

ANNUAL FINANCIAL REPORT
HUMPHREYS COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015



DIVISION OF LOCAL GOVERNMENT AUDIT



**ANNUAL FINANCIAL REPORT
HUMPHREYS COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2015**

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

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

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

***TIFFANY NOLEN, CFE
Auditor 4***

***JAKE McNATT, CFE
WENDY HEATH, CFE
State Auditors***

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

HUMPHREYS COUNTY, TENNESSEE
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Summary of Audit Findings

Annual Financial Report
Humphreys County, Tennessee
For the Year Ended June 30, 2015

Scope

We have audited the basic financial statements of Humphreys County as of and for the year ended June 30, 2015.

Results

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

Our audit resulted in five findings and recommendations, which we have reviewed with Humphreys 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

- ◆ A formal purchase order system had not been established.

OFFICE OF ROAD SUPERVISOR

- ◆ The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation.

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

- ◆ Duties were not segregated adequately.
-

HUMPHREYS COUNTY

- ◆ The county used a questionable method of funding workers' compensation expenses, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds.
- ◆ Humphreys County has a material recurring audit finding.

INTRODUCTORY SECTION

Humphreys County Officials

June 30, 2015

Officials

Jessie Wallace, County Executive
Randy Woods, Road Supervisor
James Long, Director of Schools
Leigh Ann Waggoner, Trustee
Vickie Cowell, Assessor of Property
Cindy Wilson, County Clerk
Elaine Choate, Circuit and General Sessions Courts Clerk
Michael Bullion, Clerk and Master
Jan Crowell, Register of Deeds
Chris Davis, Sheriff

Board of County Commissioners

Jessie Wallace, County Executive, Chairman
Terry Coleman
Tim Daniel
Chris Dellinger
Taylor Hall
Kay Hampton
Ricky Hooper
Ronald Hughes

John E. Hunt
John Hurt
Larry Mayberry
Marilyn Phillips
Edward Rochelle
Larry Smith
Daniel Waggoner

Board of Education

Gene Trotter, Chairman
Billy Daniel
Jimmy Wayne Jones
Dwayne Ross
James Simmons
Kenneth Wallace
Johnny Whitfield

Audit Committee

Larry Mayberry, Chairman
Tim Daniel
Taylor Hall
Ronald Hughes
John Hurt
Larry Smith
Daniel Waggoner

FINANCIAL SECTION



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

Humphreys County Executive and
Board of County Commissioners
Humphreys 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Humphreys County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Humphreys County, Tennessee, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof 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., Humphreys County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note I.D.9. to the financial statements, which describes a prior-period adjustment decreasing the beginning Governmental Activities net position by \$61,000 on the Government-wide Statement of Activities. This adjustment was necessary due to the overstatement of capital assets in the prior year. We also draw attention to Note I.D.10. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position by \$166,438 and the discretely presented Humphreys County School Department's net position by \$3,985,664 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to these matters.

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 schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension asset, and schedule of funding progress - other postemployment benefits plan on pages 82-88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Humphreys County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, and the General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Humphreys County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Humphreys County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2015, on our consideration of Humphreys 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 Humphreys County's internal control over financial reporting and compliance.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 20, 2015

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Humphreys County, Tennessee
Statement of Net Position
June 30, 2015

	Primary Government			Component
	Governmental Activities	Business- type Activities	Total	Unit
				Humphreys County School Department
<u>ASSETS</u>				
Cash	\$ 29,730	\$ 0	\$ 29,730	\$ 0
Equity in Pooled Cash and Investments	13,180,999	240,768	13,421,767	1,044,611
Accounts Receivable	3,049	7,880	10,929	4,719
Due from Other Governments	672,448	0	672,448	1,919,800
Property Taxes Receivable	6,599,664	0	6,599,664	3,483,157
Allowance for Uncollectible Property Taxes	(167,497)	0	(167,497)	(88,400)
Restricted Assets:				
Other Restricted Assets	0	113,276	113,276	0
Net Pension Asset - Agent Plan	484,876	0	0	681,533
Net Pension Asset - Cost-Sharing Plan	0	0	0	46,811
Capital Assets Not Depreciated:				
Land	1,498,084	12,000	1,510,084	141,175
Construction in Progress	125,000	0	125,000	1,647,162
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	5,429,238	63,368	5,492,606	7,642,175
Infrastructure	15,991,799	587,678	16,579,477	37,986
Other Capital Assets	1,559,790	31,440	1,591,230	1,356,441
Total Assets	<u>\$ 45,407,180</u>	<u>\$ 1,056,410</u>	<u>\$ 46,463,590</u>	<u>\$ 17,917,170</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Changes in Experience	\$ 0	\$ 0	\$ 0	\$ 113,649
Pension Contributions after Measurement Date	336,767	0	336,767	1,260,336
Total Deferred Outflows of Resources	<u>\$ 336,767</u>	<u>\$ 0</u>	<u>\$ 336,767</u>	<u>\$ 1,373,985</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 80,170	\$ 1,707	\$ 81,877	\$ 5,536
Payroll Deductions Payable	20	0	20	1,483
Contracts Payable	137,112	0	137,112	544,216
Retainage Payable	9,842	0	9,842	0
Accrued Interest Payable	3,566	0	3,566	0
Customer Deposits Payable	0	113,276	113,276	0
Noncurrent Liabilities:				
Due Within One Year	625,978	0	625,978	0
Due in More Than One Year	3,135,682	0	3,135,682	4,785,665
Total Liabilities	<u>\$ 3,992,370</u>	<u>\$ 114,983</u>	<u>\$ 4,107,353</u>	<u>\$ 5,336,900</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 6,318,238	\$ 0	\$ 6,318,238	\$ 3,334,628
Pension Changes in Experience	44,201	0	44,201	62,129
Pension Changes in Investment Earnings	568,298	0	568,298	4,655,826
Pension Other Deferrals	0	0	0	12,853
Total Deferred Inflows of Resources	<u>\$ 6,930,737</u>	<u>\$ 0</u>	<u>\$ 6,930,737</u>	<u>\$ 8,065,436</u>

(Continued)

Exhibit A

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

	Primary Government			Component
	Governmental Activities	Business- type Activities	Total	Unit Humphreys County School Department
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 24,252,711	\$ 694,486	\$ 24,947,197	\$ 10,824,939
Restricted for:				
General Government	326,120	0	326,120	0
Finance	5,134	0	5,134	0
Administration of Justice	66,363	0	66,363	0
Public Safety	363,630	0	363,630	0
Public Health and Welfare	1,395,427	0	1,395,427	0
Highways/Public Works	2,200,640	0	2,200,640	0
Education	0	0	0	11,950
Operation of Non-instructional Services	0	0	0	40,209
Debt Service	1,537,167	0	1,537,167	0
Capital Projects	917,637	0	917,637	0
Other Purposes	209,144	0	209,144	0
Unrestricted	3,546,867	246,941	3,793,808	(4,988,279)
Total Net Position	\$ 34,820,840	\$ 941,427	\$ 35,762,267	\$ 5,888,819

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

Exhibit B

Humphreys County, Tennessee
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Net (Expense) Revenue and Changes in Net Position										Component Unit	
	Program Revenues			Primary Government			Business-type					
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Humphreys County School Department		
Primary Government:												
Governmental Activities:												
General Government	\$ 1,947,068	\$ 263,548	\$ 214,539	\$ 1,347,137	\$ (121,844)	\$ 0	\$ (121,844)	\$ 0	\$ (121,844)	\$ 0	\$ 0	
Finance	726,004	618,368	0	0	(107,636)	0	(107,636)	0	(107,636)	0	0	
Administration of Justice	794,238	277,165	300	0	(516,773)	0	(516,773)	0	(516,773)	0	0	
Public Safety	3,481,259	286,557	161,436	0	(3,033,266)	0	(3,033,266)	0	(3,033,266)	0	0	
Public Health and Welfare	1,962,520	19,929	209,556	0	(1,733,035)	0	(1,733,035)	0	(1,733,035)	0	0	
Social, Cultural, and Recreational Services	282,466	0	4,619	0	(277,847)	0	(277,847)	0	(277,847)	0	0	
Agriculture and Natural Resources	226,878	0	9,000	0	(217,878)	0	(217,878)	0	(217,878)	0	0	
Highways/Public Works	4,620,340	75,719	1,834,431	562,884	(2,147,306)	0	(2,147,306)	0	(2,147,306)	0	0	
Education	285,382	0	0	0	(285,382)	0	(285,382)	0	(285,382)	0	0	
Interest on Long-term Debt	24,617	0	0	0	(24,617)	0	(24,617)	0	(24,617)	0	0	
Total Governmental Activities	\$ 14,350,772	\$ 1,541,286	\$ 2,433,881	\$ 1,910,021	\$ (8,465,584)	\$ 0	\$ (8,465,584)	\$ 0	\$ (8,465,584)	\$ 0	\$ 0	
Business-type Activities:												
Public Utility	\$ 140,000	\$ 111,719	\$ 0	\$ 0	\$ 0	\$ (28,281)	\$ (28,281)	\$ 0	\$ (28,281)	\$ 0	\$ 0	
Total Primary Government	\$ 14,490,772	\$ 1,653,005	\$ 2,433,881	\$ 1,910,021	\$ (8,465,584)	\$ (28,281)	\$ (8,493,865)	\$ 0	\$ (8,493,865)	\$ 0	\$ 0	
Component Unit:												
Humphreys County School Department	\$ 24,073,630	\$ 649,782	\$ 4,406,799	\$ 458,575	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (18,558,474)	\$ (18,558,474)	
Total Component Unit	\$ 24,073,630	\$ 649,782	\$ 4,406,799	\$ 458,575	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (18,558,474)	\$ (18,558,474)	

(Continued)

Exhibit B

Humphreys County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position										
	Program Revenues					Primary Government					Component
	Charges for Services	Expenses	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business- type Activities	Total	Humphreys County School Department		
General Revenues:											
Taxes:											
Property Taxes Levied for General Purposes					\$ 6,233,450	\$ 0	\$ 6,233,450	\$ 3,380,052			
Property Taxes Levied for Debt Service					105,345	0	105,345	0			
Local Option Sales Tax					914,178	0	914,178	2,484,107			
Hotel/Motel Tax					100,404	0	100,404	0			
Litigation Taxes					132,855	0	132,855	0			
Business Tax					153,822	0	153,822	0			
Wholesale Beer Tax					78,572	0	78,572	0			
Other Local Taxes					2,004	0	2,004	3,001			
Grants and Contributions Not Restricted to Specific Programs					1,926,841	0	1,926,841	14,766,224			
Unrestricted Investment Income					25,880	0	25,880	0			
Miscellaneous					94,134	0	94,134	168,775			
Pension Income					38,815	0	38,815	96,849			
Total General Revenues					\$ 9,806,300	\$ 0	\$ 9,806,300	\$ 20,899,008			
Change in Net Position					\$ 1,340,716	\$ (28,281)	\$ 1,312,435	\$ 2,340,534			
Net Position, July 1, 2014					33,707,562	969,708	34,677,270	7,533,949			
Prior-period Adjustment (see Note I.D.9)					(61,000)	0	(61,000)	0			
Restatement - Pension Liability (see Note I.D.10)					(166,438)	0	(166,438)	(3,985,664)			
Net Position, June 30, 2015					\$ 34,820,840	\$ 941,427	\$ 35,762,267	\$ 5,888,819			

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

Exhibit C-1

Humphreys County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2015

	Major Funds				General Capital Projects
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	
\$	5,145 \$	0 \$	0 \$	0 \$	0
Equity in Pooled Cash and Investments	6,771,693	1,449,790	2,019,684	1,565,027	1,057,809
Accounts Receivable	0	320	2,729	0	0
Due from Other Governments	276,795	0	333,004	0	62,649
Due from Other Funds	24,585	0	3,693	0	0
Property Taxes Receivable	3,555,020	916,620	912,510	803,035	183,324
Allowance for Uncollectible Property Taxes	(100,564)	(23,264)	(21,527)	(11,673)	(4,653)
Total Assets	\$ 10,532,674 \$	2,343,466 \$	3,250,093 \$	2,356,389 \$	1,299,129

ASSETS

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

Total Assets

LIABILITIES

Accounts Payable
Payroll Deductions Payable
Contracts Payable
Retainage Payable
Due to Other Funds

Total Liabilities

DEFERRED INFLOWS OF RESOURCES

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

\$	60,388 \$	12,735 \$	0 \$	0 \$	0
	0	0	20	0	0
	0	0	26,106	0	111,006
	0	0	0	0	9,842
	643	2,097	0	0	0
\$	61,031 \$	14,832 \$	26,126 \$	0 \$	120,848
\$	3,378,503 \$	877,533 \$	877,533 \$	789,780 \$	175,506
	71,144	14,821	12,598	1,481	2,965
	112,374	0	156,333	0	0
\$	3,562,021 \$	892,354 \$	1,046,464 \$	791,261 \$	178,471

(Continued)

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

	Major Funds					General Capital Projects
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General	
\$	15,244	0	0	0	0	0
	5,134	0	0	0	0	0
	66,363	0	0	0	0	0
	106,255	0	0	0	0	0
	69,435	1,311,171	0	0	0	0
	243,299	0	0	0	0	0
	0	0	2,101,067	0	0	0
	0	0	0	1,539,252	0	0
	0	0	0	0	0	914,672
	0	0	0	0	0	0
	0	125,109	0	0	0	0
	0	0	76,436	0	0	0
	0	0	0	25,876	0	0
	0	0	0	0	0	85,138
	6,403,892	0	0	0	0	0
	<u>6,909,622</u>	<u>1,436,280</u>	<u>2,177,503</u>	<u>1,565,128</u>	<u>999,810</u>	<u>0</u>
	\$ 10,532,674	\$ 2,343,466	\$ 3,250,093	\$ 2,356,389	\$ 1,299,129	\$ 0

FUND BALANCES

Restricted:

Restricted for General Government
 Restricted for Finance
 Restricted for Administration of Justice
 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Other Operations
 Restricted for Highways/Public Works
 Restricted for Debt Service
 Restricted for Capital Projects
 Restricted for Other Purposes

Committed:

Committed for Public Health and Welfare
 Committed for Highways/Public Works
 Committed for Debt Service
 Committed for Capital Projects
 Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

(Continued)

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
--	-------------------	-------------------------------------	--------------------------------

ASSETS

Cash	\$ 24,585	\$ 29,730	
Equity in Pooled Cash and Investments	316,382	13,180,385	
Accounts Receivable	0	3,049	
Due from Other Governments	0	672,448	
Due from Other Funds	0	28,278	
Property Taxes Receivable	229,155	6,599,664	
Allowance for Uncollectible Property Taxes	(5,816)	(167,497)	
Total Assets	\$ 564,306	\$ 20,346,057	

LIABILITIES

Accounts Payable	\$ 7,047	\$ 80,170	
Payroll Deductions Payable	0	20	
Contracts Payable	0	137,112	
Retainage Payable	0	9,842	
Due to Other Funds	24,924	27,664	
Total Liabilities	\$ 31,971	\$ 254,808	

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 219,383	\$ 6,318,238	
Deferred Delinquent Property Taxes	3,742	106,751	
Other Deferred/Unavailable Revenue	0	268,707	
Total Deferred Inflows of Resources	\$ 223,125	\$ 6,693,696	

(Continued)

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
	\$	0	\$ 15,244
		0	5,134
		0	66,363
		253,633	359,888
		0	1,380,606
		0	243,299
		0	2,101,067
		0	1,539,252
		0	914,672
		55,577	55,577
		0	125,109
		0	76,436
		0	25,876
		0	85,138
	<u>\$</u>	<u>309,210</u>	<u>\$ 13,397,553</u>
	\$	564,306	\$ 20,346,057

FUND BALANCES

Restricted:

- Restricted for General Government
- Restricted for Finance
- Restricted for Administration of Justice
- Restricted for Public Safety
- Restricted for Public Health and Welfare
- Restricted for Other Operations
- Restricted for Highways/Public Works
- Restricted for Debt Service
- Restricted for Capital Projects
- Restricted for Other Purposes

Committed:

- Committed for Public Health and Welfare
- Committed for Highways/Public Works
- Committed for Debt Service
- Committed for Capital Projects

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

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

Exhibit C-2

Humphreys County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2015

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 13,397,553
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,498,084	
Add: construction in progress	125,000	
Add: buildings and improvements net of accumulated depreciation	5,429,238	
Add: infrastructure net of accumulated depreciation	15,991,799	
Add: other capital assets net of accumulated depreciation	<u>1,559,790</u>	24,603,911
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (345,000)	
Less: other loans payable	(2,373,000)	
Less: bonds payable	(6,200)	
Less: compensated absences payable	(143,058)	
Less: landfill closure/postclosure care costs	(894,402)	
Less: accrued interest on notes	<u>(3,566)</u>	(3,765,226)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 336,767	
Less: deferred inflows of resources related to pensions	<u>(612,499)</u>	(275,732)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		484,876
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>375,458</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 34,820,840</u></u>

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

Exhibit C-3

Humphreys County, Tennessee
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2015

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 5,686,943	\$ 891,217	\$ 761,249	\$ 126,492	\$ 175,396
Fines, Forfeitures, and Penalties	71,978	0	0	0	0
Charges for Current Services	13,765	11,227	0	0	0
Other Local Revenues	151,712	8,717	76,436	25,876	85,138
Fees Received from County Officials	857,713	0	0	0	0
State of Tennessee	2,495,739	7,260	2,311,272	0	0
Federal Government	44,979	0	103,256	0	1,347,124
Other Governments and Citizens Groups	145,652	0	0	10,973	347,375
Total Revenues	\$ 9,468,481	\$ 918,421	\$ 3,252,213	\$ 163,341	\$ 1,955,033
<u>Expenditures</u>					
Current:					
General Government	\$ 950,137	\$ 0	\$ 0	\$ 0	\$ 0
Finance	553,422	0	0	0	0
Administration of Justice	633,009	0	0	0	0
Public Safety	2,155,919	0	0	0	0
Public Health and Welfare	551,700	568,300	0	0	0
Social, Cultural, and Recreational Services	159,935	0	0	0	0
Agriculture and Natural Resources	175,580	0	0	0	0
Other Operations	2,359,641	74,025	0	0	0
Highways	0	0	3,078,279	0	0
Debt Service:					
Principal on Debt	0	0	0	645,400	0
Interest on Debt	0	0	0	27,917	0
Other Debt Service	0	0	0	39,560	0
Capital Projects	287,437	0	0	0	1,688,928
Total Expenditures	\$ 7,826,780	\$ 642,325	\$ 3,078,279	\$ 712,877	\$ 1,688,928

