ANNUAL FINANCIAL REPORT

JOHNSON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015

TENNESSEE COMPTROLLER OF THE TREASURY

DIVISION OF LOCAL GOVERNMENT AUDIT

ANNUAL FINANCIAL REPORT

JOHNSON 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

MARK TREECE, CPA, CGFM
Audit Manager

MARIE TIDWELL, CPA
Auditor 4

ROBERT ANDERSON
GREG BRUSH, CISA
State Auditors

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

JOHNSON COUNTY, TENNESSEE
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Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in three findings and recommendations, which we have reviewed with Johnson 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 DIRECTOR OF SCHOOLS

- The School Department failed to request reimbursements for grant expenditures on a timely basis resulting in deficits in unassigned fund balances and cash overdrafts.
- The School Department had purchasing deficiencies.

OFFICES OF CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF

- Duties were not segregated adequately.

Introductory Section

Johnson County Officials
June 30, 2015

Officials

Larry Potter, County Mayor
Darrell Reece, Road Superintendent
Mischelle Simcox, Director of Schools
Lisa Crowder, Trustee
Matthew Lewis, Assessor of Property
Tammie Fenner, County Clerk
Melissa Hollaway, Circuit and General Sessions Courts Clerk
Sherrie Fenner, Clerk and Master
Freida May Gwinn, Register of Deeds
William Reece, Sheriff
Dustin Shearin, Purchasing Agent
Russell Robinson, Director of Accounts and Budgets

Board of County Commissioners

Mike Taylor, Chairman
Bill Adams
Eugene Campbell
Robert Grindstaff
Evelyn Hill
Huey Long
Jimmy Lowe
George Lowe
Gina Meade
Steve Marshall
Scott Mast
Chris Pierce
Tommy Poore
Rick Snyder
Bill Roark

Board of Education

Kevin Long, Chairman
Howard Carlton
Brad Dunn
Bill Gambill
Kenny Gregg

Audit Committee

Huey Long, Chairman
Sally Snyder
Gina Meade

FINANCIAL SECTION

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

Independent Auditor's Report

Johnson County Mayor and
Board of County Commissioners
Johnson County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Tennessee, as of June 30, 2015, and the respective changes in financial position thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Johnson 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.8. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position by $282,954, and the discretely presented School Department's net position by $3,376,581, 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 this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to

supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedule of county contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress – pension plan and other postemployment benefits plan on pages 77-83 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 Johnson County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Johnson County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

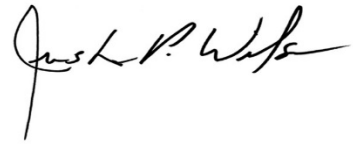
and individual fund financial statements of the Johnson County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 15, 2015, on our consideration of Johnson 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 Johnson County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

Nashville, Tennessee

October 15, 2015

JPW/kp

Basic Financial Statements

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Johnson County School Department
ASSETS		
Cash and Equivalents	$ 13,156	$ 58,902
Equity in Pooled Cash and Investments	8,817,104	3,394,652
Accounts Receivable	71,304	33,692
Due from Other Governments	747,019	549,752
Due from Primary Government	0	218
Property Taxes Receivable	3,166,749	2,866,740
Allowance for Uncollectible Property Taxes	(120,333)	(108,934)
Unamortized Discount on Debt	6,557	0
Net Pension Asset - Agent Plan	53,928	87,356
Net Pension Asset - Cost-Sharing Plan	0	36,620
Capital Assets:		
Assets Not Depreciated:		
Land	830,378	946,939
Construction in Progress	36,592	4,500
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	6,876,124	13,400,147
Infrastructure	2,661,714	301,447
Other Capital Assets	610,192	1,142,984
Total Assets	$ 23,770,484	$ 22,715,015
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	$ 217,341	$ 0
Pension Changes in Experience	98,600	248,623
Pension Contributions after Measurement Date	406,677	1,074,071
Pension Other Deferrals	0	4,216
Total Deferred Outflows of Resources	$ 722,618	$ 1,326,910
LIABILITIES		
Accounts Payable	$ 21,624	$ 131,541
Accrued Payroll	0	17,493
Payroll Deductions Payable	119,660	676,823
Contracts Payable	2,457	0
Accrued Interest Payable	27,999	0
Due to Component Units	218	0
Due to State of Tennessee	8,940	0
Other Current Liabilities	13,009	58,902

