		4,066	
Office Supplies		15,049	
Uniforms		39,373	
Other Supplies and Materials		5,674	
Premiums on Corporate Surety Bonds		74	
Other Charges		42,778	
Data Processing Equipment		140	
Motor Vehicles		80,616	
Office Equipment		1,925	
Total Sheriff's Department			\$ 1,067,867

Jail

Assistant(s)	\$	29,864
Supervisor/Director		27,286
Lieutenant(s)		28,047
Sergeant(s)		94,818
Dispatchers/Radio Operators		121,373
Guards		400,310
Clerical Personnel		21,381
Educational Incentive - Other County Employees		1,249
Longevity Pay		3,100
In-service Training		991
Social Security		45,293
State Retirement		43,222
Employee and Dependent Insurance		6,828
Unemployment Compensation		3,639
Employer Medicare		10,593
Communication		17,960
Contracts with Private Agencies		3,477
Maintenance and Repair Services - Buildings		40,564
Maintenance and Repair Services - Equipment		1,450
Medical and Dental Services		14,196
Postal Charges		37
Printing, Stationery, and Forms		270
Transportation - Other than Students		5,800
Travel		155
Other Contracted Services		189,069
Custodial Supplies		6,916
Drugs and Medical Supplies		353,498
Electricity		348
Food Supplies		12,130
Fuel Oil		33
Uniforms		7,707

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Other Supplies and Materials	\$	2,434	
Other Charges		1,847	
Total Jail			\$ 1,495,885

Rural Fire Protection

Maintenance and Repair Services - Buildings	\$	1,613	
Maintenance and Repair Services - Equipment		3,992	
Maintenance and Repair Services - Vehicles		12,822	
Equipment and Machinery Parts		200	
Fuel Oil		5,058	
Gasoline		12,065	
Liability Insurance		40,005	
Other Charges		210	
Total Rural Fire Protection			75,965

Civil Defense

Other Equipment	\$	23,522	
Total Civil Defense			23,522

Other Emergency Management

Longevity Pay	\$	300	
Other Salaries and Wages		15,434	
Social Security		975	
State Retirement		1,001	
Employee and Dependent Insurance		260	
Unemployment Compensation		106	
Employer Medicare		228	
Advertising		93	
Communication		2,990	
Maintenance and Repair Services - Vehicles		1,106	
Other Contracted Services		6,300	
Electricity		2,266	
Gasoline		53	
Office Supplies		45	
Utilities		437	
Other Charges		5,533	
Total Other Emergency Management			37,127

County Coroner/Medical Examiner

Social Security	\$	126	
Unemployment Compensation		24	
Employer Medicare		29	
Medical and Dental Services		20,889	
Total County Coroner/Medical Examiner			21,068

Public Safety Grants Programs

Deputy(ies)	\$	2,744	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Public Safety Grants Programs (Cont.)

Social Security	\$	169	
State Retirement		174	
Unemployment Compensation		20	
Employer Medicare		39	
Total Public Safety Grants Programs			\$ 3,146

Other Public Safety

Communication	\$	1,595	
Total Other Public Safety			1,595

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	4,590	
Social Security		285	
Unemployment Compensation		50	
Employer Medicare		67	
Advertising		358	
Communication		3,712	
Contracts with Government Agencies		10,000	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		391	
Maintenance and Repair Services - Equipment		475	
Custodial Supplies		496	
Electricity		12,275	
Utilities		832	
Other Supplies and Materials		375	
Other Charges		1,405	
Total Local Health Center			35,511

Alcohol and Drug Programs

Contributions	\$	2,500	
Total Alcohol and Drug Programs			2,500

Other Local Health Services

Longevity Pay	\$	775	
Other Salaries and Wages		69,796	
Social Security		4,330	
State Retirement		3,218	
Employee and Dependent Insurance		504	
Unemployment Compensation		387	
Employer Medicare		1,013	
Travel		4,982	
Other Supplies and Materials		6,612	
Total Other Local Health Services			91,617

Regional Mental Health Center

Contributions	\$	9,000	
Total Regional Mental Health Center			9,000

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Welfare Services

Contributions	\$ 8,000	
Total Other Local Welfare Services		\$ 8,000

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 36,000	
Total Senior Citizens Assistance		36,000

Libraries

Supervisor/Director	\$ 33,131	
Deputy(ies)	17,603	
Part-time Personnel	54,925	
Longevity Pay	2,175	
In-service Training	549	
Social Security	6,694	
State Retirement	3,467	
Employee and Dependent Insurance	1,159	
Unemployment Compensation	616	
Employer Medicare	1,566	
Communication	4,990	
Data Processing Services	2,379	
Dues and Memberships	60	
Maintenance and Repair Services - Buildings	6,879	
Maintenance and Repair Services - Office Equipment	590	
Maintenance and Repair Services - Vehicles	22	
Travel	2,302	
Electricity	4,262	
Library Books/Media	12,916	
Periodicals	416	
Utilities	1,053	
Water and Sewer	967	
Other Supplies and Materials	2,178	
Other Charges	758	
Data Processing Equipment	2,017	
Office Equipment	904	
Other Equipment	5,098	
Total Libraries		169,676

Other Social, Cultural, and Recreational

Communication	\$ 992	
Contributions	16,000	
Total Other Social, Cultural, and Recreational		16,992

Agriculture and Natural Resources

Agricultural Extension Service

Custodial Personnel	\$ 2,752	
Longevity Pay	950	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Other Salaries and Wages	\$	31,717	
Social Security		1,703	
State Retirement		3,727	
Unemployment Compensation		40	
Employer Medicare		911	
Other Fringe Benefits		692	
Communication		2,853	
Dues and Memberships		230	
Other Supplies and Materials		2,265	
Total Agricultural Extension Service	\$		47,840

Soil Conservation

Clerical Personnel	\$	30,110	
Social Security		1,878	
Employee and Dependent Insurance		234	
Unemployment Compensation		198	
Employer Medicare		439	
Communication		745	
Contributions		4,875	
Total Soil Conservation			38,479

Other Operations

Other Economic and Community Development

Secretary(ies)	\$	346	
Social Security		20	
State Retirement		22	
Unemployment Compensation		2	
Employer Medicare		5	
Contributions		50,976	
Total Other Economic and Community Development			51,371

Veterans' Services

Supervisor/Director	\$	4,350	
Social Security		270	
Unemployment Compensation		34	
Employer Medicare		63	
Communication		410	
Maintenance and Repair Services - Vehicles		108	
Travel		427	
Gasoline		1,041	
Other Charges		2,049	
Motor Vehicles		143	
Total Veterans' Services			8,895

Other Charges

Liability Insurance	\$	188,074	
Workers' Compensation Insurance		308,549	
Total Other Charges			496,623

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$ 80,958	
Total Contributions to Other Agencies		\$ 80,958