(Continued)

Exhibit C-3

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

	Major Funds					General Capital Projects
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects	
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,641,701 \$	276,096 \$	173,934 \$	(549,536) \$	266,105	
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 18,563 \$	0 \$	0 \$	0 \$	0	
Total Other Financing Sources (Uses)	\$ 18,563 \$	0 \$	0 \$	0 \$	0	
Net Change in Fund Balances	\$ 1,660,264 \$	276,096 \$	173,934 \$	(549,536) \$	266,105	
Fund Balance, July 1, 2014	5,249,358	1,160,184	2,003,569	2,114,664	733,705	
Fund Balance, June 30, 2015	\$ 6,909,622 \$	1,436,280 \$	2,177,503 \$	1,565,128 \$	999,810	

(Continued)

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

	<u>Nonmajor</u>		
	<u>Funds</u>		
	<u>Other</u>	<u>Gov-</u>	<u>Total</u>
		<u>ern-</u>	<u>Gov-</u>
		<u>mental</u>	<u>ern-</u>
		<u>Funds</u>	<u>Funds</u>
<u>Revenues</u>			
Local Taxes	\$ 154,709	\$	7,796,006
Fines, Forfeitures, and Penalties	119,839		191,817
Charges for Current Services	0		24,992
Other Local Revenues	6,038		353,917
Fees Received from County Officials	0		857,713
State of Tennessee	8,681		4,822,952
Federal Government	0		1,495,359
Other Governments and Citizens Groups	0		504,000
<u>Total Revenues</u>	<u>\$ 289,267</u>	<u>\$</u>	<u>16,046,756</u>
<u>Expenditures</u>			
<u>Current:</u>			
General Government	\$ 0	\$	950,137
Finance	0		553,422
Administration of Justice	0		633,009
Public Safety	343,214		2,499,133
Public Health and Welfare	0		1,120,000
Social, Cultural, and Recreational Services	0		159,935
Agriculture and Natural Resources	0		175,580
Other Operations	22,699		2,456,365
Highways	0		3,078,279
Debt Service:			
Principal on Debt	0		645,400
Interest on Debt	0		27,917
Other Debt Service	0		39,560
Capital Projects	4,200		1,980,565
<u>Total Expenditures</u>	<u>\$ 370,113</u>	<u>\$</u>	<u>14,319,302</u>

(Continued)

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmen- tal Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ (80,846)	\$	\$ 1,727,454
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 1,529	\$	\$ 20,092
Total Other Financing Sources (Uses)	\$ 1,529	\$	\$ 20,092
Net Change in Fund Balances	\$ (79,317)	\$	\$ 1,747,546
Fund Balance, July 1, 2014	388,527	11,650,007	11,650,007
Fund Balance, June 30, 2015	\$ 309,210	\$	\$ 13,397,553

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

Exhibit C-4

Humphreys 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, 2015

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)		\$ 1,747,546
(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	\$ 1,212,323	
Less: current-year depreciation expense	<u>(2,372,017)</u>	(1,159,694)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(459)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$ 375,458	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(759,241)</u>	(383,783)
(4) The issuance of long-term debt (e.g., notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal payments on bonds	\$ 24,400	
Add: principal payments on notes	200,000	
Less: contributions from the School Department for note	(10,000)	
Add: principal payments on other loans	<u>421,000</u>	635,400
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 3,300	
Change in compensated absences payable	11,742	
Change in other postemployment benefits liability	124,734	
Change in net pension asset	651,314	
Change in deferred outflows related to pensions	336,767	
Change in deferred inflows related to pensions	(612,499)	
Change in landfill closure/postclosure care costs	<u>(13,652)</u>	<u>501,706</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,340,716</u>

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

Exhibit C-5

Humphreys County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,686,943	\$ 5,257,204	\$ 5,257,204	\$ 429,739
Licenses and Permits	0	475	475	(475)
Fines, Forfeitures, and Penalties	71,978	55,504	55,504	16,474
Charges for Current Services	13,765	11,303	11,303	2,462
Other Local Revenues	151,712	203,652	204,971	(53,259)
Fees Received from County Officials	857,713	812,322	812,322	45,391
State of Tennessee	2,495,739	2,371,222	2,374,507	121,232
Federal Government	44,979	260,715	267,215	(222,236)
Other Governments and Citizens Groups	145,652	140,055	140,055	5,597
Total Revenues	\$ 9,468,481	\$ 9,112,452	\$ 9,123,556	\$ 344,925
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 116,467	\$ 120,888	\$ 125,376	\$ 8,909
Board of Equalization	780	2,000	2,000	1,220
Beer Board	0	800	800	800
County Mayor/Executive	205,199	226,111	226,111	20,912
County Attorney	43,846	43,846	43,846	0
Election Commission	190,188	193,247	193,248	3,060
Register of Deeds	143,365	146,459	146,459	3,094
County Buildings	249,190	267,002	287,849	38,659
Other General Administration	1,102	11,504	11,504	10,402
<u>Finance</u>				
Property Assessor's Office	176,793	190,245	190,245	13,452
Reappraisal Program	3,427	5,200	5,200	1,773
County Trustee's Office	160,091	162,587	162,587	2,496
County Clerk's Office	213,111	225,885	225,885	12,774
<u>Administration of Justice</u>				
Circuit Court	232,979	249,453	249,453	16,474
General Sessions Court	85,087	86,075	86,075	988
Chancery Court	155,117	157,755	157,755	2,638
Juvenile Court	121,194	129,635	129,635	8,441
District Attorney General	6,000	6,000	6,000	0
Judicial Commissioners	32,632	32,634	32,634	2
<u>Public Safety</u>				
Sheriff's Department	1,277,145	1,233,073	1,298,047	20,902
Jail	267,256	255,185	271,005	3,749
Workhouse	337,412	358,680	358,680	21,268
Work Release Program	75	1,000	1,000	925
Fire Prevention and Control	2,000	2,000	2,000	0
Inspection and Regulation	76,737	71,952	78,452	1,715
County Coroner/Medical Examiner	18,416	28,300	28,300	9,884
Other Public Safety	176,878	215,759	215,759	38,881

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 59,778	\$ 118,467	\$ 118,467	\$ 58,689
Ambulance/Emergency Medical Services	375,000	375,000	375,000	0
Alcohol and Drug Programs	0	25,000	25,000	25,000
Other Local Health Services	25,000	25,000	25,000	0
Sanitation Education/Information	33,757	45,609	45,609	11,852
Other Public Health and Welfare	58,165	94,882	94,882	36,717
<u>Social, Cultural, and Recreational Services</u>				
Libraries	159,935	173,521	175,306	15,371
Other Social, Cultural, and Recreational	0	800	800	800
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	83,595	83,595	83,595	0
Soil Conservation	91,985	93,593	93,593	1,608
<u>Other Operations</u>				
Tourism	155,790	157,500	159,500	3,710
Airport	141,846	258,836	258,836	116,990
Veterans' Services	12,227	13,012	13,012	785
Other Charges	908,506	909,541	909,541	1,035
Contributions to Other Agencies	60,971	61,372	61,372	401
Employee Benefits	1,080,301	1,261,592	1,261,592	181,291
<u>Capital Projects</u>				
Public Safety Projects	275,228	395,347	395,347	120,119
Social, Cultural, and Recreation Projects	9,248	10,000	10,000	752
Highway and Street Capital Projects	2,961	974,391	974,391	971,430
Total Expenditures	\$ 7,826,780	\$ 9,500,333	\$ 9,616,748	\$ 1,789,968
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 1,641,701	\$ (387,881)	\$ (493,192)	\$ 2,134,893
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 18,563	\$ 0	\$ 6,229	\$ 12,334
Total Other Financing Sources	\$ 18,563	\$ 0	\$ 6,229	\$ 12,334
Net Change in Fund Balance				
Fund Balance, July 1, 2014	\$ 1,660,264	\$ (387,881)	\$ (486,963)	\$ 2,147,227
Fund Balance, July 1, 2014	5,249,358	3,978,282	3,978,282	1,271,076
Fund Balance, June 30, 2015				
Fund Balance, June 30, 2015	\$ 6,909,622	\$ 3,590,401	\$ 3,491,319	\$ 3,418,303

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

Exhibit C-6

Humphreys County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 891,217	\$ 853,093	\$ 853,093	\$ 38,124
Charges for Current Services	11,227	22,000	22,000	(10,773)
Other Local Revenues	8,717	9,000	9,000	(283)
State of Tennessee	7,260	11,400	11,400	(4,140)
Total Revenues	<u>\$ 918,421</u>	<u>\$ 895,493</u>	<u>\$ 895,493</u>	<u>\$ 22,928</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Landfill Operation and Maintenance	\$ 568,300	\$ 802,654	\$ 807,304	\$ 239,004
<u>Other Operations</u>				
Other Charges	17,890	22,000	22,000	4,110
Employee Benefits	56,135	84,903	84,903	28,768
Total Expenditures	<u>\$ 642,325</u>	<u>\$ 909,557</u>	<u>\$ 914,207</u>	<u>\$ 271,882</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 276,096</u>	<u>\$ (14,064)</u>	<u>\$ (18,714)</u>	<u>\$ 294,810</u>
Net Change in Fund Balance	\$ 276,096	\$ (14,064)	\$ (18,714)	\$ 294,810
Fund Balance, July 1, 2014	<u>1,160,184</u>	<u>894,114</u>	<u>894,114</u>	<u>266,070</u>
Fund Balance, June 30, 2015	<u>\$ 1,436,280</u>	<u>\$ 880,050</u>	<u>\$ 875,400</u>	<u>\$ 560,880</u>

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

Exhibit C-7

Humphreys County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 761,249	\$ 718,438	\$ 718,438	\$ 42,811
Other Local Revenues	76,436	105,000	105,000	(28,564)
State of Tennessee	2,311,272	2,131,953	2,131,953	179,319
Federal Government	103,256	0	0	103,256
Total Revenues	<u>\$ 3,252,213</u>	<u>\$ 2,955,391</u>	<u>\$ 2,955,391</u>	<u>\$ 296,822</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 171,714	\$ 205,449	\$ 205,449	\$ 33,735
Highway and Bridge Maintenance	1,750,440	1,925,463	2,025,463	275,023
Operation and Maintenance of Equipment	525,783	612,835	612,835	87,052
Other Charges	34,571	38,500	38,500	3,929
Employee Benefits	347,221	394,300	394,300	47,079
Capital Outlay	248,550	712,500	772,500	523,950
Total Expenditures	<u>\$ 3,078,279</u>	<u>\$ 3,889,047</u>	<u>\$ 4,049,047</u>	<u>\$ 970,768</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 173,934</u>	<u>\$ (933,656)</u>	<u>\$ (1,093,656)</u>	<u>\$ 1,267,590</u>
Net Change in Fund Balance	\$ 173,934	\$ (933,656)	\$ (1,093,656)	\$ 1,267,590
Fund Balance, July 1, 2014	2,003,569	1,778,788	1,778,788	224,781
Fund Balance, June 30, 2015	<u>\$ 2,177,503</u>	<u>\$ 845,132</u>	<u>\$ 685,132</u>	<u>\$ 1,492,371</u>

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

Exhibit D-1

Humphreys County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2015

	<u>Nonmajor Enterprise Fund Public Utility Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 240,768
Accounts Receivable	7,880
Total Current Assets	<u>\$ 248,648</u>
Noncurrent Assets:	
Restricted Assets:	
Other Restricted Assets	\$ 113,276
Capital Assets:	
Assets Not Depreciated:	
Land	12,000
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	63,368
Infrastructure	587,678
Other Capital Assets	31,440
Total Noncurrent Assets	<u>\$ 807,762</u>
Total Assets	<u>\$ 1,056,410</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 1,707
Current Liabilities Payable from Restricted Assets:	
Customer Deposits Payable	113,276
Total Current Liabilities	<u>\$ 114,983</u>
Total Liabilities	<u>\$ 114,983</u>
<u>NET POSITION</u>	
Investment in Capital Assets	\$ 694,486
Unrestricted	246,941
Total Net Position	<u>\$ 941,427</u>

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

Exhibit D-2

Humphreys County, Tennessee
Statement of Revenues, Expenses,
and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2015

	<u>Nonmajor</u> <u>Enterprise</u> <u>Fund</u> <u>Public</u> <u>Utility</u> <u>Fund</u>
<u>Operating Revenues</u>	
Wastewater Treatment Charges	\$ 111,719
Total Operating Revenues	<u>\$ 111,719</u>
<u>Operating Expenses</u>	
Communication	\$ 1,952
Contracts with Private Agencies	55,215
Engineering Services	15,215
Maintenance and Repair Services - Equipment	1,730
Electricity	16,990
Water and Sewer	3,220
Depreciation	45,678
Total Operating Expenses	<u>\$ 140,000</u>
Operating Income (Loss)	\$ (28,281)
Net Position, July 1, 2014	<u>969,708</u>
Net Position, July 1, 2015	<u>\$ 941,427</u>

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

Exhibit D-3

Humphreys County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2015

	<u>Nonmajor Enterprise Fund Public Utility Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 111,727
Payments to Vendors	(94,567)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 17,160</u>
Increase (Decrease) in Cash	\$ 17,160
Cash, July 1, 2014	<u>336,884</u>
Cash, June 30, 2015	<u><u>\$ 354,044</u></u>
<u>Reconciliation of Operating Income to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (28,281)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	45,678
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	8
Increase (Decrease) in Accounts Payable	<u>(245)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 17,160</u>
<u>Reconciliation of Cash With the Statement of Net Position</u>	
Equity in Pooled Cash and Investments	\$ 240,768
Cash - Other Restricted Assets	<u>113,276</u>
Cash, June 30, 2015	<u><u>\$ 354,044</u></u>

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

Exhibit E

Humphreys County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 666,684
Accounts Receivable	186
Due from Other Governments	<u>270,753</u>
Total Assets	<u>\$ 937,623</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 270,753
Due to Litigants, Heirs, and Others	<u>666,870</u>
Total Liabilities	<u>\$ 937,623</u>

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

HUMPHREYS COUNTY, TENNESSEE
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HUMPHREYS COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Humphreys County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Humphreys 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 Humphreys County School Department operates the public school system in the county, and the voters of Humphreys 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 Humphreys County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Humphreys County, and the Humphreys County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Humphreys County Emergency Communications District were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

The Humphreys 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

Humphreys County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Humphreys County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Humphreys County Emergency
Communications District
P.O. Box 553
Waverly, TN 37185

Related Organization – The Humphreys County Industrial Development Board is a related organization of Humphreys County. The Humphreys County Commission appoints 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Humphreys 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.

Humphreys County issues all debt for the discretely presented Humphreys County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2015.

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

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

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

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

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

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

accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Humphreys 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 all solid waste activities, including those activities specifically related to the landfill. Local taxes and general service charges 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.

General Capital Projects Fund – This fund accounts for major general capital expenditures of the county.

Additionally, Humphreys County reports the following fund types:

Enterprise Fund – The Public Utility Fund accounts for the transactions of the county-owned wastewater disposal facility.

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 Humphreys

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 Humphreys 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 School Department reports the following fund types:

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

Private-Purpose Trust Fund – The Private-Purpose Trust Fund is used to account for resources legally held in trust to provide scholarships for students seeking further education in a field related to mechanical or chemical engineering. The corpus will remain undistributed as a source of investment income for scholarships.

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

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

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

1. Deposits and Investments

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

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan

associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

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

2. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.31 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 General Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the General Capital Projects Fund.

3. Restricted Assets

In the Public Utility Fund, an enterprise fund, certain contributions totaling \$113,276 from two businesses are classified as other restricted assets on the balance sheet because their use is limited to construction costs by agreements between the wastewater customers and Humphreys County.

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 and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

Assets	Primary Government		Humphreys County School Department
	Governmental Activities	Business- type Activities	
	Years	Years	Years
Buildings and Improvements	25 or life of note	24	20 - 40
Other Capital Assets	5 - 15	24	5 - 20
Infrastructure	10 - 30 or life of note	50	20 - 30

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. Deferred outflows of resources represent 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 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 items are for pension changes in experience as well as employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent 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 items are from the following sources: current and delinquent property taxes, pension changes in experience and investment earnings, pension changes in proportionate share of contributions, 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

It is the policy of Humphreys County to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from service. In addition, it is the policy of the Humphreys County Highway Department to permit its employees to accumulate earned but unused sick leave, which will be paid to employees upon separation from service. The granting of sick leave, except for the Highway Department, as described above, has no guaranteed payment attached and therefore is not required to be accrued or recorded. All vacation benefits, along with sick leave benefits for the Highway/Public Works Fund, are accrued when incurred in the government-wide financial statements for the county. A liability for vacation benefits and sick leave benefits of the Highway Department is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The policy of the discretely presented School Department permits the unlimited accumulation of unused sick leave for professional personnel (teachers) and nonprofessional full-time personnel. There is no provision for accumulating vacation days. The granting of sick leave has no guaranteed payment attached and therefore requires no accrual or recording.

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, landfill closure/postclosure care costs, 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 and the proprietary fund in the fund financial statements, equity is classified as net position and displayed in three components:

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

The government-wide Statement of Net Position reports \$7,021,262 of restricted net position, of which \$243,299 is restricted by enabling legislation.

As of June 30, 2015, Humphreys County had \$2,373,000 of outstanding debt for capital purposes for the discretely presented Humphreys County School Department. This debt is a liability of Humphreys County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Humphreys County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on

the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

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

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

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

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

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

9. Prior-period Adjustment

Capital assets of the primary government were restated (\$61,000) from the prior year because construction in progress for a City of Waverly sewer project had been included with the county's assets.