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Johnson County School Department
LIABILITIES (Cont.)		
Noncurrent Liabilities:		
Due Within One Year	1,066,849	48,974
Due in More Than One Year (net of unamortized premium on debt)	13,682,527	78,729
Total Liabilities	$ 14,943,283	$ 1,012,462
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	$ 2,933,926	$ 2,655,973
Pension Changes in Investment Earnings	465,994	3,772,116
Total Deferred Inflows of Resources	$ 3,399,920	$ 6,428,089
NET POSITION		
Net Investment in Capital Assets	$ 5,876,313	$ 15,796,017
Restricted for:		
General Government	99,556	0
Finance	23,418	0
Administration of Justice	77,501	0
Public Safety	96,226	0
Public Health and Welfare	46,727	0
Highways	192,661	0
Education	0	879,977
Capital Outlay	1,151,649	0
Other Purposes	93,211	0
Unrestricted	(1,507,363)	(74,620)
Total Net Position	$ 6,149,899	$ 16,601,374

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit: Johnson County School Department
Primary Government:						
Governmental Activities:						
General Government	$ 1,617,441	$ 674,500	$ 58,820	$ 46,931	$ (837,190)	$ 0
Finance	946,993	397,628	0	0	(549,365)	0
Administration of Justice	593,099	387,768	9,400	0	(195,931)	0
Public Safety	3,088,568	1,272,424	48,375	24,258	(1,743,511)	0
Public Health and Welfare	1,049,050	454,023	180,412	241,383	(173,232)	0
Social, Cultural, and Recreational Services	196,334	0	35,022	14,628	(146,684)	0
Agriculture and Natural Resources	84,651	0	0	0	(84,651)	0
Highways	1,507,007	19,130	1,529,405	51,403	92,931	0
Education	79,395	0	0	0	(79,395)	0
Interest on Long-term Debt	342,098	0	377,789	0	35,691	0
Total Primary Government	$ 9,504,636	$ 3,205,473	$ 2,239,223	$ 378,603	$ (3,681,337)	$ 0
Component Unit:						
Johnson County School Department	$ 21,367,748	$ 267,146	$ 4,422,959	$ 94,499	$ 0	$ (16,583,144)
Total Component Unit	$ 21,367,748	$ 267,146	$ 4,422,959	$ 94,499	$ 0	$ (16,583,144)

(Continued)

Exhibit B

Johnson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit: Johnson County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					$ 2,309,316	$ 2,740,978
Property Taxes Levied for Debt Service					721,923	0
Local Option Sales Taxes					288,285	721,907
Hotel/Motel Tax					20,329	0
Wheel Tax					615,210	0
Litigation Tax - General					9,418	0
Litigation Tax - Special Purpose					38,522	0
Litigation Tax - Jail, Workhouse, or Courthouse					16,964	0
Business Tax					68,594	0
Mixed Drink Tax					610	0
Mineral Severance Tax					1,874	0
Bank Excise Tax					16,876	0
Wholesale Beer Tax					144,220	0
Other Local Taxes					0	3,670
Grants and Contributions Not Restricted to Specific Programs					558,727	13,030,276
Unrestricted Investment Income					53,338	27,995
Miscellaneous					55,658	302,094
Gain on Disposal of Capital Assets					43,896	0
Pension Income					0	30,704
Total General Revenues					$ 4,963,760	$ 16,857,624
Change in Net Position					$ 1,282,423	$ 274,480
Net Position, July 1, 2014					5,150,430	19,703,475
Restatement - Pension Liability (see Note I.D.8.)					(282,954)	(3,376,581)
Net Position, June 30, 2015					$ 6,149,899	$ 16,601,374