Miscellaneous

Trustee's Commission	\$ 55,394	
Total Miscellaneous		55,394

Highways

Litter and Trash Collection

Foremen	\$ 18,831	
Longevity Pay	1,600	
Social Security	1,365	
Handling Charges and Administrative Costs	1,673	
State Retirement	1,401	
Employee and Dependent Insurance	180	
Unemployment Compensation	98	
Employer Medicare	319	
Maintenance and Repair Services - Vehicles	1,152	
Gasoline	10,273	
Instructional Supplies and Materials	342	
Other Supplies and Materials	5,671	
Other Charges	10,890	
Total Litter and Trash Collection		53,795

Support Services

Other Programs

Teachers	\$ 5,172	
In-service Training	50	
Social Security	321	
State Retirement	329	
Employer Medicare	75	
Other Supplies and Materials	4,322	
Total Other Programs		10,269

Total General Fund \$ 5,895,404

Solid Waste/Sanitation Fund

Public Health and Welfare

Other Waste Collection

Truck Drivers	\$ 36,790	
Laborers	16,388	
Longevity Pay	1,950	
Social Security	3,351	
State Retirement	3,437	
Employee and Dependent Insurance	114	
Unemployment Compensation	301	
Employer Medicare	784	
Other Charges	14	
Total Other Waste Collection		\$ 63,129

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Landfill Operation and Maintenance

Contracts with Private Agencies	\$	217	
Fertilizer, Lime, and Seed		1,000	
Total Landfill Operation and Maintenance			\$ 1,217

Other Waste Disposal

Supervisor/Director	\$	31,221	
Salary Supplements		2,000	
Longevity Pay		2,800	
Overtime Pay		2,138	
Other Salaries and Wages		160,402	
In-service Training		1,250	
Other Per Diem and Fees		3,486	
Social Security		11,224	
State Retirement		9,317	
Employee and Dependent Insurance		2,757	
Unemployment Compensation		945	
Employer Medicare		2,900	
Other Fringe Benefits		653	
Advertising		557	
Communication		4,059	
Contracts with Private Agencies		381,354	
Dues and Memberships		100	
Evaluation and Testing		955	
Maintenance and Repair Services - Buildings		7,682	
Maintenance and Repair Services - Equipment		35,701	
Maintenance and Repair Services - Vehicles		33,703	
Travel		769	
Custodial Supplies		5,799	
Electricity		7,472	
Fuel Oil		8,528	
Gasoline		10,772	
Lubricants		1,132	
Office Supplies		1,631	
Uniforms		15,067	
Water and Sewer		702	
Other Supplies and Materials		964	
Trustee's Commission		16,303	
Other Charges		2,257	
Total Other Waste Disposal			<u>766,600</u>

Total Solid Waste/Sanitation Fund \$ 830,946

Drug Control Fund

Public Safety

Drug Enforcement

Advertising	\$	320
Communication		1,631

(Continued)

Exhibit J-8

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Confidential Drug Enforcement Payments	\$	17,312	
Animal Food and Supplies		310	
Other Supplies and Materials		310	
Trustee's Commission		137	
Other Charges		570	
Total Drug Enforcement			<u>\$ 20,590</u>

Total Drug Control Fund \$ 20,590

Other Special Revenue Fund

Other Operations

Tourism

Supervisor/Director	\$	21,929	
Longevity Pay		250	
Other Salaries and Wages		7,800	
Social Security		1,832	
Employee and Dependent Insurance		45	
Unemployment Compensation		154	
Employer Medicare		428	
Advertising		595	
Contributions		6,368	
Utilities		3,430	
Other Supplies and Materials		1,297	
Trustee's Commission		678	
Total Tourism			<u>\$ 44,806</u>

Tourism-resort District

Contributions	\$	10,000	
Total Tourism-resort District			<u>10,000</u>

Total Other Special Revenue Fund 54,806

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	15,012	
Total Chancery Court			<u>\$ 15,012</u>

Total Constitutional Officers - Fees Fund 15,012

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	67,795	
Secretary(ies)		60,335	
Social Security		7,387	
State Retirement		7,566	

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Unemployment Compensation	\$	675	
Employer Medicare		1,727	
Dues and Memberships		3,131	
Maintenance and Repair Services - Buildings		2,102	
Postal Charges		430	
Printing, Stationery, and Forms		763	
Other Contracted Services		12,169	
Custodial Supplies		492	
Office Supplies		1,048	
Other Supplies and Materials		70	
Other Charges		331	
Other Equipment		132	
Total Administration			\$ 166,153

Highway and Bridge Maintenance

Foremen	\$	49,518	
Equipment Operators		142,017	
Truck Drivers		184,118	
Laborers		234,516	
Social Security		39,116	
State Retirement		35,163	
Unemployment Compensation		8,197	
Employer Medicare		8,917	
Freight Expenses		30	
Rentals		8,500	
Asphalt - Cold Mix		67,346	
Asphalt - Liquid		182,457	
Concrete		2,066	
Crushed Stone		138,919	
Pipe		39,039	
Pipe - Metal		12,572	
Road Signs		11,479	
Small Tools		900	
Structural Steel		2,317	
Wood Products		4,392	
Other Supplies and Materials		2,129	
Other Charges		18	
Total Highway and Bridge Maintenance			1,173,726

Operation and Maintenance of Equipment

Foremen	\$	28,632
Mechanic(s)		78,772
Social Security		6,659
State Retirement		6,831
Unemployment Compensation		1,115
Employer Medicare		1,557
Freight Expenses		1,106

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Maintenance and Repair Services - Equipment	\$	20,604	
Maintenance and Repair Services - Vehicles		873	
Diesel Fuel		217,663	
Equipment Parts - Light		6,095	
Equipment and Machinery Parts		108,594	
Garage Supplies		4,141	
Gasoline		51,163	
Lubricants		20,722	
Small Tools		2,119	
Tires and Tubes		62,648	
Other Supplies and Materials		1,560	
Other Charges		58	
Total Operation and Maintenance of Equipment			\$ 620,912

Other Charges

Communication	\$	13,019	
Electricity		7,675	
Food Supplies		8,257	
Utilities		1,004	
Water and Sewer		731	
Trustee's Commission		20,137	
Vehicle and Equipment Insurance		20,000	
Other Charges		2,004	
Total Other Charges			72,827

Employee Benefits

Employee and Dependent Insurance	\$	1,262	
Workers' Compensation Insurance		38,000	
Total Employee Benefits			39,262

Capital Outlay

Engineering Services	\$	5,000	
Communication Equipment		44	
Highway Equipment		7,500	
Motor Vehicles		8,800	
Total Capital Outlay			21,344

Total Highway/Public Works Fund \$ 2,094,224

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	337,463	
Principal on Notes		1,128,949	
Total General Government			\$ 1,466,412

(Continued)

Exhibit J-8

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Highways and Streets

Principal on Bonds	\$ 43,500	
Total Highways and Streets		\$ 43,500

Education

Principal on Bonds	\$ 983,000	
Total Education		983,000

Interest on Debt

General Government

Interest on Bonds	\$ 408,000	
Interest on Notes	19,250	
Total General Government		427,250