10. Restatement

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position.

Therefore, a restatement to decrease Humphreys County's and the Humphreys County School Department's beginning net position has been recognized on the Statement of Activities totaling (\$166,438) and (\$3,985,664), respectively.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Humphreys County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Humphreys County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Humphreys County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

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 Humphreys County School Department

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

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

Primary Government

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

Discretely Presented Humphreys County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the Other Capital Projects Fund, which adopts a project length budget. 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, Board of Equalization, Beer Board, County Mayor/Executive, 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.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Humphreys County and the Humphreys 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 the 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, 2015, Humphreys 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 Humphreys County and the discretely presented Humphreys 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	3 to 139	\$ 1,383,619

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. Humphreys 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. Humphreys County has no investment policy that would further limit its investment choices. As of June 30, 2015, Humphreys County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2015, was as follows:

Primary Government

Governmental Activities:

	* Restated			
	Balance			Balance
	7-1-14	Increases	Decreases	6-30-15
Capital Assets Not Depreciated:				
Land	\$ 1,498,084	\$ 0	\$ 0	\$ 1,498,084
Construction in Progress	588,931	0	(463,931)	125,000
Total Capital Assets Not Depreciated	<u>\$ 2,087,015</u>	<u>\$ 0</u>	<u>\$ (463,931)</u>	<u>\$ 1,623,084</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 9,496,894	\$ 1,150,729	\$ 0	\$ 10,647,623
Infrastructure	55,192,731	250,471	0	55,443,202
Other Capital Assets	5,058,520	275,054	(25,250)	5,308,324
Total Capital Assets Depreciated	<u>\$ 69,748,145</u>	<u>\$ 1,676,254</u>	<u>\$ (25,250)</u>	<u>\$ 71,399,149</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,876,263	\$ 342,122	\$ 0	\$ 5,218,385
Infrastructure	37,728,359	1,723,044	0	39,451,403
Other Capital Assets	3,466,474	306,851	(24,791)	3,748,534
Total Accumulated Depreciation	<u>\$ 46,071,096</u>	<u>\$ 2,372,017</u>	<u>\$ (24,791)</u>	<u>\$ 48,418,322</u>
Total Capital Assets Depreciated, Net	<u>\$ 23,677,049</u>	<u>\$ (695,763)</u>	<u>\$ (459)</u>	<u>\$ 22,980,827</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,764,064</u>	<u>\$ (695,763)</u>	<u>\$ (464,390)</u>	<u>\$ 24,603,911</u>

*See Note I.D.9. for prior-period adjustment.

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

Governmental Activities:

General Government	\$ 324,427
Finance	9,517
Public Safety	216,423
Public Health and Welfare	45,709
Social, Cultural, and Recreational Services	4,728
Agriculture and Natural Resources	4,546
Highway/Public Works	<u>1,766,667</u>
Total	<u>\$ 2,372,017</u>

Business-type Activities:

	Balance 7-1-14	Increases	Balance 6-30-15
Capital Assets Not Depreciated:			
Land	\$ 12,000	\$ 0	\$ 12,000
Total Capital Assets Not Depreciated	<u>\$ 12,000</u>	<u>\$ 0</u>	<u>\$ 12,000</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 506,953	\$ 0	\$ 506,953
Infrastructure	775,950	0	775,950
Other Capital Assets	216,848	0	216,848
Total Capital Assets Depreciated	<u>\$ 1,499,751</u>	<u>\$ 0</u>	<u>\$ 1,499,751</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 422,461	\$ 21,124	\$ 443,585
Infrastructure	172,753	15,519	188,272
Other Capital Assets	176,373	9,035	185,408
Total Accumulated Depreciation	<u>\$ 771,587</u>	<u>\$ 45,678</u>	<u>\$ 817,265</u>
Total Capital Assets Depreciated, Net	<u>\$ 728,164</u>	<u>\$ (45,678)</u>	<u>\$ 682,486</u>
Business-type Activities Capital Assets, Net	<u>\$ 740,164</u>	<u>\$ (45,678)</u>	<u>\$ 694,486</u>

There were no decreases in capital assets to report during the year ended June 30, 2015.

Depreciation expense totaled \$45,678 for the year ended June 30, 2015.

Discretely Presented Humphreys County School Department

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 141,175	\$ 0	\$ 0	\$ 141,175
Construction in Progress	0	1,647,162	0	1,647,162
Total Capital Assets Not Depreciated	\$ 141,175	\$ 1,647,162	\$ 0	\$ 1,788,337
Capital Assets Depreciated:				
Buildings and Improvements	\$ 19,526,275	\$ 0	\$ 0	\$ 19,526,275
Infrastructure	71,974	0	0	71,974
Other Capital Assets	4,049,788	425,490	(159,952)	4,315,326
Total Capital Assets Depreciated	\$ 23,648,037	\$ 425,490	\$ (159,952)	\$ 23,913,575
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 11,443,364	\$ 440,736	\$ 0	\$ 11,884,100
Infrastructure	31,589	2,399	0	33,988
Other Capital Assets	2,854,501	264,336	(159,952)	2,958,885
Total Accumulated Depreciation	\$ 14,329,454	\$ 707,471	\$ (159,952)	\$ 14,876,973
Total Capital Assets Depreciated, Net	\$ 9,318,583	\$ (281,981)	\$ 0	\$ 9,036,602
Governmental Activities Capital Assets, Net	\$ 9,459,758	\$ 1,365,181	\$ 0	\$ 10,824,939

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

Governmental Activities:

Instruction	\$ 352,353
Support Services	315,200
Operation of Non-instructional Services	<u>39,918</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 707,471</u>

C. Construction Commitments

At June 30, 2015, the Highway/Public Works Fund had uncompleted construction contracts of \$112,231 for bridge construction. Funding for these future expenditures is expected to be provided from available fund balances and state funds.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 24,585
Highway/Public Works	General	643
"	Solid Waste/Sanitation	2,097
"	Nonmajor governmental	953

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made. A portion of the receivable in the Highway/Public Works Fund totaling \$614 was in transit from a nonmajor governmental fund at June 30, 2015.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2015, consisted of the following amount:

Discretely Presented Humphreys County School Department

Transfer Out	Transfer In
	General Purpose School Fund
Nonmajor governmental fund	\$ 8,953

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

E. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Humphreys 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. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 40 years for bonds, up to ten years for notes, and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, other loans, and capital outlay notes included in long-term debt as of June 30, 2015, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation Bonds	4.371	%	1-1-16	\$ 110,000	\$ 6,200
Capital Outlay Notes	3.85		3-27-18	1,150,000	345,000
Other Loans	variable		5-25-20	7,000,000	2,373,000

In prior years, Humphreys County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$7,000,000 to Humphreys County for school renovations and construction. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent, Bank of America (BOA) daily or weekly. In addition, the county pays various other fees (letter of credit, administrative, and debt remarketing) in connection with this loan. At June 30, 2015, the variable interest rate was .30 percent, and other fees totaled .94 percent of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2015, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 6,200	\$ 271	\$ 6,471
Total	\$ 6,200	\$ 271	\$ 6,471

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 115,000	\$ 13,319	\$ 128,319
2017	115,000	8,855	123,855
2018	115,000	4,428	119,428
Total	\$ 345,000	\$ 26,602	\$ 371,602

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2016	\$ 438,000	\$ 7,119	\$ 23,296	\$ 468,415
2017	456,000	5,805	19,185	480,990
2018	474,000	4,437	14,904	493,341
2019	493,000	3,015	10,454	506,469
2020	512,000	1,536	5,826	519,362
Total	\$ 2,373,000	\$ 21,912	\$ 73,665	\$ 2,468,577

There is \$1,565,128 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled \$147, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2014	\$ 30,600	\$ 545,000	\$ 2,794,000
Reductions	(24,400)	(200,000)	(421,000)
Balance, June 30, 2015	\$ 6,200	\$ 345,000	\$ 2,373,000
Balance Due Within One Year	\$ 6,200	\$ 115,000	\$ 438,000

	Compensated Absences	Landfill Closure/ Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2014	\$ 154,800	\$ 880,750	\$ 124,734
Additions	196,488	13,652	0
Reductions	(208,230)	0	(124,734)
Balance, June 30, 2015	<u>\$ 143,058</u>	<u>\$ 894,402</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 7,151</u>	<u>\$ 59,627</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 3,761,660
Less: Balance Due Within One Year	<u>(625,978)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,135,682</u>

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

Discretely Presented Humphreys County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Humphreys County School Department for the year ended June 30, 2015, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2014	\$ 4,212,536
Additions	775,340
Reductions	<u>(202,211)</u>
Balance, June 30, 2015	<u>\$ 4,785,665</u>
Balance Due Within One Year	<u>\$ 0</u>

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

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

The State of Tennessee pays health insurance premiums for retired teacher's on-behalf of the Humphreys 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, 2015, were \$65,771 and \$26,300, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Liability, Property, Casualty, and Workers' Compensation Insurance

Humphreys County and the discretely presented School Department participate in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. Humphreys County and the School Department pay annual premiums to the TN-RMT for their 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.

Employee Health Insurance

Humphreys County participated in a public entity risk pool to provide health insurance coverage for its employees until July 31, 2014. Effective August 1, 2014, Humphreys County (except for the School Department) purchased commercial insurance for the risks associated with employee health coverage. Settled claims did not exceed this commercial coverage in the fiscal year.

The discretely presented Humphreys 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. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

C. 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.

D. Change in Administration

On August 31, 2014, Betty Etheridge left the Office of County Clerk and was succeeded by Cindy Wilson.

E. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Humphreys County closed its sanitary landfill in 1999. The \$894,402 reported as postclosure care liability at June 30, 2015, represents amounts based on what it would cost to perform all postclosure care in 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Venture

The Twenty-third Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-third Judicial District; Cheatham, Dickson, Houston, Humphreys, and Stewart counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a Board of Directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Humphreys County made no contributions to the DTF for the year ended June 30, 2015.

The discretely presented School Department participates in the Volunteer State Cooperative (VOLCO), which represents a cost-sharing arrangement. The cooperative was established through a contractual agreement between the Boards of Education of Bedford County, Coffee County, Dickson County, Fayetteville City, Hickman County, Houston County, Humphreys County, Manchester City, Marshall County, Maury County, Robertson County, and Stewart County. The cooperative was authorized through Title 49 of *Tennessee Code Annotated*. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Stewart County School Department) and a service provider to provide these services. The cooperative is governed by a Representative Committee, comprising one representative from each of the member districts; and an Executive Council, consisting of the chair, vice-chair, secretary, treasurer, and a member-at-large from the Representative Committee.

Humphreys County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Twenty-third Judicial District Drug Task Force and the Volunteer State Cooperative can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Twenty-third Judicial District Drug Task Force
P.O. Box 580
Charlotte, TN 37036

Volunteer State Cooperative
1800 Wilson Parkway
Fayetteville, TN 37334

G. Retirement Commitments

Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Humphreys County and non-certified employees of the discretely presented Humphreys County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 41.57 percent and the non-certified employees of the discretely present School Department comprise 58.43 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected

service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	161
Inactive Employees Entitled to But Not Yet Receiving Benefits	144
Active Employees	<u>267</u>
 Total	 <u><u>572</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Humphreys County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Humphreys County were \$411,099 based on a rate of 8.69 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Humphreys County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Humphreys County’s net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Humphreys County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 19,761,760	\$ 18,798,608	\$ 963,152
Changes for the year:			
Service Cost	\$ 531,102	\$ 0	\$ 531,102
Interest	1,490,762	0	1,490,762
Differences Between Expected and Actual Experience	(132,912)	0	(132,912)
Contributions-Employer	0	562,771	(562,771)
Contributions-Employees	0	344,847	(344,847)
Net Investment Income	0	3,121,198	(3,121,198)
Benefit Payments, Including Refunds of Employee Contributions	(832,093)	(832,093)	0
Administrative Expense	0	(10,303)	10,303
Other Changes	0	0	0
Net Changes	\$ 1,056,859	\$ 3,186,420	\$ (2,129,561)
Balance, June 30, 2014	\$ 20,818,619	\$ 21,985,028	\$ (1,166,409)

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	41.57%	\$ 8,654,300	\$ 9,139,176	\$ (484,876)
School Department	58.43%	12,164,319	12,845,852	(681,533)
Total		\$ 20,818,619	\$ 21,985,028	\$ (1,166,409)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Humphreys County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
<u>Humphreys County</u>	<u>6.5%</u>	<u>7.5%</u>	<u>8.5%</u>
Net Pension Liability	\$ 1,431,116	\$ (1,166,409)	\$ (3,333,810)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Income. For the year ended June 30, 2015, Humphreys County recognized pension income of \$93,374.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, Humphreys County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 106,330
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,367,086
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>411,099</u>	<u>N/A</u>
Total	<u>\$ 411,099</u>	<u>\$ 1,473,416</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 336,767	\$ 612,499
School Department	<u>74,332</u>	<u>860,917</u>
Total	<u>\$ 411,099</u>	<u>\$ 1,473,416</u>

Amounts reported as deferred outflows of resources, with the exception of contributions after the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (368,354)
2017	(368,354)
2018	(368,354)
2019	(368,354)
2020	0
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Discretely Presented Humphreys County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Humphreys County and non-certified employees of the discretely presented Humphreys County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 41.57 percent and the non-certified employees of the discretely present School Department comprise 58.43 percent of the plan based on census data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Humphreys County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and

administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members of the Teachers Retirement Plan are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were \$11,950, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities. Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

Pension Expense. Since the measurement date is June 30, 2014, the Humphreys County School Department did not recognize any pension expense at June 30, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Humphreys County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 11,950	N/A

The Humphreys County School Department’s employer contributions of \$11,950 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ending June 30, 2016.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Humphreys County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustments (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Humphreys County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$1,174,054, which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Assets. At June 30, 2015, the Humphreys County School Department reported an asset of \$46,811 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Humphreys County School Department's proportion of the net pension asset was based on the Humphreys County School Department's employer contributions to the pension plan during the

year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Humphreys County School Department's proportion was .288084 percent. The proportion measured as of June 30, 2013, was .288995 percent.

Pension Income. For the year ended June 30, 2015, the Humphreys County School Department recognized a pension income of \$42,290.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Humphreys County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 113,649	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,857,038
Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions	0	12,853
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	<u>1,174,054</u>	<u>N/A</u>
Total	<u>\$ 1,287,703</u>	<u>\$ 3,869,891</u>

The Humphreys County School Department's employer contributions of \$1,174,054 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (947,460)
2017	(947,460)
2018	(947,460)
2019	(947,460)
2020	16,799
Thereafter	16,799

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income Real Estate	4.61	8
Short-term Securities	0.98	29
	4.73	7
	0.00	<u>1</u>
Total		<u><u>100 %</u></u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the four factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents Humphreys County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Humphreys County School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability \$ 7,895,430 \$ (46,812) \$ (6,622,128)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

H. Other Postemployment Benefits (OPEB)

Primary Government

Humphreys County switched from the state-administered Local Government Group Insurance Plan to a commercial healthcare plan in August 2015. This effectively terminates any current or future postemployment benefits liability of the county government for the Local Government Group Insurance Plan. Retirees are allowed to remain in the commercial healthcare plan and the Highway Department makes a contribution toward the insurance premium for employees who retire with 30 years of service. This contribution continues until the employee reaches age 65 and is Medicare eligible. The county had not obtained an actuarial valuation for the commercial healthcare plan to determine the data necessary for the measurement, recognition, and display of other postemployment benefits necessary to prepare government-wide financial statements and note disclosures; however, we do not believe the amount is material to the government-wide financial statements.

Discretely Presented Humphreys County School Department

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The 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 a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The School Department makes a contribution toward the health insurance premium of the group medical plan for certified employees who retire with at least 20 years of service; participate in the Tennessee Consolidated Retirement System, have accumulated sick leave at retirement, and have been covered under the group medical plan prior to retirement. The School Department contributes toward the medical premium for each eligible retiree and their dependents based on a value calculated from the retiree's total salary and accumulated sick days at retirement. The retiree's annual salary at retirement (excluding career ladder, extended contract, or other supplements) is divided by a 200-day year then multiplied by 25 percent to yield a daily compensation value. This daily compensation value is multiplied by the retiree's accumulated sick leave days at retirement date. The School Department allocates this calculated amount to each eligible retiree and depletes it monthly to pay the health insurance premium until the amount is exhausted, the retiree reaches Medicare eligibility, or is deceased. Retirees' contributions vary depending on the insurance options they select. Humphreys County and the School Department recognized expenditures of \$124,734 and \$202,211, respectively, for postemployment benefits during the year ended June 30, 2015.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
	<hr/>	<hr/>
ARC	\$ 0	\$ 771,000
Interest on the NOPEBO	0	168,501
Adjustment to the ARC	0	(164,161)
Annual OPEB cost	<hr/> \$ 0	<hr/> \$ 775,340
Less: Amount of contribution	(124,734)	(202,211)
Increase/decrease in NOPEBO	<hr/> \$ (124,734)	<hr/> \$ 573,129
Net OPEB obligation, 7-1-14	<hr/> 124,734	<hr/> 4,212,536
Net OPEB obligation, 6-30-15	<hr/> <hr/> \$ 0	<hr/> <hr/> \$ 4,785,665

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Education Group	\$ 811,325	28%	\$ 3,703,480
6-30-14	"	747,816	32	4,212,536
6-30-15	"	775,340	26	4,785,665

Funded Status and Funding Progress

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

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 6,323,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 6,323,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 10,814,879
UAAL as a % of covered payroll	58%

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

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of seven percent for fiscal year 2015. The trend rate will decrease to 6.5 percent in fiscal year 2016 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

I. Purchasing Laws

Office of County Executive

Purchasing procedures for the County Executive's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *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 Road Supervisor

Purchasing procedures for the Road Department are governed by the provisions of Chapter 634, Private Acts of 1935, as amended, and the Uniform Road Law, Section 54-7-113, *TCA*. Provisions of the private act provide for the road supervisor to obtain the approval of the County Road Advisory Commission for all purchases of single items exceeding \$2,500. The Uniform Road Law 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 discretely presented Humphreys County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires that competitive bids be solicited through newspaper advertisement on all purchases estimated to exceed \$10,000.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Humphreys County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	<u>2014</u>
Total Pension Liability (Asset)	
Service Cost	\$ 531,102
Interest	1,490,762
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(132,912)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(832,093)</u>
Net Change in Total Pension Liability (Asset)	\$ 1,056,859
Total Pension Liability (Asset), Beginning	<u>19,761,760</u>
 Total Pension Liability (Asset), Ending (a)	 <u>\$ 20,818,619</u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 562,771
Contributions - Employee	344,847
Net Investment Income	3,121,198
Benefit Payments, Including Refunds of Employee Contributions	(832,093)
Administrative Expense	<u>(10,303)</u>
Net Change in Plan Fiduciary Net Position	\$ 3,186,420
Plan Fiduciary Net Position, Beginning	<u>18,798,608</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 21,985,028</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u>\$ (1,166,409)</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 105.60%
Covered Employee Payroll	\$ 6,896,939
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	16.91%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit F-2

Humphreys County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 562,771	\$ 411,099
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(562,771)</u>	<u>(411,099)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 6,896,939	\$ 6,009,513
Contributions as a Percentage of Covered Employee Payroll	8.16%	6.84%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit F-3

Humphreys County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Humphreys County School Department
For the Fiscal Year Ended June 30

	<u>2015</u>
Actuarially Determined Contribution	\$ 7,469
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(11,950)</u>
Contribution Deficiency (Excess)	<u>\$ (4,481)</u>
Covered Employee Payroll	\$ 298,750
Contributions as a Percentage of Covered Employee Payroll	4%

Note: ten years of data will be presented when available.