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
ASSETS					
Cash	$ 10,697	$ 909	$ 0	$ 1,550	$ 13,156
Equity in Pooled Cash and Investments	1,759,730	413,000	5,208,533	1,435,841	8,817,104
Accounts Receivable	36,593	0	0	34,711	71,304
Due from Other Governments	320,057	263,758	158,567	4,637	747,019
Due from Other Funds	1,093	21,570	188,237	2,876	213,776
Property Taxes Receivable	2,000,051	0	766,687	400,011	3,166,749
Allowance for Uncollectible Property Taxes	(76,000)	0	(29,133)	(15,200)	(120,333)
Total Assets	$ 4,052,221	$ 699,237	$ 6,292,891	$ 1,864,426	$ 12,908,775
LIABILITIES					
Accounts Payable	$ 19,455	$ 796	$ 0	$ 1,373	$ 21,624
Payroll Deductions Payable	97,023	22,637	0	0	119,660
Contracts Payable	2,457	0	0	0	2,457
Due to Other Funds	46,016	0	0	167,760	213,776
Due to Component Units	218	0	0	0	218
Due to State of Tennessee	7,142	1,798	0	0	8,940
Other Current Liabilities	10,697	909	0	1,403	13,009
Total Liabilities	$ 183,008	$ 26,140	$ 0	$ 170,536	$ 379,684
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 1,853,005	$ 0	$ 710,319	$ 370,602	$ 2,933,926
Deferred Delinquent Property Taxes	66,074	0	25,329	13,214	104,617
Other Deferred/Unavailable Revenue	45,937	130,544	84,161	0	260,642
Total Deferred Inflows of Resources	$ 1,965,016	$ 130,544	$ 819,809	$ 383,816	$ 3,299,185

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES					
Restricted:					
Restricted for General Government	$ 99,556	$ 0	$ 0	$ 0	$ 99,556
Restricted for Finance	23,418	0	0	0	23,418
Restricted for Administration of Justice	77,501	0	0	0	77,501
Restricted for Public Safety	58,964	0	0	37,262	96,226
Restricted for Public Health and Welfare	46,727	0	0	0	46,727
Restricted for Highways/Public Works	0	82,996	0	0	82,996
Restricted for Capital Outlay	0	0	0	1,141,738	1,141,738
Committed:					
Committed for Public Health and Welfare	0	0	0	89,575	89,575
Committed for Social, Cultural, and Recreational Services	0	0	0	12,496	12,496
Committed for Highways/Public Works	0	459,557	0	0	459,557
Committed for Capital Outlay	0	0	0	29,003	29,003
Committed for Debt Service	0	0	5,473,082	0	5,473,082
Assigned:					
Assigned for General Government	435,812	0	0	0	435,812
Assigned for Public Safety	382,661	0	0	0	382,661
Assigned for Social, Cultural, and Recreational Services	33,528	0	0	0	33,528
Unassigned	746,030	0	0	0	746,030
Total Fund Balances	$ 1,904,197	$ 542,553	$ 5,473,082	$ 1,310,074	$ 9,229,906
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,052,221	$ 699,237	$ 6,292,891	$ 1,864,426	$ 12,908,775

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

Exhibit C-2

Johnson 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)		$ 9,229,906
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 830,378	
Add: construction in progress	36,592	
Add: other capital assets net of accumulated depreciation	610,192	
Add: buildings and improvements net of accumulated depreciation	6,876,124	
Add: infrastructure net of accumulated depreciation	2,661,714	11,015,000
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	$ (88,037)	
Less: bonds payable	(11,365,000)	
Less: capital leases payable	(63,399)	
Add: deferred amount on refunding	217,341	
Add: deferred charges - discount on debt	6,557	
Less: compensated absences payable	(157,799)	
Less: landfill postclosure care costs	(1,201,780)	
Less: other postemployment benefits liability	(1,676,893)	
Less: accrued interest on bonds, notes, and other loans payable	(27,999)	
Less: other deferred revenue - premium on debt	(196,468)	(14,553,477)
(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 resourses related to pensions	$ 505,277	
Less: deferred inflows of resources related to pensions	(465,994)	39,283
(4) Net pension assets of the cost-sharing plan are not current financial resources and therefore are not reported in the governmental funds.		53,928
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		365,259
Net position of governmental activities (Exhibit A)		$ 6,149,899