Highways and Streets

Interest on Bonds	\$ 44,602	
Total Highways and Streets		44,602

Education

Interest on Bonds	\$ 528,336	
Total Education		528,336

Other Debt Service

General Government

Fiscal Agent Charges	\$ 5,000	
Operating Lease Payments	166,277	
Trustee's Commission	33,953	
Other Debt Service	1,250	
Total General Government		206,480

Highways and Streets

Fiscal Agent Charges	\$ 5,000	
Total Highways and Streets		5,000

Education

Fiscal Agent Charges	\$ 5,000	
Total Education		5,000

Total General Debt Service Fund		\$ 3,709,580
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General Capital Projects Fund

Capital Projects

Public Health and Welfare Projects

Motor Vehicles	\$ 12,781	
Total Public Health and Welfare Projects		\$ 12,781

Total General Capital Projects Fund		12,781
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(Continued)

Exhibit J-8

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

<u>Community Development/Industrial Park Fund</u>		
<u>Other Operations</u>		
<u>Other Economic and Community Development</u>		
Secretary(ies)	\$	981
Social Security		57
State Retirement		62
Unemployment Compensation		4
Employer Medicare		13
Contracts with Government Agencies		89,930
Other Contracted Services		16,509
Electricity		1,201
Other Charges		4,162
Total Other Economic and Community Development	\$	112,919
 <u>Airport</u>		
Contributions	\$	8,500
Total Airport		8,500
 <u>Capital Projects</u>		
<u>General Administration Projects</u>		
Maintenance and Repair Services - Buildings	\$	7,400
Trustee's Commission		160
Other Charges		6,633
Total General Administration Projects		14,193
 <u>Social, Cultural, and Recreation Projects</u>		
Communication	\$	3,703
Other Contracted Services		5,164
Office Supplies		1,300
Other Charges		13,941
Data Processing Equipment		2,514
Total Social, Cultural, and Recreation Projects		26,622
 <u>Public Utility Projects</u>		
Contributions	\$	70,787
Engineering Services		271,991
Other Construction		733,971
Total Public Utility Projects		1,076,749
Total Community Development/Industrial Park Fund	\$	1,238,983
 <u>Highway Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Highway and Street Capital Projects</u>		
Trustee's Commission	\$	485
Total Highway and Street Capital Projects		485
Total Highway Capital Projects Fund		485
Total Governmental Funds - Primary Government	\$	<u>13,872,811</u>

Exhibit J-9

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 6,183,470	
Career Ladder Program	106,275	
Career Ladder Extended Contracts	30,000	
Homebound Teachers	3,589	
Clerical Personnel	3,196	
Educational Assistants	222,048	
Other Salaries and Wages	228,301	
Certified Substitute Teachers	103,956	
Non-certified Substitute Teachers	77,808	
Social Security	396,446	
State Retirement	583,791	
Medical Insurance	904,116	
Dental Insurance	40,453	
Disability Insurance	63,137	
Unemployment Compensation	20,864	
Employer Medicare	92,658	
Maintenance and Repair Services - Equipment	2,818	
Postal Charges	100	
Travel	8,838	
Other Contracted Services	125,615	
Instructional Supplies and Materials	105,907	
Library Books/Media	15	
Textbooks	211,000	
Other Supplies and Materials	44,412	
Other Charges	2,598	
Regular Instruction Equipment	240,183	
Total Regular Instruction Program		\$ 9,801,594

Alternative Instruction Program

Teachers	\$ 68,929	
Certified Substitute Teachers	77	
Social Security	4,014	
State Retirement	6,121	
Medical Insurance	3,716	
Unemployment Compensation	163	
Employer Medicare	939	
Other Supplies and Materials	200	
Total Alternative Instruction Program		84,159

Special Education Program

Teachers	\$ 853,520
Homebound Teachers	9,044
Educational Assistants	77,844
Certified Substitute Teachers	14,191
Non-certified Substitute Teachers	17,709
Social Security	55,546

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

State Retirement	\$	81,149	
Medical Insurance		63,279	
Unemployment Compensation		3,314	
Employer Medicare		12,991	
Other Contracted Services		5,140	
Instructional Supplies and Materials		7,321	
Total Special Education Program			\$ 1,201,048

Vocational Education Program

Teachers	\$	321,705	
Certified Substitute Teachers		8,696	
Non-certified Substitute Teachers		1,506	
Social Security		18,504	
State Retirement		28,561	
Medical Insurance		31,186	
Unemployment Compensation		937	
Employer Medicare		4,328	
Instructional Supplies and Materials		16,060	
Other Supplies and Materials		1,700	
Vocational Instruction Equipment		11,091	
Total Vocational Education Program			444,274

Adult Education Program

Teachers	\$	41,025	
Social Security		2,538	
State Retirement		3,332	
Unemployment Compensation		395	
Employer Medicare		594	
Other Contracted Services		6,129	
Instructional Supplies and Materials		4,511	
Other Charges		8,810	
Total Adult Education Program			67,334

Support Services

Attendance

Supervisor/Director	\$	25,738	
Social Security		1,359	
State Retirement		2,286	
Medical Insurance		3,138	
Unemployment Compensation		29	
Employer Medicare		318	
Total Attendance			32,868

Health Services

Medical Personnel	\$	38,408	
Other Salaries and Wages		73,443	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Social Security	\$	6,264	
State Retirement		7,910	
Medical Insurance		8,197	
Unemployment Compensation		734	
Employer Medicare		1,465	
Travel		964	
Other Contracted Services		120	
Drugs and Medical Supplies		3,445	
Other Charges		222	
Total Health Services			\$ 141,172

Other Student Support

Guidance Personnel	\$	279,478	
Social Workers		13,173	
Other Salaries and Wages		45,960	
Certified Substitute Teachers		309	
Non-certified Substitute Teachers		129	
Social Security		19,044	
State Retirement		29,934	
Medical Insurance		26,476	
Dental Insurance		1	
Unemployment Compensation		837	
Employer Medicare		4,454	
Communication		100	
Evaluation and Testing		8,433	
Postal Charges		290	
Travel		11,487	
Other Contracted Services		266	
Other Supplies and Materials		9,326	
Other Charges		2,530	
Total Other Student Support			452,227

Regular Instruction Program

Supervisor/Director	\$	72,461	
Librarians		310,520	
Certified Substitute Teachers		77	
Non-certified Substitute Teachers		657	
Social Security		21,375	
State Retirement		33,881	
Medical Insurance		31,299	
Unemployment Compensation		892	
Employer Medicare		4,999	
Travel		1,959	
Other Contracted Services		245	
Library Books/Media		21,394	
In Service/Staff Development		1,343	
Total Regular Instruction Program			501,102