Exhibit F-4

Humphreys County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Humphreys County School Department
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,004,086	\$ 1,174,054
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(1,004,086)</u>	<u>(1,174,054)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 11,307,146	\$ 13,608,073
Contributions as a Percentage of Covered Employee Payroll	8.88%	8.63%

Note: ten years of data will be presented when available.

Exhibit F-5

Humphreys County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Humphreys County School Department
For the Fiscal Year Ended June 30 *

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.288084%
School Department's Proportionate Share of the Net Pension Asset	\$ 46,811
Covered Employee Payroll	\$ 11,307,146
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit F-6

Humphreys County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Humphreys County School Department
June 30, 2015

(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	\$ 6,559	\$ 6,559	0 %	\$ 10,807	61 %
"	7-1-11	0	6,774	6,774	0	15,220	45
"	7-1-13	0	6,323	6,323	0	10,815	58

HUMPHREYS COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Two Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

**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.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for transactions involving the Humphreys County Rural Fire Department.

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

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

Capital Projects Fund

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

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for bond proceeds received in prior years for the construction and maintenance of dams associated with the Hurricane Creek Watershed District.

Exhibit G-1

Humphreys County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2015

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	Local Purpose Tax	Drug Control	Constitutional Officers - Fees	Total	Other Capital Projects	
ASSETS						
Cash	\$ 0	\$ 0	\$ 24,585	\$ 24,585	\$ 0	\$ 24,585
Equity in Pooled Cash and Investments	104,886	155,919	0	260,805	55,577	316,382
Property Taxes Receivable	229,155	0	0	229,155	0	229,155
Allowance for Uncollectible Property Taxes	(5,816)	0	0	(5,816)	0	(5,816)
Total Assets	\$ 328,225	\$ 155,919	\$ 24,585	\$ 508,729	\$ 55,577	\$ 564,306
LIABILITIES						
Accounts Payable	\$ 6,098	\$ 949	\$ 0	\$ 7,047	\$ 0	\$ 7,047
Due to Other Funds	339	0	24,585	24,924	0	24,924
Total Liabilities	\$ 6,437	\$ 949	\$ 24,585	\$ 31,971	\$ 0	\$ 31,971
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 219,383	\$ 0	\$ 0	\$ 219,383	\$ 0	\$ 219,383
Deferred Delinquent Property Taxes	3,742	0	0	3,742	0	3,742
Total Deferred Inflows of Resources	\$ 223,125	\$ 0	\$ 0	\$ 223,125	\$ 0	\$ 223,125
FUND BALANCES						
Restricted:						
Restricted for Public Safety	\$ 98,663	\$ 154,970	\$ 0	\$ 253,633	\$ 0	\$ 253,633
Restricted for Other Purposes	0	0	0	0	55,577	55,577
Total Fund Balances	\$ 98,663	\$ 154,970	\$ 0	\$ 253,633	\$ 55,577	\$ 309,210
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 328,225	\$ 155,919	\$ 24,585	\$ 508,729	\$ 55,577	\$ 564,306

Exhibit G-2

Humphreys County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	Local Purpose Tax	Drug Control	Total	Other Capital Projects			
<u>Revenues</u>							
Local Taxes	\$ 154,709	\$ 0	\$ 154,709	\$ 0	\$ 0	\$ 154,709	
Fines, Forfeitures, and Penalties	0	119,839	119,839	0	0	119,839	
Other Local Revenues	1,033	0	1,033	5,005	0	6,038	
State of Tennessee	0	8,681	8,681	0	0	8,681	
Total Revenues	\$ 155,742	\$ 128,520	\$ 284,262	\$ 5,005	\$ 0	\$ 289,267	
<u>Expenditures</u>							
Current:							
Public Safety	\$ 126,220	\$ 216,994	\$ 343,214	\$ 0	\$ 0	\$ 343,214	
Other Operations	0	22,699	22,699	0	0	22,699	
Capital Projects	0	0	0	4,200	0	4,200	
Total Expenditures	\$ 126,220	\$ 239,693	\$ 365,913	\$ 4,200	\$ 0	\$ 370,113	
Excess (Deficiency) of Revenues Over Expenditures	\$ 29,522	\$ (111,173)	\$ (81,651)	\$ 805	\$ 0	\$ (80,846)	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 1,529	\$ 0	\$ 1,529	\$ 0	\$ 0	\$ 1,529	
Total Other Financing Sources (Uses)	\$ 1,529	\$ 0	\$ 1,529	\$ 0	\$ 0	\$ 1,529	
Net Change in Fund Balances Fund Balance, July 1, 2014	\$ 31,051	\$ (111,173)	\$ (80,122)	\$ 805	\$ 0	\$ (79,317)	
	67,612	266,143	333,755	54,772	0	388,527	
Fund Balance, June 30, 2015	\$ 98,663	\$ 154,970	\$ 253,633	\$ 55,577	\$ 0	\$ 309,210	

Exhibit G-3

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 154,709	\$ 159,358	\$ 159,358	\$ (4,649)
Other Local Revenues	1,033	0	0	1,033
Total Revenues	<u>\$ 155,742</u>	<u>\$ 159,358</u>	<u>\$ 159,358</u>	<u>\$ (3,616)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Fire Prevention and Control	\$ 126,220	\$ 181,800	\$ 181,801	\$ 55,581
Total Expenditures	<u>\$ 126,220</u>	<u>\$ 181,800</u>	<u>\$ 181,801</u>	<u>\$ 55,581</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 29,522</u>	<u>\$ (22,442)</u>	<u>\$ (22,443)</u>	<u>\$ 51,965</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 1,529	\$ 8,000	\$ 8,000	\$ (6,471)
Total Other Financing Sources	<u>\$ 1,529</u>	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ (6,471)</u>
Net Change in Fund Balance	\$ 31,051	\$ (14,442)	\$ (14,443)	\$ 45,494
Fund Balance, July 1, 2014	<u>67,612</u>	<u>59,191</u>	<u>59,191</u>	<u>8,421</u>
Fund Balance, June 30, 2015	<u>\$ 98,663</u>	<u>\$ 44,749</u>	<u>\$ 44,748</u>	<u>\$ 53,915</u>

Exhibit G-4

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 119,839	\$ 175,000	\$ 175,000	\$ (55,161)
State of Tennessee	8,681	0	1,800	6,881
Total Revenues	<u>\$ 128,520</u>	<u>\$ 175,000</u>	<u>\$ 176,800</u>	<u>\$ (48,280)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 216,994	\$ 238,106	\$ 241,106	\$ 24,112
<u>Other Operations</u>				
Employee Benefits	22,699	29,429	29,429	6,730
Total Expenditures	<u>\$ 239,693</u>	<u>\$ 267,535</u>	<u>\$ 270,535</u>	<u>\$ 30,842</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (111,173)</u>	<u>\$ (92,535)</u>	<u>\$ (93,735)</u>	<u>\$ (17,438)</u>
Net Change in Fund Balance	\$ (111,173)	\$ (92,535)	\$ (93,735)	\$ (17,438)
Fund Balance, July 1, 2014	<u>266,143</u>	<u>299,564</u>	<u>299,564</u>	<u>(33,421)</u>
Fund Balance, June 30, 2015	<u>\$ 154,970</u>	<u>\$ 207,029</u>	<u>\$ 205,829</u>	<u>\$ (50,859)</u>

Major Governmental Funds

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.

General Capital Projects Fund

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

Exhibit H-1

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 126,492	\$ 154,899	\$ 154,899	\$ (28,407)
Other Local Revenues	25,876	18,000	18,000	7,876
Other Governments and Citizens Groups	10,973	0	10,000	973
Total Revenues	<u>\$ 163,341</u>	<u>\$ 172,899</u>	<u>\$ 182,899</u>	<u>\$ (19,558)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 121,900	\$ 121,900	\$ 121,900	\$ 0
Education	523,500	513,500	523,500	0
<u>Interest on Debt</u>				
General Government	13,456	13,848	13,848	392
Education	14,461	147,829	147,829	133,368
<u>Other Debt Service</u>				
General Government	2,760	100,000	50,000	47,240
Education	36,800	0	50,000	13,200
Total Expenditures	<u>\$ 712,877</u>	<u>\$ 897,077</u>	<u>\$ 907,077</u>	<u>\$ 194,200</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (549,536)</u>	<u>\$ (724,178)</u>	<u>\$ (724,178)</u>	<u>\$ 174,642</u>
Net Change in Fund Balance	\$ (549,536)	\$ (724,178)	\$ (724,178)	\$ 174,642
Fund Balance, July 1, 2014	<u>2,114,664</u>	<u>1,873,690</u>	<u>1,873,690</u>	<u>240,974</u>
Fund Balance, June 30, 2015	<u>\$ 1,565,128</u>	<u>\$ 1,149,512</u>	<u>\$ 1,149,512</u>	<u>\$ 415,616</u>

Exhibit H-2

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Capital Projects Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 175,396	\$ 184,148	\$ 184,148	\$ (8,752)
Other Local Revenues	85,138	21,872	21,872	63,266
State of Tennessee	0	1,535,086	1,035,086	(1,035,086)
Federal Government	1,347,124	0	500,000	847,124
Other Governments and Citizens Groups	347,375	53,720	401,095	(53,720)
Total Revenues	<u>\$ 1,955,033</u>	<u>\$ 1,794,826</u>	<u>\$ 2,142,201</u>	<u>\$ (187,168)</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 4,183	\$ 75,000	\$ 80,009	\$ 75,826
Public Safety Projects	938,904	1,035,086	1,035,086	96,182
Public Utility Projects	745,841	584,500	931,875	186,034
Highway and Street Capital Projects	0	100,000	100,000	100,000
Total Expenditures	<u>\$ 1,688,928</u>	<u>\$ 1,794,586</u>	<u>\$ 2,146,970</u>	<u>\$ 458,042</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 266,105</u>	<u>\$ 240</u>	<u>\$ (4,769)</u>	<u>\$ 270,874</u>
Net Change in Fund Balance	\$ 266,105	\$ 240	\$ (4,769)	\$ 270,874
Fund Balance, July 1, 2014	<u>733,705</u>	<u>635,332</u>	<u>635,332</u>	<u>98,373</u>
Fund Balance, June 30, 2015	<u>\$ 999,810</u>	<u>\$ 635,572</u>	<u>\$ 630,563</u>	<u>\$ 369,247</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 and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit I-1

Humphreys County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2015

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 666,684	\$ 666,684
Accounts Receivable	0	186	186
Due from Other Governments	<u>270,753</u>	<u>0</u>	<u>270,753</u>
Total Assets	<u>\$ 270,753</u>	<u>\$ 666,870</u>	<u>\$ 937,623</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 270,753	\$ 0	\$ 270,753
Due to Litigants, Heirs, and Others	<u>0</u>	<u>666,870</u>	<u>666,870</u>
Total Liabilities	<u>\$ 270,753</u>	<u>\$ 666,870</u>	<u>\$ 937,623</u>

Exhibit I-2

Humphreys County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,521,132	\$ 1,521,132	\$ 0
Due from Other Governments	249,163	270,753	249,163	270,753
Total Assets	\$ 249,163	\$ 1,791,885	\$ 1,770,295	\$ 270,753
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 249,163	\$ 1,791,885	\$ 1,770,295	\$ 270,753
Total Liabilities	\$ 249,163	\$ 1,791,885	\$ 1,770,295	\$ 270,753
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 944,771	\$ 3,069,594	\$ 3,347,681	\$ 666,684
Accounts Receivable	169	186	169	186
Total Assets	\$ 944,940	\$ 3,069,780	\$ 3,347,850	\$ 666,870
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 944,940	\$ 3,069,780	\$ 3,347,850	\$ 666,870
Total Liabilities	\$ 944,940	\$ 3,069,780	\$ 3,347,850	\$ 666,870
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 944,771	\$ 3,069,594	\$ 3,347,681	\$ 666,684
Equity in Pooled Cash and Investments	0	1,521,132	1,521,132	0
Accounts Receivable	169	186	169	186
Due from Other Governments	249,163	270,753	249,163	270,753
Total Assets	\$ 1,194,103	\$ 4,861,665	\$ 5,118,145	\$ 937,623
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 249,163	\$ 1,791,885	\$ 1,770,295	\$ 270,753
Due to Litigants, Heirs, and Others	944,940	3,069,780	3,347,850	666,870
Total Liabilities	\$ 1,194,103	\$ 4,861,665	\$ 5,118,145	\$ 937,623

Humphreys County School Department

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

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

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

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

Private-Purpose Trust Fund – The Private-Purpose Trust Fund is used to account for resources legally held in trust to provide scholarships for students.

Exhibit J-1

Humphreys County, Tennessee
Statement of Activities
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2015

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:				
Instruction	\$ 14,086,316	\$ 9,359	\$ 1,867,386	\$ 458,575
Support Services	7,352,644	54,052	1,448,880	0
Operation of Non-instructional Services	2,634,670	586,371	1,090,533	0
Total Governmental Activities	\$ 24,073,630	\$ 649,782	\$ 4,406,799	\$ 458,575
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 3,380,052
Local Option Sales Taxes				2,484,107
Other Local Taxes				3,001
Grants and Contributions Not Restricted to Specific Programs				14,766,224
Miscellaneous				168,775
Pension Income				96,849
Total General Revenues				\$ 20,899,008
Change in Net Position				\$ 2,340,534
Net Position, July 1, 2014				7,533,949
Restatement - Pension Liability (see Note I.D.10)				(3,985,664)
Net Position, June 30, 2015				\$ 5,888,819

Exhibit J-2

Humphreys County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Humphreys County School Department
June 30, 2015

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 925,778	\$ 118,833	\$ 1,044,611
Accounts Receivable	4,719	0	4,719
Due from Other Governments	1,898,424	21,376	1,919,800
Property Taxes Receivable	3,483,157	0	3,483,157
Allowance for Uncollectible Property Taxes	(88,400)	0	(88,400)
Total Assets	<u>\$ 6,223,678</u>	<u>\$ 140,209</u>	<u>\$ 6,363,887</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 5,536	\$ 0	\$ 5,536
Payroll Deductions Payable	1,483	0	1,483
Contracts Payable	544,216	0	544,216
Total Liabilities	<u>\$ 551,235</u>	<u>\$ 0</u>	<u>\$ 551,235</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,334,628	\$ 0	\$ 3,334,628
Deferred Delinquent Property Taxes	56,321	0	56,321
Other Deferred/Unavailable Revenue	672,764	0	672,764
Total Deferred Inflows of Resources	<u>\$ 4,063,713</u>	<u>\$ 0</u>	<u>\$ 4,063,713</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Operation of Non-instructional Services	\$ 0	\$ 40,209	\$ 40,209
Assigned:			
Assigned for Education	0	100,000	100,000
Unassigned	1,608,730	0	1,608,730
Total Fund Balances	<u>\$ 1,608,730</u>	<u>\$ 140,209</u>	<u>\$ 1,748,939</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,223,678</u>	<u>\$ 140,209</u>	<u>\$ 6,363,887</u>

Exhibit J-3

Humphreys County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Humphreys County School Department
June 30, 2015

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 1,748,939
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 141,175	
Add: construction in progress	1,647,162	
Add: buildings and improvements net of accumulated depreciation	7,642,175	
Add: infrastructure net of accumulated depreciation	37,986	
Add: other capital assets net of accumulated depreciation	<u>1,356,441</u>	10,824,939
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability		(4,785,665)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as a component of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 1,373,985	
Less: deferred inflows of resources related to pensions	<u>(4,730,808)</u>	(3,356,823)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 681,533	
Add: net pension asset - cost-sharing plan	<u>46,811</u>	728,344
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>729,085</u>
Net position of governmental activities (Exhibit A)		<u>\$ 5,888,819</u>