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Revenues					
Local Taxes	$ 2,998,832	$ 1,874	$ 859,630	$ 431,469	$ 4,291,805
Licenses and Permits	55,322	0	0	0	55,322
Fines, Forfeitures, and Penalties	133,351	0	0	30,572	163,923
Charges for Current Services	50,891	0	0	449,662	500,553
Other Local Revenues	735,494	44,283	0	117,135	896,912
Fees Received from County Officials	701,964	0	0	0	701,964
State of Tennessee	1,896,855	1,480,068	0	37,656	3,414,579
Federal Government	273,780	99,777	0	0	373,557
Other Governments and Citizens Groups	76,620	8,636	377,789	34,980	498,025
Total Revenues	$ 6,923,109	$ 1,634,638	$ 1,237,419	$ 1,101,474	$ 10,896,640
Expenditures					
Current:					
General Government	$ 652,502	$ 0	$ 0	$ 211	$ 652,713
Finance	773,301	0	0	0	773,301
Administration of Justice	649,041	0	0	0	649,041
Public Safety	3,009,833	0	0	38,319	3,048,152
Public Health and Welfare	268,861	0	0	545,853	814,714
Social, Cultural, and Recreational Services	92,049	0	0	73,005	165,054
Agriculture and Natural Resources	91,233	0	0	0	91,233
Other Operations	1,007,970	0	0	0	1,007,970
Highways	44,390	1,567,219	0	0	1,611,609
Debt Service:					
Principal on Debt	0	0	864,284	0	864,284
Interest on Debt	0	0	387,095	0	387,095
Other Debt Service	0	0	142,328	0	142,328

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Expenditures (Cont.)					
Capital Projects	$ 0	$ 0	$ 0	$ 169,311	$ 169,311
Total Expenditures	$ 6,589,180	$ 1,567,219	$ 1,393,707	$ 826,699	$ 10,376,805
Excess (Deficiency) of Revenues Over Expenditures	$ 333,929	$ 67,419	$ (156,288)	$ 274,775	$ 519,835
Other Financing Sources (Uses)					
Refunding Debt Issued	$ 0	$ 0	$ 6,470,000	$ 0	$ 6,470,000
Premiums on Debt Issued	0	0	180,526	0	180,526
Insurance Recovery	26,833	12,377	0	0	39,210
Transfers In	0	230,704	250,704	30,760	512,168
Transfers Out	(492,168)	0	0	(20,000)	(512,168)
Payments to Refunded Debt Escrow Agent	0	0	(6,532,997)	0	(6,532,997)
Total Other Financing Sources (Uses)	$ (465,335)	$ 243,081	$ 368,233	$ 10,760	$ 156,739
Net Change in Fund Balances	$ (131,406)	$ 310,500	$ 211,945	$ 285,535	$ 676,574
Fund Balance, July 1, 2014	2,035,603	232,053	5,261,137	1,024,539	8,553,332
Fund Balance, June 30, 2015	$ 1,904,197	$ 542,553	$ 5,473,082	$ 1,310,074	$ 9,229,906

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

Exhibit C-4

Johnson 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)		$ 676,574
(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	$ 247,199	
Less: current-year depreciation expense	(624,471)	(377,272)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: book value of capital assets disposed		(7,500)
(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	$ 365,259	
Less: deferred delinquent property taxes and other deferred June 30, 2014	(474,840)	(109,581)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: refunding bonds proceeds	$ (6,470,000)	
Less: change in unamortized premium on debt issuances	(173,581)	
Less: change in unamortized discount on debt	(555)	
Add: principal payments on bonds	735,000	
Add: principal payments on notes	20,000	
Add: principal payments on other loans	48,024	
Add: principal payments on capital leases	61,260	
Add: principal amount of debt refunded	6,405,000	
Add: change in deferred amount on refunding	106,784	731,932
(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	$ 59,820	
Change in compensated absences payable	54,012	
Change in landfill postclosure care costs	634	
Change in other postemployment benefits liability	(122,361)	
Change in net pension liability/asset	336,882	
Change in deferred outflows related to pensions	505,277	
Change in deferred inflows related to pensions	(465,994)	368,270
Change in net position of governmental activities (Exhibit B)		$ 1,282,423