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	72,405	
Psychological Personnel		61,587	
Assessment Personnel		60,978	
Other Salaries and Wages		4,000	
Social Security		11,304	
State Retirement		17,629	
Medical Insurance		11,795	
Unemployment Compensation		330	
Employer Medicare		2,644	
Travel		6,686	
Other Contracted Services		14,582	
Other Supplies and Materials		4,744	
Total Special Education Program			\$ 268,684

Vocational Education Program

Supervisor/Director	\$	66,281	
Secretary(ies)		13,758	
Other Salaries and Wages		16,748	
Social Security		5,892	
State Retirement		7,796	
Unemployment Compensation		264	
Employer Medicare		1,378	
Travel		1,886	
Other Charges		246	
Total Vocational Education Program			114,249

Adult Programs

Supervisor/Director	\$	54,030	
Other Salaries and Wages		15,555	
Social Security		3,704	
State Retirement		5,787	
Medical Insurance		14,573	
Unemployment Compensation		202	
Employer Medicare		866	
Travel		6,104	
Other Supplies and Materials		176	
In Service/Staff Development		4,239	
Total Adult Programs			105,236

Other Programs

On-behalf Payments to OPEB	\$	91,975	
Total Other Programs			91,975

Board of Education

Board and Committee Members Fees	\$	8,000	
Social Security		439	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Unemployment Compensation	\$	96	
Employer Medicare		103	
Audit Services		19,000	
Communication		200	
Dues and Memberships		7,874	
Legal Services		4,080	
Travel		436	
Other Contracted Services		1,745	
Trustee's Commission		74,034	
Workers' Compensation Insurance		118,437	
Fines, Assessments, and Penalties		42,593	
Refund to Applicant for Criminal Investigation		1,294	
Other Charges		2,511	
Total Board of Education			\$ 280,842

Director of Schools

County Official/Administrative Officer	\$	87,013	
Secretary(ies)		16,509	
Social Security		6,289	
State Retirement		8,777	
Medical Insurance		12,917	
Unemployment Compensation		218	
Employer Medicare		1,471	
Communication		7,368	
Dues and Memberships		2,313	
Postal Charges		135	
Travel		1,968	
Other Contracted Services		287	
In Service/Staff Development		49	
Other Charges		4,538	
Total Director of Schools			149,852

Office of the Principal

Principals	\$	404,725	
Secretary(ies)		97,340	
Non-certified Substitute Teachers		52	
Social Security		29,028	
State Retirement		41,727	
Medical Insurance		23,602	
Unemployment Compensation		1,565	
Employer Medicare		6,789	
Communication		10,772	
Other Charges		750	
Total Office of the Principal			616,350

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Accountants/Bookkeepers	\$	38,487	
Social Security		2,386	
State Retirement		2,448	
Unemployment Compensation		108	
Employer Medicare		558	
Data Processing Services		9,188	
Data Processing Supplies		4,590	
Office Supplies		99	
Total Fiscal Services			\$ 57,864

Operation of Plant

Custodial Personnel	\$	306,933	
Other Salaries and Wages		5,068	
Social Security		18,864	
State Retirement		17,970	
Unemployment Compensation		2,438	
Employer Medicare		4,434	
Other Contracted Services		84,705	
Custodial Supplies		53,303	
Electricity		551,192	
Natural Gas		120,805	
Water and Sewer		33,275	
Other Supplies and Materials		172	
Building and Contents Insurance		154,928	
Total Operation of Plant			1,354,087

Maintenance of Plant

Maintenance Personnel	\$	137,382	
Social Security		8,254	
State Retirement		8,731	
Unemployment Compensation		497	
Employer Medicare		1,930	
Maintenance and Repair Services - Buildings		117,750	
Maintenance and Repair Services - Equipment		36,945	
Travel		1,512	
Other Contracted Services		11,022	
Custodial Supplies		260	
Gasoline		3,375	
Other Supplies and Materials		2,332	
Other Charges		1,187	
Total Maintenance of Plant			331,177

Transportation

Supervisor/Director	\$	14,046	
Mechanic(s)		92,003	
Bus Drivers		367,760	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Other Salaries and Wages	\$	39,145	
Social Security		30,789	
State Retirement		31,746	
Medical Insurance		7,048	
Unemployment Compensation		3,817	
Employer Medicare		7,200	
Medical and Dental Services		180	
Other Contracted Services		14,860	
Diesel Fuel		187,407	
Garage Supplies		3,574	
Gasoline		13,441	
Lubricants		5,332	
Tires and Tubes		13,076	
Vehicle Parts		32,169	
Other Supplies and Materials		2,740	
Other Charges		7,073	
Transportation Equipment		1,952	
Total Transportation	\$		875,358

Operation of Non-instructional Services

Community Services

Teachers	\$	25,221	
Social Security		1,469	
State Retirement		2,240	
Unemployment Compensation		71	
Employer Medicare		343	
Travel		479	
Total Community Services			29,823

Early Childhood Education

Supervisor/Director	\$	32,597	
Teachers		404,014	
Clerical Personnel		2,605	
Educational Assistants		263,366	
Other Salaries and Wages		106,169	
Certified Substitute Teachers		5,900	
Non-certified Substitute Teachers		9,373	
Social Security		47,768	
State Retirement		63,071	
Medical Insurance		40,075	
Unemployment Compensation		3,993	
Employer Medicare		11,172	
Travel		6,645	
Instructional Supplies and Materials		31,127	
Other Supplies and Materials		15,282	
Other Charges		19,997	
Total Early Childhood Education			1,063,154

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 200,000	
Total Education		\$ 200,000

Total General Purpose School Fund \$ 18,264,429

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 556,152	
Educational Assistants	23,502	
Other Salaries and Wages	34,809	
Certified Substitute Teachers	4,210	
Non-certified Substitute Teachers	7,245	
Social Security	35,408	
State Retirement	54,220	
Medical Insurance	46,738	
Unemployment Compensation	1,471	
Employer Medicare	8,281	
Other Contracted Services	12,793	
Instructional Supplies and Materials	17,666	
Other Supplies and Materials	432	
Regular Instruction Equipment	21,456	
Total Regular Instruction Program		\$ 824,383

Special Education Program

Teachers	\$ 32,628	
Educational Assistants	223,890	
Certified Substitute Teachers	335	
Non-certified Substitute Teachers	11,613	
Social Security	15,567	
State Retirement	16,505	
Medical Insurance	8,197	
Unemployment Compensation	2,194	
Employer Medicare	3,648	
Maintenance and Repair Services - Equipment	2,769	
Instructional Supplies and Materials	5,457	
Textbooks	758	
Other Supplies and Materials	8,919	
Special Education Equipment	5,998	
Total Special Education Program		338,478

Vocational Education Program

Other Salaries and Wages	\$ 619	
Social Security	38	
Unemployment Compensation	7	
Employer Medicare	9	
Vocational Instruction Equipment	21,720	
Total Vocational Education Program		22,393