Exhibit J-4

Humphreys County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2015

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 5,835,074	\$ 0	\$ 5,835,074
Licenses and Permits	754	0	754
Charges for Current Services	63,098	586,371	649,469
Other Local Revenues	207,464	15,282	222,746
State of Tennessee	15,415,558	16,494	15,432,052
Federal Government	1,203,372	2,483,187	3,686,559
Total Revenues	<u>\$ 22,725,320</u>	<u>\$ 3,101,334</u>	<u>\$ 25,826,654</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 12,923,184	\$ 1,117,365	\$ 14,040,549
Support Services	7,464,988	290,686	7,755,674
Operation of Non-instructional Services	893,144	1,807,548	2,700,692
Capital Outlay	1,647,162	0	1,647,162
Debt Service:			
Other Debt Service	10,000	0	10,000
Total Expenditures	<u>\$ 22,938,478</u>	<u>\$ 3,215,599</u>	<u>\$ 26,154,077</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (213,158)</u>	<u>\$ (114,265)</u>	<u>\$ (327,423)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 18,059	\$ 0	\$ 18,059
Transfers In	8,953	0	8,953
Transfers Out	0	(8,953)	(8,953)
Total Other Financing Sources (Uses)	<u>\$ 27,012</u>	<u>\$ (8,953)</u>	<u>\$ 18,059</u>
Net Change in Fund Balances	\$ (186,146)	\$ (123,218)	\$ (309,364)
Fund Balance, July 1, 2014	1,794,876	263,427	2,058,303
Fund Balance, June 30, 2015	<u>\$ 1,608,730</u>	<u>\$ 140,209</u>	<u>\$ 1,748,939</u>

Exhibit J-5

Humphreys County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2015

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ (309,364)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,072,652	
Less: current-year depreciation expense	<u>(707,471)</u>	1,365,181
(2) The contributions of long-term debt (e.g., notes) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on notes to primary government		10,000
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$ 729,085	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(238,424)</u>	490,661
(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 governmental funds.		
Change in other postemployment benefits liability	\$ (573,129)	
Change in net pension asset - agent plan	915,476	
Change in net pension asset - cost-sharing plan	3,798,532	
Change in deferred outflows related to pensions	1,373,985	
Change in deferred inflows related to pensions	<u>(4,730,808)</u>	<u>784,056</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,340,534</u>

Exhibit J-6

Humphreys County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Humphreys County School Department
June 30, 2015

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 94,624	\$ 24,209	\$ 118,833
Due from Other Governments	5,376	16,000	21,376
Total Assets	<u>\$ 100,000</u>	<u>\$ 40,209</u>	<u>\$ 140,209</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Operation of Non-instructional Services	\$ 0	\$ 40,209	\$ 40,209
Assigned:			
Assigned for Education	100,000	0	100,000
Total Fund Balances	<u>\$ 100,000</u>	<u>\$ 40,209</u>	<u>\$ 140,209</u>

Exhibit J-7

Humphreys County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2015

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 586,371	\$ 586,371
Other Local Revenues	0	15,282	15,282
State of Tennessee	0	16,494	16,494
Federal Government	1,409,214	1,073,973	2,483,187
Total Revenues	<u>\$ 1,409,214</u>	<u>\$ 1,692,120</u>	<u>\$ 3,101,334</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,117,365	\$ 0	\$ 1,117,365
Support Services	290,686	0	290,686
Operation of Non-instructional Services	0	1,807,548	1,807,548
Total Expenditures	<u>\$ 1,408,051</u>	<u>\$ 1,807,548</u>	<u>\$ 3,215,599</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,163</u>	<u>\$ (115,428)</u>	<u>\$ (114,265)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (8,953)	\$ 0	\$ (8,953)
Total Other Financing Sources (Uses)	<u>\$ (8,953)</u>	<u>\$ 0</u>	<u>\$ (8,953)</u>
Net Change in Fund Balances	\$ (7,790)	\$ (115,428)	\$ (123,218)
Fund Balance, July 1, 2014	107,790	155,637	263,427
Fund Balance, June 30, 2015	<u>\$ 100,000</u>	<u>\$ 40,209</u>	<u>\$ 140,209</u>

Exhibit J-8

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Humphreys County School Department
General Purpose School Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 5,835,074	\$ 0	\$ 5,835,074	\$ 5,615,397	\$ 5,615,397	\$ 219,677
Licenses and Permits	754	0	754	650	650	104
Charges for Current Services	63,098	0	63,098	66,300	66,300	(3,202)
Other Local Revenues	207,464	0	207,464	152,700	152,700	54,764
State of Tennessee	15,415,558	0	15,415,558	15,466,226	15,558,297	(142,739)
Federal Government	1,203,372	0	1,203,372	1,838,000	1,861,000	(657,628)
Total Revenues	\$ 22,725,320	\$ 0	\$ 22,725,320	\$ 23,139,273	\$ 23,254,344	\$ (529,024)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 10,695,836	\$ 0	\$ 10,695,836	\$ 10,883,667	\$ 10,879,667	\$ 183,831
Alternative Instruction Program	80,868	0	80,868	87,800	87,800	6,932
Special Education Program	1,268,058	0	1,268,058	1,287,100	1,287,100	19,042
Vocational Education Program	878,422	0	878,422	906,000	906,000	27,578
<u>Support Services</u>						
Health Services	235,416	0	235,416	237,511	237,513	2,097
Other Student Support	451,634	0	451,634	488,560	488,560	36,926
Regular Instruction Program	672,847	0	672,847	678,705	678,705	5,858
Special Education Program	91,057	0	91,057	98,995	98,995	7,938
Vocational Education Program	82,590	0	82,590	93,248	93,248	10,658
Other Programs	92,071	0	92,071	0	92,071	0
Board of Education	168,586	0	168,586	164,797	168,797	211
Director of Schools	173,887	0	173,887	180,133	180,133	6,246
Office of the Principal	1,419,413	0	1,419,413	1,445,787	1,445,787	26,374
Fiscal Services	122,574	0	122,574	131,368	131,368	8,794
Operation of Plant	1,534,125	0	1,534,125	1,613,200	1,613,200	79,075

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Maintenance of Plant	\$ 628,842	\$ 0	\$ 628,842	\$ 641,520	\$ 641,520	\$ 12,678
Transportation	1,346,174	(171,882)	1,174,292	1,209,380	1,209,380	35,088
Central and Other	445,772	0	445,772	476,100	476,100	30,328
<u>Operation of Non-instructional Services</u>						
Community Services	139,500	0	139,500	116,500	139,500	0
Early Childhood Education	753,644	0	753,644	753,643	753,644	0
<u>Capital Outlay</u>						
Regular Capital Outlay	1,647,162	0	1,647,162	1,716,000	1,716,000	68,838
Principal on Debt	0	0	0	10,000	0	0
Education	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0
Education	0	0	0	0	0	0
Total Expenditures	\$ 22,938,478	\$ (171,882)	\$ 22,766,596	\$ 23,220,014	\$ 23,335,088	\$ 568,492
Excess (Deficiency) of Revenues Over Expenditures	\$ (213,158)	\$ 171,882	\$ (41,276)	\$ (80,741)	\$ (80,744)	\$ 39,468
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 18,059	\$ 0	\$ 18,059	\$ 20,000	\$ 20,000	\$ (1,941)
Transfers In	8,953	0	8,953	24,761	0	8,953
Transfers Out	0	0	0	(39,261)	(14,500)	14,500
Total Other Financing Sources	\$ 27,012	\$ 0	\$ 27,012	\$ 5,500	\$ 5,500	\$ 21,512
Net Change in Fund Balance Fund Balance, July 1, 2014	\$ (186,146)	\$ 171,882	\$ (14,264)	\$ (75,241)	\$ (75,244)	\$ 60,980
Fund Balance, June 30, 2015	\$ 1,794,876	\$ (171,882)	\$ 1,622,994	\$ 1,379,016	\$ 1,379,016	\$ 243,978
Fund Balance, June 30, 2015	\$ 1,608,730	\$ 0	\$ 1,608,730	\$ 1,303,775	\$ 1,303,772	\$ 304,958

Exhibit J-9

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Humphreys County School Department
School Federal Projects Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,409,214	\$ 1,457,243	\$ 1,652,388	\$ (243,174)
Total Revenues	\$ 1,409,214	\$ 1,457,243	\$ 1,652,388	\$ (243,174)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 577,695	\$ 569,689	\$ 726,468	\$ 148,773
Special Education Program	503,522	529,787	556,958	53,436
Vocational Education Program	36,148	34,687	36,148	0
<u>Support Services</u>				
Other Student Support	4,812	5,250	4,812	0
Regular Instruction Program	170,823	200,104	200,149	29,326
Special Education Program	55,887	58,402	59,349	3,462
Vocational Education Program	2,030	2,000	2,030	0
Transportation	57,134	48,371	57,521	387
Total Expenditures	\$ 1,408,051	\$ 1,448,290	\$ 1,643,435	\$ 235,384
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,163	\$ 8,953	\$ 8,953	\$ (7,790)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (8,953)	\$ (8,953)	\$ (8,953)	\$ 0
Total Other Financing Sources	\$ (8,953)	\$ (8,953)	\$ (8,953)	\$ 0
Net Change in Fund Balance	\$ (7,790)	\$ 0	\$ 0	\$ (7,790)
Fund Balance, July 1, 2014	107,790	108,301	108,301	(511)
Fund Balance, June 30, 2015	\$ 100,000	\$ 108,301	\$ 108,301	\$ (8,301)

Exhibit J-10

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Humphreys County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 586,371	\$ 815,000	\$ 815,000	\$ (228,629)
Other Local Revenues	15,282	11,903	11,903	3,379
State of Tennessee	16,494	16,768	16,768	(274)
Federal Government	1,073,973	1,077,300	1,077,300	(3,327)
Total Revenues	<u>\$ 1,692,120</u>	<u>\$ 1,920,971</u>	<u>\$ 1,920,971</u>	<u>\$ (228,851)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 1,807,548	\$ 1,920,971	\$ 1,920,971	\$ 113,423
Total Expenditures	<u>\$ 1,807,548</u>	<u>\$ 1,920,971</u>	<u>\$ 1,920,971</u>	<u>\$ 113,423</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (115,428)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (115,428)</u>
Net Change in Fund Balance	\$ (115,428)	\$ 0	\$ 0	(115,428)
Fund Balance, July 1, 2014	155,637	116,973	116,973	38,664
Fund Balance, June 30, 2015	<u>\$ 40,209</u>	<u>\$ 116,973</u>	<u>\$ 116,973</u>	<u>\$ (76,764)</u>

Exhibit J-11

Humphreys County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Humphreys County School Department
Fiduciary Fund
June 30, 2015

	<u>Private- Purpose Trust Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	<u>\$ 51,399</u>
Total Assets	<u><u>\$ 51,399</u></u>
<u>NET POSITION</u>	
Held in Trust for Scholarships	<u>\$ 51,399</u>
Total Net Position	<u><u>\$ 51,399</u></u>

Exhibit J-12

Humphreys County, Tennessee
Statement of Changes in Fiduciary Net Position
Discretely Presented Humphreys County School Department
Fiduciary Fund
For the Year Ended June 30, 2015

	<u>Private- Purpose Trust Fund</u>
<u>ADDITIONS</u>	
<u>Other Local Revenues</u>	
Investment Income	\$ 185
Total Additions	<u>\$ 185</u>
<u>DEDUCTIONS</u>	
<u>Other</u>	
Scholarships	\$ 2,000
Total Deductions	<u>\$ 2,000</u>
Change in Net Position	\$ (1,815)
Net Position, July 1, 2014	<u>53,214</u>
Net Position, June 30, 2015	<u><u>\$ 51,399</u></u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Humphreys County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Paid and/or Matured During Period	Outstanding 6-30-15
NOTES PAYABLE							
Payable through General Debt Service Fund							
School Roofs, Buses, Equipment, and E-911 Towers/Facilities	\$ 600,000	3.75 %	10-2-06	10-2-14	\$ 75,000	\$ 75,000	\$ 0
E-911 Towers	750,000	3.85	3-27-08	3-27-18	300,000	75,000	225,000
Center for Higher Learning Expansion	400,000	3.85	3-27-08	3-27-18	160,000	40,000	120,000
Total Payable through General Debt Service Fund					\$ 535,000	\$ 190,000	\$ 345,000
Payable by the School Department Contributions from the							
General Purpose School Fund to the General Debt Service Fund	35,000	0	4-27-10	1-26-15	10,000	10,000	0
Greenhouse Capital Outlay Note 2009							
Total Payable by the School Department Contributions from the					\$ 10,000	\$ 10,000	\$ 0
General Purpose School Fund to the General Debt Service Fund							
Total Notes Payable					\$ 545,000	\$ 200,000	\$ 345,000
OTHER LOANS PAYABLE							
Payable through General Debt Service Fund							
School	7,000,000	Variable	3-7-00	5-25-20	2,794,000	421,000	2,373,000
Total Other Loans Payable					\$ 2,794,000	\$ 421,000	\$ 2,373,000
BONDS PAYABLE							
Payable through General Debt Service Fund							
Courthouse Annex, FmHA	328,500	5	7-1-76	1-1-15	18,500	18,500	0
Flood Control, FmHA	110,000	4.371	7-1-76	1-1-16	12,100	5,900	6,200
Total Bonds Payable					\$ 30,600	\$ 24,400	\$ 6,200

Exhibit K-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 115,000	\$ 13,319	\$ 128,319
2017	115,000	8,855	123,855
2018	115,000	4,428	119,428
Total	<u>\$ 345,000</u>	<u>\$ 26,602</u>	<u>\$ 371,602</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2016	\$ 438,000	\$ 7,119	\$ 23,296	\$ 468,415
2017	456,000	5,805	19,185	480,990
2018	474,000	4,437	14,904	493,341
2019	493,000	3,015	10,454	506,469
2020	512,000	1,536	5,826	519,362
Total	<u>\$ 2,373,000</u>	<u>\$ 21,912</u>	<u>\$ 73,665</u>	<u>\$ 2,468,577</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 6,200	\$ 271	\$ 6,471
Total	<u>\$ 6,200</u>	<u>\$ 271</u>	<u>\$ 6,471</u>

Exhibit K-3

Humphreys County, Tennessee
Schedule of Transfers
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2015

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect costs	\$ 8,953
Total Transfers			<u>\$ 8,953</u>

Exhibit K-4

Humphreys County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2015

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, TCA	\$ 73,738	\$ 100,000	Auto-Owners Insurance Company
Road Supervisor	Section 8-24-102, TCA	70,228	100,000	Travelers Casualty and Surety Company of America
Director of Schools	State Board of Education and County Board of Education	91,909 (1)	50,000	"
Trustee	Section 8-24-102, TCA	63,843	825,000	Auto-Owners Insurance Company
Assessor of Property	Section 8-24-102, TCA	63,843	50,000	Travelers Casualty and Surety Company of America
County Clerk:				
Betty Etheridge (7-1-14 through 8-31-14)	Section 8-24-102, TCA	10,641	50,000	Auto-Owners Insurance Company
Cindy Wilson (9-1-14 through 6-30-15)	Section 8-24-102, TCA	53,202	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	63,843	100,000	"
Clerk and Master	Section 8-24-102, TCA	63,843	75,000	Travelers Casualty and Surety Company of America
Register of Deeds	Section 8-24-102, TCA	63,843	100,000	Auto-Owners Insurance Company
Sheriff	Section 8-24-102, TCA	70,228 (2)	100,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			150,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department			150,000	"

- (1) Includes \$1,000 for a chief executive officer training supplement.
- (2) Does not include \$600 for a law enforcement training supplement.

Exhibit K-5

Humphreys County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2015

	Special Revenue Funds						Debt Service Fund	
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works	General Debt	Service	
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 4,131,544	\$ 860,800	\$ 149,803	\$ 0	\$ 730,300	\$ 86,338		
Trustee's Collections - Prior Year	63,719	17,695	2,857	0	16,400	24,772		
Trustee's Collections - Bankruptcy	775	219	21	0	181	311		
Circuit/Clerk and Master Collections - Prior Years	38,302	9,055	1,470	0	8,759	12,835		
Interest and Penalty	8,956	3,448	558	0	1,865	2,236		
Payments in-Lieu-of Taxes - T.V.A.	7,500	0	0	0	3,744	0		
Payments in-Lieu-of Taxes - Other	1,188	0	0	0	0	0		
<u>County Local Option Taxes</u>								
Local Option Sales Tax	914,178	0	0	0	0	0		
Hotel/Motel Tax	100,404	0	0	0	0	0		
Local Amusement Tax	690	0	0	0	0	0		
Litigation Tax - General	77,194	0	0	0	0	0		
Litigation Tax - Special Purpose	10,424	0	0	0	0	0		
Litigation Tax - Jail, Workhouse, or Courthouse	40,762	0	0	0	0	0		
Litigation Tax - Courthouse Security	4,475	0	0	0	0	0		
Business Tax	153,822	0	0	0	0	0		
Mixed Drink Tax	210	0	0	0	0	0		
Other County Local Option Taxes	1,444	0	0	0	0	0		
<u>Statutory Local Taxes</u>								
Bank Excise Tax	51,720	0	0	0	0	0		
Wholesale Beer Tax	78,572	0	0	0	0	0		
Interstate Telecommunications Tax	1,064	0	0	0	0	0		
Total Local Taxes	\$ 5,686,943	\$ 891,217	\$ 154,709	\$ 0	\$ 761,249	\$ 126,492		

(Continued)

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

	Special Revenue Funds						Debt Service Fund	
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works	General Debt	Service	
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	4,737	0	0	0	0	0	0	
Officers Costs	4,106	0	0	0	0	0	0	
Jail Fees	204	0	0	0	0	0	0	
Judicial Commissioner Fees	405	0	0	0	0	0	0	
DUI Treatment Fines	570	0	0	0	0	0	0	
Data Entry Fee - Circuit Court	667	0	0	0	0	0	0	
Victims Assistance Assessments	8,922	0	0	0	0	0	0	
<u>Criminal Court</u>								
DUI Treatment Fines	190	0	0	0	0	0	0	
<u>General Sessions Court</u>								
Fines	8,409	0	0	0	0	0	0	
Officers Costs	7,783	0	0	0	0	0	0	
Game and Fish Fines	126	0	0	0	0	0	0	
Drug Control Fines	0	0	0	26,462	0	0	0	
Jail Fees	994	0	0	0	0	0	0	
Judicial Commissioner Fees	2,319	0	0	0	0	0	0	
DUI Treatment Fines	2,945	0	0	0	0	0	0	
Data Entry Fee - General Sessions Court	5,120	0	0	0	0	0	0	
<u>Juvenile Court</u>								
Fines	893	0	0	0	0	0	0	
Officers Costs	4,691	0	0	0	0	0	0	
<u>Chancery Court</u>								
Officers Costs	2,353	0	0	0	0	0	0	
Data Entry Fee - Chancery Court	1,627	0	0	0	0	0	0	