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

Exhibit C-5

Johnson County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 2,998,832	$ 0	$ 0	$ 2,998,832	$ 2,968,695	$ 2,969,195	$ 29,637
Licenses and Permits	55,322	0	0	55,322	38,000	38,000	17,322
Fines, Forfeitures, and Penalties	133,351	0	0	133,351	107,900	118,590	14,761
Charges for Current Services	50,891	0	0	50,891	45,100	53,900	(3,009)
Other Local Revenues	735,494	0	0	735,494	675,385	958,334	(222,840)
Fees Received from County Officials	701,964	0	0	701,964	712,500	712,500	(10,536)
State of Tennessee	1,896,855	0	0	1,896,855	2,143,380	2,254,421	(357,566)
Federal Government	273,780	0	0	273,780	83,500	294,232	(20,452)
Other Governments and Citizens Groups	76,620	0	0	76,620	39,500	82,572	(5,952)
Total Revenues	$ 6,923,109	$ 0	$ 0	$ 6,923,109	$ 6,813,960	$ 7,481,744	$ (558,635)
Expenditures							
General Government							
County Commission	$ 75,866	$ (50)	$ 100	$ 75,916	$ 78,279	$ 79,972	$ 4,056
Board of Equalization	1,000	0	0	1,000	1,200	1,200	200
Other Boards and Committees	1,899	0	0	1,899	3,638	3,738	1,839
County Mayor/Executive	132,083	(1,970)	0	130,113	140,388	131,097	984
County Attorney	12,477	(80)	0	12,397	10,700	13,700	1,303
Election Commission	186,575	(501)	0	186,074	192,568	195,452	9,378
Register of Deeds	117,141	0	0	117,141	127,001	124,070	6,929
County Buildings	125,461	(2,433)	5,743	128,771	112,594	132,662	3,891
Finance							
Accounting and Budgeting	189,175	(3,996)	247	185,426	184,914	185,546	120
Purchasing	43,373	(2,229)	303	41,447	40,116	41,586	139
Property Assessor's Office	126,714	(30)	0	126,684	137,417	137,417	10,733
Reappraisal Program	43,303	0	0	43,303	49,592	49,592	6,289
County Trustee's Office	150,106	(150)	0	149,956	128,867	150,031	75
County Clerk's Office	220,630	0	0	220,630	218,716	230,326	9,696
Administration of Justice							
Circuit Court	267,518	(292)	612	267,838	262,129	289,833	21,995
General Sessions Court	124,085	(50)	0	124,035	124,284	124,284	249