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Adult Education Program

Other Supplies and Materials	\$	1	
Total Adult Education Program			\$ 1

Support Services

Other Student Support

Guidance Personnel	\$	55,685	
Bus Drivers		221	
Clerical Personnel		6,750	
Other Salaries and Wages		4,010	
Social Security		3,764	
State Retirement		5,496	
Medical Insurance		3,706	
Unemployment Compensation		246	
Employer Medicare		880	
Travel		17,353	
Other Contracted Services		1,327	
Other Supplies and Materials		2,442	
In Service/Staff Development		8,145	
Other Charges		6,970	
Other Equipment		1,505	
Total Other Student Support			118,500

Regular Instruction Program

Supervisor/Director	\$	32,597	
Secretary(ies)		12,067	
Other Salaries and Wages		4,484	
Social Security		3,165	
State Retirement		4,182	
Unemployment Compensation		111	
Employer Medicare		740	
Travel		11,206	
In Service/Staff Development		6,726	
Total Regular Instruction Program			75,278

Special Education Program

Assessment Personnel	\$	60,346	
Secretary(ies)		12,067	
Social Security		4,425	
State Retirement		5,780	
Unemployment Compensation		270	
Employer Medicare		1,035	
Communication		1,604	
Postal Charges		793	
Travel		12,069	
Other Contracted Services		45,511	
Other Supplies and Materials		10,729	
In Service/Staff Development		2,005	
Total Special Education Program			156,634

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Travel	\$ 256	
Total Vocational Education Program		\$ 256

Transportation

Bus Drivers	\$ 16,441	
Social Security	1,003	
State Retirement	1,183	
Unemployment Compensation	67	
Employer Medicare	235	
Total Transportation		<u>18,929</u>

Total School Federal Projects Fund		\$ 1,554,852
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Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$ 44,286	
Cafeteria Personnel	381,127	
Other Salaries and Wages	592	
Social Security	26,012	
State Retirement	22,963	
Medical Insurance	11,095	
Unemployment Compensation	4,020	
Employer Medicare	6,083	
Communication	3,402	
Maintenance and Repair Services - Equipment	16,343	
Transportation - Other than Students	191	
Travel	270	
Other Contracted Services	2,675	
Food Preparation Supplies	53,072	
Food Supplies	693,509	
Office Supplies	1,441	
USDA - Commodities	89,495	
Other Supplies and Materials	485	
Trustee's Commission	1	
Other Charges	477	
Total Food Service		<u>\$ 1,357,539</u>

Total Central Cafeteria Fund		<u>1,357,539</u>
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Total Governmental Funds - Wayne County School Department		<u>\$ 21,176,820</u>
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Exhibit J-10

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

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 460,398
Total Cash Receipts	<u>\$ 460,398</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 455,794
Trustee's Commission	4,604
Total Cash Disbursements	<u>\$ 460,398</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash, July 1, 2013	<u>0</u>
 Cash, June 30, 2014	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

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

Independent Auditor's Report

Wayne County Executive and
Board of County Commissioners
Wayne 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 Wayne County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Wayne County's basic financial statements, and have issued our report thereon dated December 22, 2014. Our report includes a reference to other auditors who audited the financial statements of the Wayne County Emergency Communications District, as described in our report on Wayne 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. Our report on the aggregate discretely presented component units was adverse due to not including the financial statements of the Wayne County Retirement Facilities (composed of the Wayne County Nursing Home, the Wayne Care Nursing Home, and the Wayne County Assisted Living Facility), whose report had not been made available from other auditors as of the date of this report.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wayne 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 Wayne County's internal control. Accordingly, we do not express an opinion on the effectiveness of Wayne 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 these deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 2014-002 and 2014-009.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2014-001(C,D), 2014-004(A,B), 2014-005, 2014-008, 2014-011, 2014-014, 2014-015, and 2014-016.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wayne County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001(A,B,E,F), 2014-003, 2014-004(C), 2014-006, 2014-007, 2014-010, 2014-012, 2014-13, and 2014-017.

Wayne County's Responses to Findings

Wayne County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Wayne County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

Very truly yours,

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Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 22, 2014

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 the Schedule of Expenditures of Federal Awards
in Accordance With OMB Circular A-133**

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

We have audited the accompanying Schedule of Expenditures of Federal Awards of Wayne County, Tennessee, for the year ended June 30, 2014.

Management's Responsibility for the Schedule of Expenditures of Federal Awards

Management is responsible for the preparation and fair presentation of the Schedule of Expenditures of Federal Awards in accordance with OMB Circular A-133. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free of material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedule of Expenditures of Federal Awards based on our audit. We conducted our audit 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 the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, 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 schedule 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 Wayne County'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 schedule.

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

Opinion

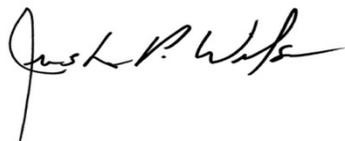
In our opinion, the Schedule of Expenditures of Federal Awards presents fairly, in all material respects, the expenditures of federal awards of Wayne County, in conformity with accounting principles generally accepted in the United States of America, for the year ended June 30, 2014.

Other Reporting Required by OMB Circular A-133

In accordance with OMB Circular A-133, we have also issued our report dated December 22, 2014, on our consideration of compliance for each major program and internal control over compliance. The purpose of that report was to express an opinion on compliance for each major federal program based on our audit, and to describe the scope of our testing of internal control over compliance. That report is an integral part of an audit performed in accordance with OMB Circular A-133 and should be considered in assessing the results of our audit.

This report is intended for the purposes described under the Auditor's Responsibility and Opinion paragraphs. Accordingly, this report is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 22, 2014

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 and
Report on Internal Control Over Compliance Required
by OMB Circular A-133**

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Wayne 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

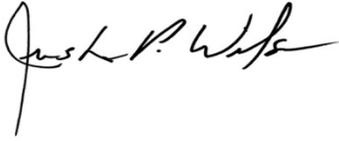
Management of Wayne County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Wayne County's internal control over compliance with the 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 Wayne 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.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 22, 2014