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Courts - In-county</u>						
Drug Control Fines	\$ 4,826	\$ 0	\$ 0	\$ 2,434	\$ 0	\$ 0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	90,943	0	0
Other Fines, Forfeitures, and Penalties	10,091	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 71,978	\$ 0	\$ 0	\$ 119,839	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other Employee Benefit Charges/Contributions	\$ 9	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Tipping Fees	0	11,227	0	0	0	0
Work Release Charges for Board Fees	670	0	0	0	0	0
Copy Fees	682	0	0	0	0	0
Greenbelt Late Application Fee	100	0	0	0	0	0
Data Processing Fee - Register	6,078	0	0	0	0	0
Data Processing Fee - Sheriff	2,388	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	900	0	0	0	0	0
Data Processing Fee - County Clerk	2,938	0	0	0	0	0
Total Charges for Current Services	\$ 13,765	\$ 11,227	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 3	\$ 0	\$ 0	\$ 0	\$ 1	\$ 25,876
Lease/Rentals	18,125	0	0	0	0	0
Sale of Gasoline	96,960	0	0	0	72,553	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works	
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Sale of Recycled Materials	\$ 0	\$ 8,702	\$ 0	\$ 0	\$ 3,166	\$ 0
Miscellaneous Refunds	5,148	15	33	0	716	0
<u>Nonrecurring Items</u>						
Sale of Equipment	9,655	0	0	0	0	0
Sale of Property	20,487	0	0	0	0	0
Contributions and Gifts	1,334	0	1,000	0	0	0
Total Other Local Revenues	\$ 151,712	\$ 8,717	\$ 1,033	\$ 0	\$ 76,436	\$ 25,876
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 180,282	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	54,780	0	0	0	0	0
General Sessions Court Clerk	79,337	0	0	0	0	0
Clerk and Master	42,174	0	0	0	0	0
Register	71,864	0	0	0	0	0
Sheriff	10,962	0	0	0	0	0
Trustee	418,314	0	0	0	0	0
Total Fees Received from County Officials	\$ 857,713	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Airport Maintenance Program	\$ 3,525	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	12,000	0	0	1,800	0	0
Other Public Safety Grants	59,097	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds						Debt Service Fund
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works	General Debt Service	
<u>State of Tennessee (Cont.)</u>							
<u>Health and Welfare Grants</u>							
Health Department Programs	\$ 79,449	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Public Works Grants</u>							
Bridge Program	0	0	0	0	240,187	0	0
State Aid Program	0	0	0	0	322,697	0	0
Litter Program	35,000	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	23,066	0	0	0	0	0	0
Resort District Sales Tax	396,438	0	0	0	0	0	0
Beer Tax	18,055	0	0	0	0	0	0
Vehicle Certificate of Title Fees	16,834	0	0	0	0	0	0
Alcoholic Beverage Tax	51,812	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	1,576,452	0	0	0	0	0	0
Prisoner Transportation	492	0	0	0	0	0	0
Contracted Prisoner Boarding	145,780	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	1,755,012	0	0
Petroleum Special Tax	0	0	0	0	13,376	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0
Other State Grants	26,052	7,260	0	6,881	0	0	0
Other State Revenues	36,523	0	0	0	0	0	0
Total State of Tennessee	\$ 2,495,739	\$ 7,260	\$ 0	\$ 8,681	\$ 2,311,272	\$ 0	0
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Disaster Relief	0	0	0	0	103,256	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund	
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works	General Debt	Service
<u>Federal Government (Cont.)</u>							
<u>Federal Through State (Cont.)</u>							
Homeland Security Grants	\$ 1,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Federal through State	30,548	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	12,931	0	0	0	0	0	0
Total Federal Government	\$ 44,979	\$ 0	\$ 0	\$ 0	\$ 103,256	\$ 0	0
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 113,511	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,000
<u>Other</u>							
Other	32,141	0	0	0	0	0	973
Total Other Governments and Citizens Groups	\$ 145,652	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,973
Total	\$ 9,468,481	\$ 918,421	\$ 155,742	\$ 128,520	\$ 3,252,213	\$ 163,341	

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

	Capital Projects Funds			Total
	General Capital Projects	Other Capital Projects		
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 172,164	\$ 0	\$ 0	6,130,949
Trustee's Collections - Prior Year	1,770	0	0	127,213
Trustee's Collections - Bankruptcy	24	0	0	1,531
Circuit/Clerk and Master Collections - Prior Years	1,141	0	0	71,562
Interest and Penalty	297	0	0	17,360
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	11,244
Payments in-Lieu-of Taxes - Other	0	0	0	1,188
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	0	0	914,178
Hotel/Motel Tax	0	0	0	100,404
Local Amusement Tax	0	0	0	690
Litigation Tax - General	0	0	0	77,194
Litigation Tax - Special Purpose	0	0	0	10,424
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	40,762
Litigation Tax - Courthouse Security	0	0	0	4,475
Business Tax	0	0	0	153,822
Mixed Drink Tax	0	0	0	210
Other County Local Option Taxes	0	0	0	1,444
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	0	0	51,720
Wholesale Beer Tax	0	0	0	78,572
Interstate Telecommunications Tax	0	0	0	1,064
Total Local Taxes	\$ 175,396	\$ 0	\$ 0	7,796,006

(Continued)

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

	Capital Projects Funds			Total
	General Capital Projects	Other Capital Projects		
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$	0 \$	0 \$	4,737
Officers Costs		0	0	4,106
Jail Fees		0	0	204
Judicial Commissioner Fees		0	0	405
DUI Treatment Fines		0	0	570
Data Entry Fee - Circuit Court		0	0	667
Victims Assistance Assessments		0	0	8,922
<u>Criminal Court</u>				
DUI Treatment Fines		0	0	190
<u>General Sessions Court</u>				
Fines		0	0	8,409
Officers Costs		0	0	7,783
Game and Fish Fines		0	0	126
Drug Control Fines		0	0	26,462
Jail Fees		0	0	994
Judicial Commissioner Fees		0	0	2,319
DUI Treatment Fines		0	0	2,945
Data Entry Fee - General Sessions Court		0	0	5,120
<u>Juvenile Court</u>				
Fines		0	0	893
Officers Costs		0	0	4,691
<u>Chancery Court</u>				
Officers Costs		0	0	2,353
Data Entry Fee - Chancery Court		0	0	1,627

(Continued)

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

	<u>Capital Projects Funds</u>		
	<u>General Capital Projects</u>	<u>Other Capital Projects</u>	<u>Total</u>
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>Other Courts - In-county</u>			
Drug Control Fines	\$ 0	\$ 0	\$ 7,260
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0	0	90,943
Other Fines, Forfeitures, and Penalties	0	0	10,091
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 191,817
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Other Employee Benefit Charges/Contributions	\$ 0	\$ 0	\$ 9
Tipping Fees	0	0	11,227
Work Release Charges for Board Fees	0	0	670
Copy Fees	0	0	682
Greenbelt Late Application Fee	0	0	100
Data Processing Fee - Register	0	0	6,078
Data Processing Fee - Sheriff	0	0	2,388
Sexual Offender Registration Fee - Sheriff	0	0	900
Data Processing Fee - County Clerk	0	0	2,938
Total Charges for Current Services	\$ 0	\$ 0	\$ 24,992
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 0	\$ 0	\$ 25,880
Lease/Rentals	68,286	0	86,411
Sale of Gasoline	0	0	169,513

(Continued)

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

	<u>Capital Projects Funds</u>			<u>Total</u>
	<u>General Capital Projects</u>	<u>Other Capital Projects</u>		
<u>Other Local Revenues (Cont.)</u>				
<u>Recurring Items (Cont.)</u>				
Sale of Recycled Materials	\$ 0	\$ 0	\$ 0	11,868
Miscellaneous Refunds	16,852	0	0	22,764
<u>Nonrecurring Items</u>				
Sale of Equipment	0	0	0	9,655
Sale of Property	0	5,005	0	25,492
Contributions and Gifts	0	0	0	2,334
Total Other Local Revenues	\$ 85,138	\$ 5,005	\$ 0	353,917
<u>Fees Received from County Officials</u>				
<u>Fees in-Lieu-of Salary</u>				
County Clerk	\$ 0	\$ 0	\$ 0	180,282
Circuit Court Clerk	0	0	0	54,780
General Sessions Court Clerk	0	0	0	79,337
Clerk and Master	0	0	0	42,174
Register	0	0	0	71,864
Sheriff	0	0	0	10,962
Trustee	0	0	0	418,314
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	857,713
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Airport Maintenance Program	\$ 0	\$ 0	\$ 0	3,525
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0	0	0	13,800
Other Public Safety Grants	0	0	0	59,097

(Continued)

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

	<u>Capital Projects Funds</u>			<u>Total</u>
	<u>General Capital Projects</u>	<u>Other Capital Projects</u>		
<u>State of Tennessee (Cont.)</u>				
<u>Health and Welfare Grants</u>				
Health Department Programs	\$	0 \$	0 \$	79,449
<u>Public Works Grants</u>				
Bridge Program		0	0	240,187
State Aid Program		0	0	322,697
Litter Program		0	0	35,000
<u>Other State Revenues</u>				
Income Tax		0	0	23,066
Resort District Sales Tax		0	0	396,438
Beer Tax		0	0	18,055
Vehicle Certificate of Title Fees		0	0	16,834
Alcoholic Beverage Tax		0	0	51,812
State Revenue Sharing - T.V.A.		0	0	1,576,452
Prisoner Transportation		0	0	492
Contracted Prisoner Boarding		0	0	145,780
Gasoline and Motor Fuel Tax		0	0	1,735,012
Petroleum Special Tax		0	0	13,376
Registrar's Salary Supplement		0	0	15,164
Other State Grants		0	0	40,193
Other State Revenues		0	0	36,523
Total State of Tennessee	\$	0 \$	0 \$	4,822,952
<u>Federal Government</u>				
<u>Federal Through State</u>				
Community Development	\$	408,220 \$	0 \$	408,220
Disaster Relief		0	0	103,256

(Continued)

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

	<u>Capital Projects Funds</u>			<u>Total</u>
	<u>General Capital Projects</u>	<u>Other Capital Projects</u>		
<u>Federal Government (Cont.)</u>				
<u>Federal Through State (Cont.)</u>				
Homeland Security Grants	\$ 0	\$ 0	\$ 1,500	
Other Federal through State	938,904	0	969,452	
<u>Direct Federal Revenue</u>				
Other Direct Federal Revenue	0	0	12,931	
Total Federal Government	<u>\$ 1,347,124</u>	<u>\$ 0</u>	<u>\$ 1,495,359</u>	
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 347,375	\$ 0	470,886	
<u>Other</u>				
Other	0	0	33,114	
Total Other Governments and Citizens Groups	<u>\$ 347,375</u>	<u>\$ 0</u>	<u>\$ 504,000</u>	
Total	<u>\$ 1,955,033</u>	<u>\$ 5,005</u>	<u>\$ 16,046,756</u>	

Exhibit K-6

Humphreys County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2015

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,267,985	\$ 0	\$ 0	\$ 3,267,985
Trustee's Collections - Prior Year	69,010	0	0	69,010
Trustee's Collections - Bankruptcy	750	0	0	750
Circuit/Clerk and Master Collections - Prior Years	35,250	0	0	35,250
Interest and Penalty	12,155	0	0	12,155
<u>County Local Option Taxes</u>				
Local Option Sales Tax	2,446,900	0	0	2,446,900
Mixed Drink Tax	1,187	0	0	1,187
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	1,837	0	0	1,837
Total Local Taxes	<u>\$ 5,835,074</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,835,074</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 460	\$ 0	\$ 0	\$ 460
<u>Permits</u>				
Other Permits	294	0	0	294
Total Licenses and Permits	<u>\$ 754</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 754</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Regular Day Students	\$ 2,030	\$ 0	\$ 0	\$ 2,030
Tuition - Summer School	7,329	0	0	7,329
Lunch Payments - Children	0	0	357,078	357,078
Lunch Payments - Adults	0	0	57,332	57,332
Income from Breakfast	0	0	16,978	16,978
A la carte Sales	0	0	153,263	153,263
Receipts from Individual Schools	53,739	0	0	53,739
<u>Other Charges for Services</u>				
Other Charges for Services	0	0	1,720	1,720
Total Charges for Current Services	<u>\$ 63,098</u>	<u>\$ 0</u>	<u>\$ 586,371</u>	<u>\$ 649,469</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 6	\$ 0	\$ 60	\$ 66
Lease/Rentals	3,975	0	0	3,975
Sale of Materials and Supplies	84,262	0	0	84,262
Sale of Recycled Materials	313	0	0	313
E-Rate Funding	43,342	0	0	43,342
Miscellaneous Refunds	22,303	0	15,222	37,525

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Other Local Revenues (Cont.)</u>				
<u>Nonrecurring Items</u>				
Sale of Equipment	\$ 42,372	\$ 0	\$ 0	\$ 42,372
Damages Recovered from Individuals	641	0	0	641
Contributions and Gifts	10,250	0	0	10,250
Total Other Local Revenues	\$ 207,464	\$ 0	\$ 15,282	\$ 222,746
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 92,071	\$ 0	\$ 0	\$ 92,071
<u>State Education Funds</u>				
Basic Education Program	14,163,000	0	0	14,163,000
Early Childhood Education	767,643	0	0	767,643
School Food Service	0	0	16,494	16,494
Energy Efficient School Initiative	2,476	0	0	2,476
Driver Education	16,485	0	0	16,485
Other State Education Funds	105,934	0	0	105,934
Coordinated School Health	100,000	0	0	100,000
Internet Connectivity	4,496	0	0	4,496
Career Ladder Program	110,551	0	0	110,551
Career Ladder - Extended Contract	35,170	0	0	35,170
<u>Other State Revenues</u>				
Other State Grants	1,102	0	0	1,102
Safe Schools	16,630	0	0	16,630
Total State of Tennessee	\$ 15,415,558	\$ 0	\$ 16,494	\$ 15,432,052
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 723,512	\$ 723,512
Breakfast	0	0	223,122	223,122
USDA - Other	0	0	111,339	111,339
USDA Food Service Equipment Grant	0	0	16,000	16,000
Vocational Education - Basic Grants to States	0	42,990	0	42,990
Title I Grants to Local Education Agencies	0	592,220	0	592,220
Special Education - Grants to States	4,642	594,481	0	599,123
Special Education Preschool Grants	1,893	22,061	0	23,954
Safe and Drug-free Schools - State Grants	140,000	0	0	140,000
Rural Education	0	51,481	0	51,481
Eisenhower Professional Development State Grants	0	105,981	0	105,981
Disaster Relief	1,056,837	0	0	1,056,837
Total Federal Government	\$ 1,203,372	\$ 1,409,214	\$ 1,073,973	\$ 3,686,559
Total	\$ 22,725,320	\$ 1,409,214	\$ 1,692,120	\$ 25,826,654

Exhibit K-7

Humphreys County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2015

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	25,200	
Audit Services		5,561	
Contracts with Government Agencies		52,175	
Contracts with Private Agencies		2,399	
Data Processing Services		238	
Dues and Memberships		8,147	
Tax Relief Program		13,860	
Other Charges		8,887	
Total County Commission			\$ 116,467

Board of Equalization

Board and Committee Members Fees	\$	780	
Total Board of Equalization			780

County Mayor/Executive

County Official/Administrative Officer	\$	73,738	
Secretary(ies)		72,871	
Part-time Personnel		14,728	
Other Salaries and Wages		1,304	
Communication		4,660	
Operating Lease Payments		4,375	
Maintenance Agreements		18,226	
Postal Charges		2,894	
Travel		5,909	
Duplicating Supplies		802	
Gasoline		1,543	
Office Supplies		2,451	
Other Supplies and Materials		727	
Other Charges		971	
Total County Mayor/Executive			205,199

County Attorney

Legal Services	\$	43,846	
Total County Attorney			43,846

Election Commission

County Official/Administrative Officer	\$	57,459	
Secretary(ies)		55,354	
Overtime Pay		3,626	
Other Salaries and Wages		1,890	
Election Commission		1,300	
Election Workers		15,320	
Audit Services		2,800	
Communication		2,678	
Data Processing Services		16,659	
Dues and Memberships		200	
Operating Lease Payments		1,768	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Maintenance and Repair Services - Office Equipment	\$	340	
Postal Charges		8,500	
Printing, Stationery, and Forms		17,858	
Office Supplies		3,476	
Data Processing Equipment		960	
Total Election Commission			\$ 190,188

Register of Deeds

County Official/Administrative Officer	\$	63,843	
Secretary(ies)		65,893	
Communication		2,219	
Dues and Memberships		622	
Operating Lease Payments		1,248	
Other Contracted Services		6,509	
Duplicating Supplies		2,070	
Office Supplies		386	
Other Charges		575	
Total Register of Deeds			143,365

County Buildings

Custodial Personnel	\$	40,349	
Communication		1,945	
Maintenance Agreements		29,270	
Maintenance and Repair Services - Buildings		3,928	
Maintenance and Repair Services - Vehicles		1,567	
Pest Control		855	
Custodial Supplies		7,685	
Electricity		110,305	
Natural Gas		18,076	
Water and Sewer		16,111	
Building Improvements		19,099	
Total County Buildings			249,190

Other General Administration

Communication	\$	1,102	
Total Other General Administration			1,102

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	63,843	
Secretary(ies)		95,351	
Communication		2,082	
Data Processing Services		4,175	
Dues and Memberships		2,339	
Operating Lease Payments		2,701	
Postal Charges		588	
Other Contracted Services		4,930	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Office Supplies	\$	772	
Other Charges		12	
Total Property Assessor's Office			\$ 176,793

Reappraisal Program

Data Processing Services	\$	2,179	
Postal Charges		629	
Gasoline		581	
Motor Vehicles		38	
Total Reappraisal Program			3,427

County Trustee's Office

County Official/Administrative Officer	\$	63,843	
Secretary(ies)		65,893	
Communication		1,960	
Data Processing Services		4,081	
Dues and Memberships		507	
Operating Lease Payments		1,236	
Legal Notices, Recording, and Court Costs		374	
Maintenance Agreements		7,246	
Postal Charges		4,796	
Printing, Stationery, and Forms		873	
Office Supplies		3,140	
Data Processing Equipment		6,142	
Total County Trustee's Office			160,091

County Clerk's Office

County Official/Administrative Officer	\$	63,843	
Deputy(ies)		121,717	
Communication		2,967	
Dues and Memberships		507	
Operating Lease Payments		2,434	
Maintenance Agreements		12,626	
Postal Charges		4,071	
Office Supplies		4,946	
Total County Clerk's Office			213,111

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,843	
Secretary(ies)		124,621	
Jury and Witness Expense		8,782	
Communication		3,124	
Dues and Memberships		467	
Operating Lease Payments		3,176	
Maintenance Agreements		11,228	
Postal Charges		2,446	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Printing, Stationery, and Forms	\$	1,812	
Data Processing Supplies		1,000	
Office Supplies		3,435	
Access Fees		9,045	
Total Circuit Court			\$ 232,979

General Sessions Court

Judge(s)	\$	83,075	
Travel		1,761	
Other Charges		251	
Total General Sessions Court			85,087

Chancery Court

County Official/Administrative Officer	\$	63,843	
Secretary(ies)		67,129	
Communication		2,374	
Dues and Memberships		467	
Operating Lease Payments		2,309	
Maintenance Agreements		7,551	
Postal Charges		2,181	
Printing, Stationery, and Forms		3,763	
Data Processing Supplies		1,965	
Office Supplies		3,515	
Other Charges		20	
Total Chancery Court			155,117

Juvenile Court

Judge(s)	\$	83,075	
Youth Service Officer(s)		32,558	
Communication		1,500	
Other Contracted Services		2,715	
Instructional Supplies and Materials		168	
Office Supplies		563	
Other Charges		615	
Total Juvenile Court			121,194

District Attorney General

Investigator(s)	\$	6,000	
Total District Attorney General			6,000

Judicial Commissioners

Other Salaries and Wages	\$	32,632	
Total Judicial Commissioners			32,632

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	70,228	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Deputy(ies)	\$	604,174	
Accountants/Bookkeepers		72,871	
Salary Supplements		12,000	
School Resource Officer		84,205	
Overtime Pay		64,678	
Other Salaries and Wages		54,397	
In-service Training		7,949	
Communication		13,525	
Data Processing Services		8,178	
Dues and Memberships		1,500	
Maintenance Agreements		4,644	
Maintenance and Repair Services - Vehicles		45,817	
Postal Charges		3,472	
Gasoline		90,778	
Office Supplies		6,526	
Uniforms		9,248	
Other Charges		2,427	
Data Processing Equipment		1,752	
Law Enforcement Equipment		76,545	
Motor Vehicles		42,231	
Total Sheriff's Department			\$ 1,277,145

Jail

Cafeteria Personnel	\$	25,113	
Maintenance Agreements		12,085	
Maintenance and Repair Services - Buildings		13,548	
Medical and Dental Services		104,090	
Transportation - Other than Students		2,312	
Custodial Supplies		10,191	
Food Preparation Supplies		752	
Food Supplies		92,293	
Office Supplies		3,903	
Other Charges		2,969	
Total Jail			267,256

Workhouse

Guards	\$	309,190	
Overtime Pay		25,394	
Small Tools		585	
Uniforms		2,243	
Total Workhouse			337,412

Work Release Program

Board and Committee Members Fees	\$	75	
Total Work Release Program			75

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

Contributions	\$ 2,000	
Total Fire Prevention and Control		\$ 2,000

Inspection and Regulation

County Official/Administrative Officer	\$ 35,051	
Part-time Personnel	8,074	
Communication	1,653	
Postal Charges	98	
Gasoline	3,256	
Vehicle Parts	2,121	
Other Supplies and Materials	4,998	
Other Equipment	21,486	
Total Inspection and Regulation		76,737

County Coroner/Medical Examiner

County Official/Administrative Officer	\$ 900	
Specialized Medical Treatment	15,960	
Other Charges	1,556	
Total County Coroner/Medical Examiner		18,416

Other Public Safety

Dispatchers/Radio Operators	\$ 176,878	
Total Other Public Safety		176,878

Public Health and Welfare

Local Health Center

Communication	\$ 3,579	
Contracts with Government Agencies	45,114	
Medical and Dental Services	667	
Drug Treatment	7,918	
Other Supplies and Materials	2,500	
Total Local Health Center		59,778

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$ 375,000	
Total Ambulance/Emergency Medical Services		375,000

Other Local Health Services

Matching Share	\$ 25,000	
Total Other Local Health Services		25,000

Sanitation Education/Information

Supervisor/Director	\$ 14,267	
Part-time Personnel	7,474	
Communication	1,352	
Other Contracted Services	631	
Gasoline	1,605	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

Instructional Supplies and Materials	\$	6,928	
Motor Vehicles		<u>1,500</u>	
Total Sanitation Education/Information	\$		33,757

Other Public Health and Welfare

Other Salaries and Wages	\$	57,681	
Travel		468	
Other Supplies and Materials		<u>16</u>	
Total Other Public Health and Welfare			58,165

Social, Cultural, and Recreational Services

Libraries

Supervisor/Director	\$	38,233	
Clerical Personnel		54,741	
Part-time Personnel		28,546	
Communication		1,908	
Maintenance Agreements		1,906	
Postal Charges		1,200	
Library Books/Media		19,311	
Periodicals		322	
Other Supplies and Materials		5,510	
Other Charges		994	
Data Processing Equipment		<u>7,264</u>	
Total Libraries			159,935

Agriculture and Natural Resources

Agricultural Extension Service

Contributions	\$	<u>83,595</u>	
Total Agricultural Extension Service			83,595

Soil Conservation

Assistant(s)	\$	25,750	
Secretary(ies)		27,689	
Part-time Personnel		840	
Other Salaries and Wages		26,480	
Dues and Memberships		985	
Gasoline		2,776	
Office Supplies		824	
Vehicle Parts		1,497	
Other Supplies and Materials		4,973	
Office Equipment		<u>171</u>	
Total Soil Conservation			91,985

Other Operations

Tourism

Advertising	\$	19,198	
Contributions		25,000	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Tourism (Cont.)

Dues and Memberships	\$	4,590	
Travel		5,419	
Other Contracted Services		80,500	
Other Supplies and Materials		2,628	
Other Charges		18,455	
Total Tourism			\$ 155,790

Airport

Supervisor/Director	\$	31,735	
Part-time Personnel		1,216	
Bank Charges		12	
Communication		3,101	
Maintenance and Repair Services - Buildings		6,994	
Gasoline		70,365	
Office Supplies		346	
Utilities		16,144	
Other Charges		11,933	
Total Airport			141,846

Veterans' Services

Supervisor/Director	\$	10,301	
Communication		1,414	
Other Charges		512	
Total Veterans' Services			12,227

Other Charges

Liability Insurance	\$	430,819	
Premiums on Corporate Surety Bonds		9,468	
Trustee's Commission		213,850	
Workers' Compensation Insurance		254,369	
Total Other Charges			908,506

Contributions to Other Agencies

Contributions	\$	60,971	
Total Contributions to Other Agencies			60,971

Employee Benefits

Social Security	\$	198,190	
Pensions		246,403	
Life Insurance		7,274	
Medical Insurance		582,072	
Employer Medicare		46,362	
Total Employee Benefits			1,080,301

Capital Projects

Public Safety Projects

Architects	\$	1,600	
Building Construction		273,628	
Total Public Safety Projects			275,228

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Capital Projects (Cont.)

Social, Cultural, and Recreation Projects

Other Capital Outlay	\$ 9,248	
Total Social, Cultural, and Recreation Projects		\$ 9,248

Highway and Street Capital Projects

Bridge Construction	\$ 2,961	
Total Highway and Street Capital Projects		<u>2,961</u>

Total General Fund		\$ 7,826,780
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Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

Supervisor/Director	\$ 70,941	
Laborers	215,707	
Communication	11,291	
Operating Lease Payments	1,800	
Maintenance and Repair Services - Equipment	18,984	
Postal Charges	49	
Disposal Fees	183,893	
Diesel Fuel	31,321	
Tires and Tubes	8,304	
Other Supplies and Materials	7,592	
Other Charges	12,397	
Solid Waste Equipment	<u>6,021</u>	
Total Landfill Operation and Maintenance		\$ 568,300

Other Operations

Other Charges

Trustee's Commission	\$ 17,890	
Total Other Charges		17,890

Employee Benefits

Social Security	\$ 17,772	
Pensions	11,456	
Life Insurance	251	
Medical Insurance	22,500	
Employer Medicare	<u>4,156</u>	
Total Employee Benefits		<u>56,135</u>

Total Solid Waste/Sanitation Fund		642,325
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Local Purpose Tax Fund

Public Safety

Fire Prevention and Control

Equipment Operators	\$ 41,000	
In-service Training	1,528	
Communication	1,914	

(Continued)

Exhibit K-7

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

Local Purpose Tax Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Maintenance and Repair Services - Buildings	\$	1,268	
Maintenance and Repair Services - Equipment		4,341	
Maintenance and Repair Services - Vehicles		10,440	
Other Contracted Services		4,800	
Diesel Fuel		4,321	
Electricity		3,113	
Gasoline		5,571	
Natural Gas		8,296	
Tires and Tubes		40	
Water and Sewer		588	
Liability Insurance		26,735	
Trustee's Commission		3,084	
Other Charges		4,647	
Communication Equipment		4,534	
Total Fire Prevention and Control			\$ 126,220

Total Local Purpose Tax Fund \$ 126,220

Drug Control Fund

Public Safety

Drug Enforcement

Deputy(ies)	\$	66,913	
Salary Supplements		1,800	
Overtime Pay		7,114	
In-service Training		620	
Communication		1,459	
Travel		984	
Instructional Supplies and Materials		2,906	
Trustee's Commission		1,231	
Law Enforcement Equipment		133,967	
Total Drug Enforcement			\$ 216,994

Other Operations

Employee Benefits

Social Security	\$	4,776	
Pensions		6,426	
Life Insurance		112	
Medical Insurance		10,268	
Employer Medicare		1,117	
Total Employee Benefits			22,699

Total Drug Control Fund 239,693

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	70,228	
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(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Accountants/Bookkeepers	\$	58,046	
Clerical Personnel		19,005	
Advertising		60	
Communication		4,683	
Data Processing Services		5,366	
Dues and Memberships		2,667	
Maintenance and Repair Services - Office Equipment		510	
Pest Control		132	
Postal Charges		245	
Custodial Supplies		551	
Electricity		4,662	
Natural Gas		2,367	
Office Supplies		1,531	
Water and Sewer		1,405	
Other Debt Service		256	
Total Administration			\$ 171,714

Highway and Bridge Maintenance

Foremen	\$	94,646	
Equipment Operators		162,651	
Truck Drivers		217,436	
Laborers		168,212	
Other Contracted Services		1,275	
Asphalt - Cold Mix		839,538	
Concrete		5,364	
Crushed Stone		197,115	
General Construction Materials		308	
Pipe - Metal		47,827	
Road Signs		4,090	
Wood Products		9,808	
Other Supplies and Materials		2,170	
Total Highway and Bridge Maintenance			1,750,440

Operation and Maintenance of Equipment

Foremen	\$	30,432	
Mechanic(s)		34,985	
Diesel Fuel		146,275	
Equipment and Machinery Parts		146,245	
Garage Supplies		7,125	
Gasoline		76,335	
Lubricants		8,930	
Tires and Tubes		59,400	
Other Supplies and Materials		16,056	
Total Operation and Maintenance of Equipment			525,783

Other Charges

Medical and Dental Services	\$	1,925	
Trustee's Commission		32,646	
Total Other Charges			34,571

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Social Security	\$	65,086	
Pensions		72,447	
Medical Insurance		208,140	
Unemployment Compensation		1,548	
Total Employee Benefits	\$		347,221

Capital Outlay

Engineering Services	\$	17,966	
Bridge Construction		227,871	
Building Improvements		679	
Office Equipment		2,034	
Total Capital Outlay			<u>248,550</u>

Total Highway/Public Works Fund \$ 3,078,279

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	24,400	
Principal on Notes		97,500	
Total General Government	\$		121,900

Education

Principal on Notes	\$	102,500	
Principal on Other Loans		421,000	
Total Education			523,500

Interest on Debt

General Government

Interest on Bonds	\$	1,092	
Interest on Notes		12,364	
Total General Government			13,456

Education

Interest on Notes	\$	8,088	
Interest on Other Loans		6,373	
Total Education			14,461

Other Debt Service

General Government

Trustee's Commission	\$	2,760	
Total General Government			2,760

Education

Other Debt Issuance Charges	\$	36,800	
Total Education			<u>36,800</u>

Total General Debt Service Fund 712,877

(Continued)

Exhibit K-7

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

<u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>General Administration Projects</u>		
Trustee's Commission	<u>\$ 4,183</u>	
Total General Administration Projects		\$ 4,183
<u>Public Safety Projects</u>		
Airport Improvement	<u>\$ 938,904</u>	
Total Public Safety Projects		938,904
<u>Public Utility Projects</u>		
Consultants	\$ 30,500	
Engineering Services	28,500	
Evaluation and Testing	23,600	
Other Charges	235	
Other Construction	<u>663,006</u>	
Total Public Utility Projects		<u>745,841</u>
Total General Capital Projects Fund		\$ 1,688,928
<u>Other Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Agriculture and Natural Resources Projects</u>		
Other Charges	<u>\$ 4,200</u>	
Total Agriculture and Natural Resources Projects		<u>\$ 4,200</u>
Total Other Capital Projects Fund		<u>4,200</u>
Total Governmental Funds - Primary Government		<u>\$ 14,319,302</u>

Exhibit K-8

Humphreys County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 7,198,936	
Career Ladder Program	93,555	
Career Ladder Extended Contracts	38,254	
Educational Assistants	404,022	
Other Salaries and Wages	11,460	
Certified Substitute Teachers	34,729	
Non-certified Substitute Teachers	99,631	
Social Security	450,497	
Pensions	676,017	
Employee and Dependent Insurance	9,693	
Medical Insurance	1,162,066	
Dental Insurance	5,204	
Unemployment Compensation	1,216	
Employer Medicare	106,550	
Travel	108	
Instructional Supplies and Materials	43,622	
Textbooks	190,393	
Fee Waivers	41,274	
Other Charges	62,180	
Regular Instruction Equipment	66,429	
Total Regular Instruction Program		\$ 10,695,836

Alternative Instruction Program

Teachers	\$ 39,381	
Educational Assistants	14,414	
Social Security	2,944	
Pensions	4,813	
Medical Insurance	18,495	
Dental Insurance	46	
Unemployment Compensation	49	
Employer Medicare	689	
Travel	37	
Total Alternative Instruction Program		80,868

Special Education Program

Teachers	\$ 705,709
Educational Assistants	141,434
Speech Pathologist	38,614
Other Salaries and Wages	65,619
Certified Substitute Teachers	162
Non-certified Substitute Teachers	3,806
Social Security	55,156
Pensions	79,613
Medical Insurance	129,916
Dental Insurance	679
Unemployment Compensation	384

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	12,901	
Other Contracted Services		6,607	
Instructional Supplies and Materials		5,018	
Regular Instruction Equipment		22,440	
Total Special Education Program			\$ 1,268,058

Vocational Education Program

Teachers	\$	585,531	
Educational Assistants		227	
Certified Substitute Teachers		167	
Non-certified Substitute Teachers		9,663	
Social Security		34,027	
Pensions		49,343	
Employee and Dependent Insurance		3,579	
Medical Insurance		89,604	
Dental Insurance		610	
Unemployment Compensation		307	
Employer Medicare		7,958	
Travel		1,493	
Other Contracted Services		37,837	
Instructional Supplies and Materials		23,102	
Textbooks		9,828	
Regular Instruction Equipment		25,146	
Total Vocational Education Program			878,422

Support Services

Health Services

Supervisor/Director	\$	60,844	
Medical Personnel		86,694	
Other Salaries and Wages		26,266	
Social Security		10,343	
Pensions		14,135	
Medical Insurance		14,987	
Dental Insurance		24	
Unemployment Compensation		104	
Employer Medicare		2,419	
Communication		939	
Medical and Dental Services		8,297	
Postal Charges		490	
Printing, Stationery, and Forms		567	
Travel		3,325	
Other Supplies and Materials		5,982	
Total Health Services			235,416

Other Student Support

Guidance Personnel	\$	334,710	
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(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Social Security	\$	19,183	
Pensions		30,258	
Medical Insurance		57,652	
Dental Insurance		454	
Unemployment Compensation		113	
Employer Medicare		4,486	
Evaluation and Testing		4,496	
Travel		282	
Total Other Student Support			\$ 451,634

Regular Instruction Program

Supervisor/Director	\$	151,861	
Librarians		279,635	
Materials Supervisor		25,767	
Social Security		21,908	
Pensions		33,984	
Medical Insurance		44,712	
Dental Insurance		348	
Unemployment Compensation		154	
Employer Medicare		6,274	
Travel		1,367	
Other Contracted Services		75,674	
Library Books/Media		30,000	
In Service/Staff Development		1,163	
Total Regular Instruction Program			672,847

Special Education Program

Supervisor/Director	\$	57,063	
Secretary(ies)		990	
Social Security		3,599	
Pensions		5,245	
Unemployment Compensation		16	
Employer Medicare		842	
Other Contracted Services		23,302	
Total Special Education Program			91,057

Vocational Education Program

Supervisor/Director	\$	60,810	
Secretary(ies)		9,442	
Social Security		4,190	
Pensions		6,329	
Dental Insurance		102	
Unemployment Compensation		32	
Employer Medicare		980	
Travel		705	
Total Vocational Education Program			82,590