JPW/sb

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ 329,917
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	248,719
National School Lunch Program	10.555	N/A	618,878 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	89,495 (3)
Passed-through State Department of Human Services:			
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	N/A	<u>38,457</u>
Total U.S. Department of Agriculture			<u>\$ 1,325,466</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	(2)	<u>\$ 98,189</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 98,189</u>
U.S. Department of Labor:			
Passed-through South Central Tennessee Workforce Alliance:			
WIA Youth Activities	17.259	(2)	<u>\$ 46,525</u>
Total U.S. Department of Labor			<u>\$ 46,525</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
National Priority Safety Programs	20.616	Z-12-GHS357	<u>\$ 10,372</u>
Total U.S. Department of Transportation			<u>\$ 10,372</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(2)	\$ 138,400
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	660,563
Special Education Cluster:			
Special Education - Grants to States	84.027	(2)	599,555
Special Education - Preschool Grants	84.173	(2)	14,559
Career and Technical Education - Basic Grants to States	84.048	(2)	34,657
Twenty-first Century Community Learning Centers	84.287	(2)	62,338
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	(2)	77,104
Rural Education	84.358	N/A	48,779
Improving Teacher Quality State Grants	84.367	N/A	130,188
State Fiscal Stabilization Funds - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	<u>91,608</u>
Total U.S. Department of Education			<u>\$ 1,857,751</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	\$ 40,458
Total U.S. Election Assistance Commission			\$ 40,458
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(2)	\$ 16,674
Homeland Security Grant Program	97.067	(2)	22,724
Total U.S. Department of Homeland Security			\$ 39,398
Total Expenditures of Federal Awards			\$ 3,418,159
<u>State Grants</u>		<u>Contract Number</u>	
Adult Education - State Department of Education	N/A	(2)	\$ 46,133
ACT/Explorer/Plan Testing - State Department of Education	N/A	(2)	5,712
Arts Student Ticket Subsidy - Tennessee Arts Commission	N/A	(2)	750
Coordinated School Health - State Department of Education	N/A	(2)	88,884
Early Childhood Education - State Department of Education	N/A	(2)	948,933
Family Resource Center Grant - State Department of Education	N/A	(2)	29,612
Internet Connectivity - State Department of Education	N/A	(2)	6,757
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(2)	9,000
Litter Program - State Department of Transportation	N/A	(2)	37,677
Lottery for Education Afterschool Program - State Department of Education	N/A	(2)	78,443
Project Diabetes Initiative Services - State Department of Education	N/A	GG-14-38555-00	119,516
Rural Local Health Services - State Department of Health	N/A	(2)	118,678
Safe Schools Act - State Department of Education	N/A	(2)	30,500
Three Star Economic Development Projects - State Department of Economic and Community Development	N/A	33007-18213	12,682
Tennessee Downtown Revitalization - State Department of Economic and Community Development	N/A	33007-14814	13,941
Total State Grants			\$ 1,547,218

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$708,373.

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

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

OFFICE OF COUNTY EXECUTIVE

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-001	165	Deficiencies were noted in the maintenance of accounting records for the Wayne County Public Utilities
2013-002	167	Material audit adjustments were required for proper financial statement presentation
2013-006	169	The office had deficiencies in budget operations
2013-007	171	The office had purchasing deficiencies
2013-009	172	Authorizations were not on file to support gross salary amounts for some employees
2013-010	173	A tax anticipation note was not issued in compliance with state statutes
2013-011	173	Amounts withheld from contractor payments were not deposited into an escrow account
2013-013	174	Written agreements do not exist to document loans to the Wayne County Retirement Facilities

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-019	178	Expenditures exceeded appropriations

OFFICE OF TRUSTEE

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-025	184	The trustee paid warrants issued from various funds that exceeded available cash on deposit

**OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK;
AND CLERK AND MASTER**

Finding Number	Page Number	Subject
2013-029	187	Multiple employees operated from the same cash drawer

**OFFICES OF COUNTY EXECUTIVE; PUBLIC LIBRARY; TRUSTEE; COUNTY
CLERK; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK;
CLERK AND MASTER; AND REGISTER OF DEEDS**

Finding Number	Page Number	Subject
2013-030	187	Duties were not segregated adequately

WAYNE 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 aggregate discretely presented component units is adverse. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unmodified.
2. The audit of the financial statements of Wayne County disclosed significant deficiencies in internal control. Two of these deficiencies were considered to be material weaknesses.
3. The audit disclosed one instance of noncompliance that was material to the financial statements of Wayne County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); the Water and Waste Disposal Systems for Rural Communities Grant (CFDA No. 10.760); and the Title I Grants to Local Educational Agencies (CFDA No. 84.010) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Wayne County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY EXECUTIVE

FINDING 2014-001

DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF ACCOUNTING RECORDS FOR THE WAYNE COUNTY BOARD OF PUBLIC UTILITIES

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

The Wayne County Board of Public Utilities was formed on March 15, 2010, to provide water services to the citizens of Wayne County, and the Wayne County Commission appoints the utility's board of directors. The board consists of the county executive and three county commissioners, and the county executive serves as chairman of the board. In prior years, the board constructed various water lines, which the board operates as a water system. The board purchases its water from several surrounding water systems.

Our audit noted numerous deficiencies in the maintenance of the accounting records. We were unable to ascertain if charges for water sales were accurately billed, and whether funds collected were properly accounted for in compliance with sound business practices and applicable state statutes. The following internal control and compliance deficiencies noted below are the result of the failure of management to correct the deficiencies noted in the prior-year audit report.

- A. The office did not account for transactions of the county-owned water system in an enterprise fund. Instead, these transactions were accounted for in the county's Community Development/Industrial Park Fund (a capital projects fund), along with other unrelated capital projects. Section 5-16-109, *Tennessee Code Annotated*, states "the board or administrative agency shall determine and fix charges ... upon a basis calculated to ensure the fiscal solvency of the operation at all times." Reporting the county-owned water system in an enterprise fund is the method recognized by generally accepted accounting principles to calculate charges sufficient to cover the costs of operations and maintenance, including depreciation and debt service requirements.
- B. The office did not maintain an adequate accounting system to account for water sales, tap sales, customer deposits, billings, and collections. The employee responsible for billings and collections utilized Excel spreadsheets to prepare billing statements and monthly billing summaries; however, total

water sales and loss figures were not captured by the accounting system. Amounts for water sales, tap sales, and tap deposits were commingled in the accounting records. A list of customer tap deposits was maintained; however, no liabilities of the system were recorded. Due to these deficiencies, auditors were unable to ascertain if all applicable funds and tap deposits had been collected.

- C. Written policies and procedures were not available for employees to ensure consistent application of board policies. Auditors noted that tap fees charged to customers were not consistently charged to all new customers. Refundable tap deposits were required prior to obtaining water service; however, auditors determined that some customers were billed for their tap deposits on their monthly water bill, subsequent to receiving service. Additionally, auditors were unable to determine if all customers had been required to provide a tap deposit.
- D. One employee calculates the water bills, generates the bills, receipts the payments, posts the payments to the accounts, deposits the revenues received with the county trustee, and maintains all water billing records. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decision based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.
- E. Officials failed to file schedules of water loss reports with the state Department of Environment and Conservation.
- F. Minutes were not maintained recording the actions taken in the meetings of the Board of Public Utilities. Official minutes are necessary to document the actions taken by the board.

RECOMMENDATION

Officials should establish an enterprise fund to account for the operations of the water system. Officials should take steps to correct the deficiencies in the accounting system to provide accurate sales, billing, and collection information. Written policies and procedures should be developed and made available to employees to ensure the consistent application of board policies. Officials should segregate duties to the extent possible using available resources. Officials should file all required reports with the appropriate oversight agency in a timely manner. Minutes should be maintained to document the actions of the board.