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Programs

On-behalf Payments to OPEB	\$ 92,071	
Total Other Programs		\$ 92,071

Board of Education

Other Salaries and Wages	\$ 9,600	
Social Security	508	
Dental Insurance	48	
Employer Medicare	133	
Audit Services	11,000	
Dues and Memberships	8,614	
Legal Services	10,162	
Travel	3,039	
Trustee's Commission	125,482	
Total Board of Education		168,586

Director of Schools

County Official/Administrative Officer	\$ 90,909	
Secretary(ies)	500	
Social Security	5,496	
Pensions	8,261	
Medical Insurance	5,515	
Dental Insurance	47	
Unemployment Compensation	16	
Employer Medicare	1,285	
Communication	27,498	
Dues and Memberships	2,785	
Postal Charges	253	
Travel	1,848	
Other Contracted Services	10,192	
Office Supplies	13,398	
Other Charges	5,688	
Regular Instruction Equipment	196	
Total Director of Schools		173,887

Office of the Principal

Assistant(s)	\$ 329,038	
Principals	448,660	
Secretary(ies)	214,166	
Social Security	57,881	
Pensions	88,915	
Medical Insurance	108,993	
Dental Insurance	656	
Unemployment Compensation	458	
Employer Medicare	13,537	
Office Supplies	17,918	
Other Supplies and Materials	137,290	
Other Charges	1,901	
Total Office of the Principal		1,419,413

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Accountants/Bookkeepers	\$	41,418	
Secretary(ies)		61,089	
Social Security		5,948	
Pensions		8,351	
Medical Insurance		315	
Unemployment Compensation		46	
Employer Medicare		1,441	
Travel		1,672	
Other Supplies and Materials		2,294	
Total Fiscal Services			\$ 122,574

Operation of Plant

Supervisor/Director	\$	39,478	
Custodial Personnel		461,626	
Social Security		28,481	
Pensions		29,384	
Medical Insurance		81,611	
Dental Insurance		324	
Unemployment Compensation		460	
Employer Medicare		6,812	
Disposal Fees		28,379	
Custodial Supplies		53,225	
Electricity		614,515	
Natural Gas		122,412	
Water and Sewer		66,561	
Other Charges		857	
Total Operation of Plant			1,534,125

Maintenance of Plant

Other Salaries and Wages	\$	247,903	
Social Security		13,384	
Pensions		16,760	
Medical Insurance		27,083	
Dental Insurance		139	
Unemployment Compensation		152	
Employer Medicare		3,318	
Maintenance and Repair Services - Buildings		48,316	
Maintenance and Repair Services - Equipment		20,076	
Other Contracted Services		70,773	
Other Supplies and Materials		146,021	
Other Charges		631	
Maintenance Equipment		34,286	
Total Maintenance of Plant			628,842

Transportation

Supervisor/Director	\$	40,352	
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(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Mechanic(s)	\$	88,861	
Bus Drivers		336,453	
Clerical Personnel		27,227	
Social Security		28,977	
Pensions		19,405	
Medical Insurance		64,077	
Dental Insurance		198	
Unemployment Compensation		609	
Employer Medicare		6,778	
Maintenance and Repair Services - Vehicles		5,469	
Medical and Dental Services		1,618	
Equipment and Machinery Parts		625	
Gasoline		176,392	
Lubricants		7,164	
Tires and Tubes		34,769	
Vehicle Parts		69,658	
Other Charges		11,853	
Transportation Equipment		425,689	
Total Transportation			\$ 1,346,174

Central and Other

Supervisor/Director	\$	52,801	
Other Salaries and Wages		204,206	
Social Security		13,555	
Pensions		19,917	
Medical Insurance		22,174	
Dental Insurance		93	
Unemployment Compensation		106	
Employer Medicare		3,523	
Consultants		4,000	
Maintenance and Repair Services - Equipment		7,292	
Other Contracted Services		469	
Instructional Supplies and Materials		80,596	
Data Processing Equipment		13,044	
Regular Instruction Equipment		23,996	
Total Central and Other			445,772

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	64,746	
Teachers		35,664	
Educational Assistants		5,062	
Other Salaries and Wages		2,021	
Social Security		6,574	
Pensions		9,391	
Medical Insurance		5,515	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Community Services (Cont.)

Dental Insurance	\$	47	
Unemployment Compensation		31	
Employer Medicare		1,537	
Travel		323	
Instructional Supplies and Materials		8,589	
Total Community Services			\$ 139,500

Early Childhood Education

Teachers	\$	340,009	
Clerical Personnel		3,050	
Educational Assistants		121,476	
Other Salaries and Wages		16,136	
Non-certified Substitute Teachers		10,348	
Social Security		27,293	
Pensions		42,203	
Medical Insurance		80,178	
Dental Insurance		423	
Unemployment Compensation		314	
Employer Medicare		6,383	
Communication		336	
Maintenance and Repair Services - Equipment		3,377	
Travel		3,973	
Other Contracted Services		12,098	
Food Supplies		8,237	
Instructional Supplies and Materials		46,768	
In Service/Staff Development		12,089	
Other Charges		9,991	
Regular Instruction Equipment		8,962	
Total Early Childhood Education			753,644

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	1,647,162	
Total Regular Capital Outlay			1,647,162

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	10,000	
Total Education			10,000

Total General Purpose School Fund \$ 22,938,478

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	342,264	
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(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Educational Assistants	\$	29,466	
Other Salaries and Wages		64,354	
Certified Substitute Teachers		502	
Non-certified Substitute Teachers		3,253	
Social Security		25,939	
Pensions		39,202	
Medical Insurance		30,124	
Dental Insurance		255	
Unemployment Compensation		239	
Employer Medicare		6,074	
Other Contracted Services		7,790	
Instructional Supplies and Materials		26,828	
Other Supplies and Materials		765	
Other Charges		640	
Total Regular Instruction Program			\$ 577,695

Special Education Program

Educational Assistants	\$	326,945	
Speech Pathologist		40,678	
Certified Substitute Teachers		167	
Non-certified Substitute Teachers		8,171	
Social Security		21,431	
Pensions		28,932	
Medical Insurance		44,537	
Dental Insurance		367	
Unemployment Compensation		290	
Employer Medicare		5,015	
Other Contracted Services		21,321	
Instructional Supplies and Materials		3,292	
Other Supplies and Materials		605	
Special Education Equipment		1,771	
Total Special Education Program			503,522

Vocational Education Program

Clerical Personnel	\$	1,600	
Educational Assistants		19,357	
Social Security		1,299	
Pensions		1,810	
Employer Medicare		304	
Vocational Instruction Equipment		11,778	
Total Vocational Education Program			36,148

Support Services

Other Student Support

Travel	\$	4,812	
Total Other Student Support			4,812

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	75,829	
Secretary(ies)		26,132	
Social Security		5,962	
Pensions		9,391	
Medical Insurance		13,538	
Dental Insurance		47	
Unemployment Compensation		29	
Employer Medicare		1,394	
Travel		1,124	
In Service/Staff Development		37,377	
Total Regular Instruction Program			\$ 170,823

Special Education Program

Secretary(ies)	\$	45,079	
Social Security		2,751	
Pensions		3,918	
Unemployment Compensation		30	
Employer Medicare		643	
In Service/Staff Development		3,466	
Total Special Education Program			55,887

Vocational Education Program

Supervisor/Director	\$	1,740	
Social Security		108	
Pensions		157	
Employer Medicare		25	
Total Vocational Education Program			2,030

Transportation

Bus Drivers	\$	50,332	
Social Security		3,087	
Pensions		2,947	
Unemployment Compensation		46	
Employer Medicare		722	
Total Transportation			57,134

Total School Federal Projects Fund \$ 1,408,051

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	56,073
Clerical Personnel		30,086
Cafeteria Personnel		283,785
Custodial Personnel		71,439
Other Salaries and Wages		183,774

(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Food Service (Cont.)

Social Security	\$	35,831	
Pensions		31,646	
Medical Insurance		87,782	
Dental Insurance		243	
Unemployment Compensation		592	
Employer Medicare		8,382	
Communication		2,728	
Maintenance and Repair Services - Equipment		19,312	
Travel		3,571	
Other Contracted Services		13,742	
Food Supplies		840,223	
Office Supplies		2,121	
Other Supplies and Materials		107,699	
In Service/Staff Development		4,997	
Data Processing Equipment		764	
Food Service Equipment		<u>22,758</u>	
Total Food Service			<u>\$ 1,807,548</u>
Total Central Cafeteria Fund			<u>\$ 1,807,548</u>
Total Governmental Funds - Humphreys County School Department			<u>\$ 26,154,077</u>

Exhibit K-9

Humphreys County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2015

	<u>Cities - Sales</u> <u>Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 1,521,132
Total Cash Receipts	<u>\$ 1,521,132</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,505,921
Trustee's Commission	15,211
Total Cash Disbursements	<u>\$ 1,521,132</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2014	<u>0</u>
Cash Balance, June 30, 2015	<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

Humphreys County Executive and
Board of County Commissioners
Humphreys 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Humphreys County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Humphreys County's basic financial statements, and have issued our report thereon dated October 20, 2015.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 2015-002 and 2015-005.

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: 2015-001 and 2015-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Humphreys 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2015-004.

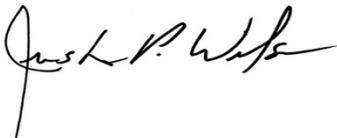
Humphreys County's Responses to Findings

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 20, 2015

JPW/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Humphreys County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Humphreys County's major federal programs for the year ended June 30, 2015. Humphreys 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 Humphreys 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 Humphreys 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 Humphreys County's compliance.

Opinion on Each Major Federal Program

In our opinion, Humphreys 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, 2015.

Report on Internal Control Over Compliance

Management of Humphreys 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 Humphreys 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 Humphreys County's internal control over compliance.

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

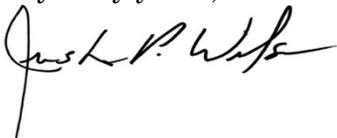
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Humphreys County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Humphreys County's basic financial statements. We issued our report thereon dated October 20, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 20, 2015

JPW/sb

Humphreys County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2015

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 223,122
National School Lunch Program	10.555	N/A	834,851
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	16,000
Direct Program:			
Environmental Quality Incentives Program	10.912	N/A	9,000
Total U.S. Department of Agriculture			\$ 1,082,973
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program	12.Unknown	N/A	\$ 176,218
Total U.S. Department of Defense			\$ 176,218
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	33004-20614	\$ 408,220
Total U.S. Department of Housing and Urban Development			\$ 408,220
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	31601-23613	\$ 300
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0016	3,609
Total U.S. Department of Justice			\$ 3,909
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(2)	\$ 938,917
Alcohol Open Container Requirements	20.607	Z-15-GHS166	59,097
Total U.S. Department of Transportation			\$ 998,014
U.S. Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	30504-00315-62	\$ 1,785
Total U.S. Institute of Museum and Library Services			\$ 1,785
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 592,220
Special Education Cluster:			
Special Education - Grants to States	84.027	(3)	599,123
Special Education - Preschool Grants	84.173	N/A	23,954
Career and Technical Education - Basic Grants to States	84.048	N/A	42,990
Twenty-first Century Community Learning Centers	84.287	(3)	140,000
Rural Education	84.358	N/A	51,481
Improving Teacher Quality State Grants	84.367	N/A	105,981
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	7,790
Total U.S. Department of Education			\$ 1,563,539

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1974-DR-TN	\$ 103,256
Hazard Mitigation Grant	97.039	FEMA-1974-0013	1,056,837
Emergency Management Performance Grants	97.042	34101-05914	28,750
Homeland Security Grant Program	97.067	EMW-2014-SS-00009	1,500
Total U.S. Department of Homeland Security			<u>\$ 1,190,343</u>
Total Expenditures of Federal Awards			<u>\$ 5,425,001</u>
Contract Number			
<u>State Grants</u>			
Airport Maintenance Program - State Department of Transportation	N/A	99-555-1239-04	\$ 3,525
Fingerprint Scan Equipment - State Department of Finance and Administration	N/A	(3)	27,524
Tourist Development Co-Op - State Department of Tourist Development	N/A	(3)	1,500
Local Health Services - State Department of Health	N/A	GG-1437724	79,449
Litter Grant - State Department of Transportation	N/A	Z13LIT043	35,000
Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-212941-02	7,260
Student Ticket Subsidy Grant - State Department of Education	N/A	(3)	1,102
Early Childhood Education - State Department of Education	N/A	(3)	767,643
Coordinated School Health - State Department of Education	N/A	(3)	100,000
Safe Schools - State Department of Education	N/A	(3)	16,630
ConnTenn - State Department of Education	N/A	(3)	8,272
ACT/EXPLORE/PLAN - State Department of Education	N/A	(3)	4,496
Energy Efficient School Initiative - State Department of Education	N/A	(3)	2,476
Total State Grants			<u>\$ 1,054,877</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

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

(2) AERO-13-192-00: N/A: \$13

(3) Information not available.

Humphreys County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2015

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Humphreys County, Tennessee, for the year ended June 30, 2014, which have not been corrected.

OFFICE OF COUNTY EXECUTIVE

Finding Number	Page Number	Subject
2014-001	144	A formal purchase order system had not been established

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

Finding Number	Page Number	Subject
2014-002	144	Duties were not segregated adequately

HUMPHREYS COUNTY

Finding Number	Page Number	Subject
2014-004	146	The county used a questionable method of funding workers' compensation expenses, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds
2014-005	147	Humphreys County has a material recurring audit finding

HUMPHREYS COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Humphreys County is unmodified.
2. The audit of the financial statements of Humphreys 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 is material to the financial statements of Humphreys County.
4. The audit reported no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Community Development Block Grants/State's Program (CFDA No. 14.228), Airport Improvement Program (CFDA No. 20.106), and Hazard Mitigation Grant (CFDA No. 97.039) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Humphreys 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 county executive and county clerk provided written responses on certain findings, which are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY EXECUTIVE

FINDING 2015-001 **A FORMAL PURCHASE ORDER SYSTEM HAD NOT BEEN ESTABLISHED**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The office had not established a formal purchase order system. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. This deficiency is the result of management's failure to correct the finding noted in prior-year audit reports. The absence of a formal purchase order system increases the risks of unauthorized purchases.

RECOMMENDATION

The office should establish a formal purchase order system to improve internal controls over the purchasing process and to document purchasing commitments.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

I agree with the finding and the recommendation. A system for general government operations would be a challenge to establish and administer and would certainly result in an increase in staffing needs.

AUDITOR'S COMMENT

Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments.

OFFICE OF ROAD SUPERVISOR

FINDING 2015-002 **THE HIGHWAY/PUBLIC WORKS FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2015, certain general ledger account balances in the Highway/Public Works Fund were not materially correct, and audit adjustments totaling \$1,018,083 were required for the

financial statements to be materially correct at year-end. Sound financial management practices dictate that the Highway Department have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the Highway 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 Highway 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. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

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

FINDING 2015-003

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

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

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

I have been in contact with County Technical Assistance Services who is developing some policy recommendations for us that we hope will bring us into compliance by the end of the 2015-16 fiscal year.

MANAGEMENT'S RESPONSE – COUNTY CLERK

For a number of years our office has been cited for duties not being segregated adequately. While I understand the importance of dual control and segregation of duties, our staff of three clerks makes this task virtually impossible. For fiscal year 2016, we will try our hardest to initiate procedures that will hopefully remove this finding from our report.

AUDITOR'S COMMENT

The Comptroller's Office has provided guidelines to assist the county clerk in properly segregating duties. These guidelines provide suggestions on which duties should be segregated, and these suggestions can be accomplished in an office with three employees and the official.

HUMPHREYS COUNTY

FINDING 2015-004

THE COUNTY USED A QUESTIONABLE METHOD OF FUNDING WORKERS' COMPENSATION EXPENSES, GENERAL LIABILITY INSURANCE, OFFICIALS' CORPORATE SURETY BONDS, AND EMPLOYEES' DISHONESTY BONDS

(Material Noncompliance Under *Government Auditing Standards*)

During the year, premiums for workers' compensation expenses, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds for the Highway Department and the School Department were paid from the county's General Fund. The state attorney general has opined in Opinion No. 92-03 that state statutes authorize a county to levy a tax for county general purposes and has defined a county general purpose levy as a levy for all county purposes, except roads, bridges, and schools. Also, the state attorney general has opined that workers' compensation claims and/or insurance coverage for county school employees must be funded through the county's school fund. The payment of these expenses has been a management decision by the County Commission since this finding has been reported in annual financial reports for the last several years. The legality of using General Fund monies to pay for workers' compensation, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds for highway and school employees is questionable.

RECOMMENDATION

County officials should take immediate action to change the funding procedures and allocate the costs to the appropriate funds.

MANAGEMENT’S RESPONSE – COUNTY EXECUTIVE

I’m told by our underwriter that we get a break on administrative cost with combining the liability coverage and workers compensation. Plus by serving as administrative contact for all of entities’ workers’ compensation insurance, my office is able to maintain exact records on employee injury as mandated by OSHA.

AUDITOR’S COMMENT

The county could continue to combine the insurance policies in order to reduce administrative costs as well as maintaining control over records. However, these costs should be allocated to the appropriate funds.

FINDING 2015-005

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

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

Humphreys County has a material audit finding that has been reported in its annual financial reports for three or more consecutive years. This recurring material finding is listed as follows:

<u>Finding Numbers</u>	<u>Description</u>
2015-004, 2014-004, 2013-003	The county used a questionable method of funding workers’ compensation expenses, general liability insurance, officials’ corporate surety bonds, and employees’ dishonesty bonds

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

RECOMMENDATION

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

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

There were no findings and questioned costs for federal awards.

BEST PRACTICE

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

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

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

Humphreys 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.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

A centralized system would be very beneficial but would involve an enormous migration of responsibility and the creation of a department of financial management that would be very expensive to create and to fund on a continuing basis. In the future, other necessities could force a personnel increase that would also provide an opportunity for meeting this need as well.

AUDITOR'S COMMENT

The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Humphreys County. Tennessee counties of various sizes have implemented central systems of accounting, purchasing, and budgeting. While a central system may have some initial set-up costs, the consolidation of the current financial staff from the general government, highway, and school departments should minimize the increased costs.

HUMPHREYS COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2015

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