FINDING 2014-002

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

At June 30, 2014, certain general ledger account balances in the General, General Debt Service, and Community Development/Industrial Park funds were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Audit adjustments were required to decrease receivables and increase deferred revenues by \$117,738 and \$88,376, respectively, in the General Fund; receivables and deferred revenues were increased by \$86,099 and \$87,686, respectively, in the General Debt Service Fund; and both receivables and payables were increased by \$74,548 and \$239,451, respectively, in the Community Development/Industrial Park Fund. Generally accepted accounting principles require Wayne County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county'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 county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight and management's failure to correct the finding noted in the prior-year audit report. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Wayne County should have appropriate processes in place to ensure that its general ledgers are materially correct.

FINDING 2014-003

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS
(Noncompliance Under *Government Auditing Standards*)

We noted the following deficiencies in the budget operations of the office:

- A. Total expenditures and other uses of the Solid Waste/Sanitation Fund exceeded total appropriations approved by the County Commission by \$2,393.
- B. Expenditures exceeded appropriations in the major appropriation categories (the legal level of control) of the following funds:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
Register of Deeds	\$ 188
Sheriff's Department	21,362
Jail	2,364
Public Safety Grants Program	3,146
Libraries	961
Agriculture Extension Office	326
Other Economic and Community Development	5,371
Miscellaneous	2,901
Litter and Trash Collection	5,239
General Debt Service:	
Transfers Out	100,000

- C. Salaries exceeded line-item appropriations in three accounts in the General Fund by amounts ranging from \$346 to \$2,744.

Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies." The budget resolution approved by the County Commission states that the salary, wages, or remuneration of each official, employee, or agent of the county will not exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission. These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures and management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

FINDING 2014-004

THE OFFICE HAD PURCHASING DEFICIENCIES

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

As a part of our auditing procedures for determining whether internal controls over purchasing were operating as designed, we selected a sample of 40 disbursements. Our examination revealed the following deficiencies, which can be attributed to a lack of

management oversight and management's failure to correct the finding noted in the prior-year audit report.

- A. Our sample revealed that purchase orders were not issued in four of 17 applicable purchases. This calculates to a 24 percent deviation rate. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments.
- B. Our sample revealed that invoices were paid without documentation that goods had been received or services rendered in 16 of 38 applicable purchases. This calculates to a 42 percent deviation rate. The practice of paying invoices without documentation that goods had been received or services rendered increases the risks of paying for goods or services that were not received.
- C. Wayne County solicited bids for a 2010 or newer vehicle by public advertisement in a local newspaper; however, no bids were received. Wayne County then purchased a 2005 vehicle advertised for sale in a local auto sales publication for \$15,000. Purchasing procedures for the Office of County Executive are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-207, *Tennessee Code Annotated (TCA)*, which provide for all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids. Because the purchases were for used vehicles, Section 12-3-1003, *TCA*, permits the purchase of used equipment without competitive bidding if certain documentation is obtained and conditions met. However, the required documentation was not obtained. As a result, the best and lowest price may not have been obtained for the purchase of this used vehicle.

RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases before purchases are made. Invoices should not be paid without documentation that goods had been received or services rendered. When purchasing used vehicles, the county should follow state statutes and obtain certain required information to ensure the best and most competitive price is paid.

FINDING 2014-005

AUTHORIZATIONS WERE NOT ON FILE TO SUPPORT GROSS SALARY AMOUNTS FOR SOME EMPLOYEES

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

As a part of our auditing procedures for determining whether internal controls over payroll were operating as designed, we selected a sample of ten disbursements. Our sample revealed that management was unable to provide supporting documentation for the gross salary of employees from either the employees' personnel file or an approved salary

schedule for four of the ten disbursements. This calculates to a 40 percent deviation rate. Sound business practices dictate that documentation should be on file to support the determination of employee's salaries. This deficiency is the result of a lack of management oversight and management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Documentation should be on file to support gross salary amounts for all employees.

FINDING 2014-006

A TAX ANTICIPATION NOTE WAS NOT ISSUED IN COMPLIANCE WITH STATE STATUTES (Noncompliance Under *Government Auditing Standards*)

During the year, the county borrowed \$300,000 from the General Debt Service Fund to provide cash flow for operations of the General Fund. Officials did not get the approval of the state Comptroller's Office for the issuance of this note as required by Section 9-21-601, *Tennessee Code Annotated (TCA)*. Also, county officials did not file a Report on Debt Obligation with the state Comptroller's Office for the note. Section 9-21-151, *TCA*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance. This deficiency resulted from a lack of oversight by management and management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Tax anticipation notes should be issued in compliance with state statutes.

FINDING 2014-007

AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT (Noncompliance Under *Government Auditing Standards*)

The county had construction contracts in excess of \$500,000 and did not deposit amounts withheld from contractor payments into an escrow account. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account for contracts of \$500,000 or more. This deficiency could result in the loss of interest earnings for the contractor. This deficiency is the result of a lack of management oversight and management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Amounts withheld from contractor payments on contracts of \$500,000 or more should be deposited into an escrow account in compliance with state statute.

FINDING 2014-008

WRITTEN AGREEMENTS DO NOT EXIST TO DOCUMENT LOANS TO THE WAYNE COUNTY RETIREMENT FACILITIES

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

In prior years, Wayne County paid various sums of money to the Wayne County Retirement Facilities (WCRF), a discretely presented component unit of Wayne County. Wayne County and the WCRF did not enter into formal written agreements signed by both parties specifying the terms and conditions of repayment, if any, for these payments. Wayne County did not record receivables in its financial statements for these payments. Amounts paid to the component unit were expensed as contributions in the prior-year financial statements of Wayne County; however, the WCRF recorded a \$2,601,825 payable as due to Wayne County in its financial statements as of June 30, 2013. Wayne County contributed an additional \$76,758 to the WCRF during the year ended June 30, 2014. This deficiency resulted from a lack of oversight by management and management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The Wayne County Commission should document whether amounts paid to the Wayne County Retirement Facilities were contributions or loans to be repaid. All loans made from county funds should be evidenced by a formal, written contract that defines the terms and conditions of the loan.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2014-09

MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION

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

At June 30, 2014, certain general ledger account balances in the General Purpose School Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Audit adjustments were required to increase receivables by \$152,354 and to increase deferred revenues by \$140,846. Generally accepted accounting principles require the School Department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the School Department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator

of a material weakness in internal controls if the School Department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management, which they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

This finding deals with the way sales tax was posted for the last two months of the year and for some deferred grant revenue. Auditors clarified how this should be done and provided audit adjustments to correct this error. It should not be a finding in the future. No funds were missing in this finding.

FINDING 2014-010

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

Expenditures exceeded appropriations approved by the County Commission in the Regular Instruction Program and Community Services major appropriation categories (the legal level of control) of the General Purpose School Fund by \$89,142 and \$211, respectively. Additionally, the salary line item for the food service supervisor in the Central Cafeteria Fund exceeded appropriations by \$1,782. These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures and management's failure to correct the deficiency noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

This finding occurred because a budget amendment approved by the Board of Education was submitted to the county mayor and county clerk on June 27, 2014, which was inadvertently left out of the amendments approved by the County Commission on June 30, 2014. As director of schools, I attended the budget meeting and the full commission meeting on June 30, 2014. I addressed the budget committee explaining the amendment prior to the full commission meeting. Since I had provided a copy of the amendment to the proper persons, and I explained the amendment to the Budget Committee, I assumed they had a copy in their hands as I spoke and that it would be approved at the full commission meeting.

FINDING 2014-011

INVOICES WERE PAID WITHOUT DOCUMENTATION THAT GOODS HAD BEEN RECEIVED OR SERVICES RENDERED

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

As a part of our auditing procedures for determining whether internal controls over purchasing were operating as designed, we selected a sample of 40 disbursements. Our sample revealed that 11 of the 40 invoices were paid without documentation that goods had been received or services rendered. This calculates to a 28 percent deviation rate for invoices not properly approved for payment. The practice of paying invoices without documentation that goods were received and/or services were rendered increases the risk of paying for something that was never received. This deficiency can be attributed to the failure of management to adequately monitor purchasing procedures.

RECOMMENDATION

The office should maintain adequate documentation that goods have been received and/or services have been rendered before invoices are paid.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We have reviewed the 11 transactions noted above. All goods and services were received. It is important to note that all transactions tested met all the requirements (where applicable) for the purchase order being issued properly, warrants signed properly, proper documentation, invoices properly cancelled, accuracy of invoices, pre-numbered warrants, proper classification, avoidance of service charges, travel, complying with policies, and proper bid solicitation. We will increase our efforts to acknowledge receipt of services by a signature on all invoices.

FINDING 2014-012

A CASH SHORTAGE TOTALING \$319,134.58 EXISTED AT FEBRUARY 28, 2013

(Noncompliance Under *Government Auditing Standards*)

The Comptroller's Division of Investigation, Financial and Compliance Unit issued an investigative report on July 29, 2014, on the Wayne County School Department for the period July 1, 2009, through February 28, 2013, which revealed a cash shortage totaling \$319,134.58. A copy of this report is available for public inspection and can be accessed at www.comptroller.tn.gov. In August 2014, the county received a check from their insurance provider totaling \$149,500. Also, in August 2014, one former employee pled guilty to federal program fraud and is awaiting sentencing.

OFFICE OF TRUSTEE

FINDING 2014-013

THE TRUSTEE PAID WARRANTS ISSUED FROM THE SCHOOL FEDERAL PROJECTS, CITIES SALES TAX, AND COMMUNITY DEVELOPMENT/INDUSTRIAL PARK FUNDS THAT EXCEEDED AVAILABLE CASH ON DEPOSIT

(Noncompliance Under *Government Auditing Standards*)

During the fiscal year, the trustee paid warrants issued from the School Federal Projects, Cities Sales Tax, and Community Development/Industrial Park funds that exceeded the available cash balance on deposit. Warrants exceeded available cash balance in the School Federal Projects Fund in October 2013 by \$9,358; in the Cities Sales Tax Fund in March 2014 by \$200; and in the Community Development/Industrial Park Fund in April 2014 by \$8,097. These cash overdrafts were liquidated prior to June 30, 2014. Section 8-11-104(5), *Tennessee Code Annotated*, prohibits the trustee from paying a warrant if sufficient funds are not available. This deficiency exists because the School Department and County Mayor's Office continued to issue warrants exceeding cash on deposit with the trustee, and the trustee kept honoring the warrants. Also, the deficiency exists due to the failure of management to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The trustee should not pay warrants that exceed available cash as required by state statute.

OFFICE OF COUNTY CLERK

FINDING 2014-014

EMPLOYEES PROCESSED TRANSACTIONS UTILIZING THE SAME USERNAME

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

Although each employee had been assigned a unique username for accessing the office's accounting software, at times employees processed transactions using the county clerk's login. If inappropriate activity were to occur, the individual responsible for this activity would not be easily identified because of the shared user account. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

Each individual should access the application using his or her unique username to ensure that transactions are properly identified to that user. Usernames should be confidential and should not be shared among employees.

**OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK;
AND CLERK AND MASTER**

FINDING 2014-015

**MULTIPLE EMPLOYEES OPERATED FROM THE SAME
CASH DRAWER**

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

All employees operated from the same cash drawer in the Offices of Circuit, General Sessions, and Juvenile Courts Clerk; and Clerk and Master. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency in internal controls was the result of a lack of management oversight over risks related to safeguarding assets and management's failure to correct the deficiency noted in the prior-year audit report.

RECOMMENDATION

Officials should assign each employee their own cash drawer.

**OFFICES OF COUNTY EXECUTIVE; PUBLIC LIBRARY; TRUSTEE; COUNTY
CLERK; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK;
CLERK AND MASTER; AND REGISTER OF DEEDS**

FINDING 2014-016

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

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

RECOMMENDATION

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

COUNTY COMMISSION

FINDING 2014-017

TWO COUNTY COMMISSIONERS FAILED TO DISCLOSE THEIR CONFLICTS OF INTEREST

(Noncompliance Under *Government Auditing Standards*)

A county commissioner who was also an employee of the Wayne County Retirement Facilities (WCRF) (a component unit of Wayne County) prior to being elected to the County Commission failed to make public his employment with the county when voting on the sale of the WCRF. Section 5-5-102(c)(3)(A), *Tennessee Code Annotated (TCA)*, provides that any member of a local governing body who is also an employee may vote on matters in which the member has a conflict of interest if the member informs the governing body immediately prior to the vote.

Another county commissioner whose wife was employed by the WCRF also failed to disclose his indirect interest in the sale of the facility. Section 12-4-101(c)(1), *(TCA)*, provides that any member of a local governing body who has a direct or indirect interest in any contract may vote on matters pertaining to that contract in which the member has a conflict of interest if the member informs the governing body immediately prior to the vote. The official minutes of the County Commission should reflect this disclosure.

RECOMMENDATION

On matters in which a county commissioner has a potential conflict of interest, the member should inform the governing body immediately prior to the vote as follows: "Because I am an employee of (name of governmental unit), I have a conflict of interest in the proposal about to be voted. However, I declare that my argument and my vote answer only to my conscience and my obligation to my constituents and the citizens this body represents." The clerk should record this disclosure in the official minutes of the commission meeting.

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

There were no findings and questioned costs for federal awards.

BEST PRACTICE

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

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

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

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

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

There were audit findings relative to federal awards presented in the prior-year's Schedule of Findings and Questioned Costs. There were no audit findings relative to federal awards presented in the current-year's Schedule of Findings and Questioned Costs.

Director of Schools – Summary Schedule of Prior-year's Findings

FINDINGS 2013-021 and 2013-031

The bookkeepers and contracted consultant involved are no longer employed by the Wayne County School Department. All employees involved in grant activities have received the training required to properly perform their duties.