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Administration of Justice (Cont.)							
Chancery Court	$ 125,855	$ (18)	$ 46	$ 125,883	$ 140,348	$ 143,823	$ 17,940
Juvenile Court	127,924	(800)	842	127,966	102,251	131,234	3,268
Courtroom Security	3,659	(3,601)	0	58	7,500	7,500	7,442
Public Safety							
Sheriff's Department	1,419,590	(8,287)	8,490	1,419,793	1,468,698	1,507,156	87,363
Administration of the Sexual Offender Registry	400	0	0	400	1,500	1,500	1,100
Jail	1,199,594	(54,820)	37,194	1,181,968	1,124,842	1,248,321	66,353
Commissary	55,365	0	365	55,730	0	260,000	204,270
Fire Prevention and Control	159,000	0	0	159,000	159,000	159,000	0
Civil Defense	87,144	(718)	0	86,426	90,251	90,921	4,495
Other Emergency Management	66,600	0	0	66,600	66,600	66,600	0
Inspection and Regulation	19,249	(116)	0	19,133	17,288	19,288	155
County Coroner/Medical Examiner	2,891	0	0	2,891	2,893	2,893	2
Public Health and Welfare							
Local Health Center	195,033	(2,582)	335	192,786	378,190	394,512	201,726
Rabies and Animal Control	524	0	0	524	4,000	4,000	3,476
Regional Mental Health Center	5,300	0	0	5,300	5,300	5,300	0
Appropriation to State	26,252	0	0	26,252	28,048	28,048	1,796
Other Public Health and Welfare	41,752	(140)	512	42,124	0	88,883	46,759
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	62,174	0	33,528	95,702	63,358	96,886	1,184
Other Social, Cultural, and Recreational	29,875	0	0	29,875	29,975	29,975	100
Agriculture and Natural Resources							
Agricultural Extension Service	70,018	0	0	70,018	72,490	72,490	2,472
Soil Conservation	21,215	0	0	21,215	21,304	21,304	89
Other Operations							
Tourism	17,889	0	0	17,889	15,000	18,050	161
Other Economic and Community Development	179,467	0	0	179,467	0	210,732	31,265
Airport	82,419	(80)	11,390	93,729	16,200	95,100	1,371
Veterans' Services	28,374	(93)	0	28,281	28,479	28,479	198

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Other Operations (Cont.)							
Other Charges	$ 445,190	$ 0	$ 0	$ 445,190	$ 638,792	$ 644,985	$ 199,795
Contributions to Other Agencies	25,974	0	0	25,974	24,344	26,072	98
Employee Benefits	34,855	0	0	34,855	31,283	38,664	3,809
Miscellaneous	193,802	(1,617)	0	192,185	185,767	200,928	8,743
Highways							
Litter and Trash Collection	44,390	(2,830)	0	41,560	46,345	46,345	4,785
Total Expenditures	$ 6,589,180	$ (87,483)	$ 99,707	$ 6,601,404	$ 6,582,449	$ 7,579,495	$ 978,091
Excess (Deficiency) of Revenues Over Expenditures	$ 333,929	$ 87,483	$ (99,707)	$ 321,705	$ 231,511	$ (97,751)	$ 419,456
Other Financing Sources (Uses)							
Insurance Recovery	$ 26,833	$ 0	$ 0	$ 26,833	$ 0	$ 26,833	$ 0
Transfers Out	(492,168)	0	0	(492,168)	(544,000)	(551,578)	59,410
Total Other Financing Sources	$ (465,335)	$ 0	$ 0	$ (465,335)	$ (544,000)	$ (524,745)	$ 59,410
Net Change in Fund Balance	$ (131,406)	$ 87,483	$ (99,707)	$ (143,630)	$ (312,489)	$ (622,496)	$ 478,866
Fund Balance, July 1, 2014	2,035,603	(87,483)	0	1,948,120	1,883,666	1,883,666	64,454
Fund Balance, June 30, 2015	$ 1,904,197	$ 0	$ (99,707)	$ 1,804,490	$ 1,571,177	$ 1,261,170	$ 543,320

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

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 1,874	$ 0	$ 0	$ 1,874	$ 1,000	$ 1,000	$ 874
Other Local Revenues	44,283	0	0	44,283	1,416	41,933	2,350
State of Tennessee	1,480,068	0	0	1,480,068	1,450,359	1,450,359	29,709
Federal Government	99,777	0	0	99,777	20,000	98,102	1,675
Other Governments and Citizens Groups	8,636	0	0	8,636	0	8,436	200
Total Revenues	$ 1,634,638	$ 0	$ 0	$ 1,634,638	$ 1,472,775	$ 1,599,830	$ 34,808
Expenditures							
Highways							
Administration	$ 201,411	$ (100)	$ 0	$ 201,311	$ 231,805	$ 238,305	$ 36,994
Highway and Bridge Maintenance	914,354	(14,500)	12,500	912,354	1,048,889	1,077,344	164,990
Operation and Maintenance of Equipment	241,921	(18,493)	9,031	232,459	260,000	311,590	79,131
Other Charges	68,576	(413)	850	69,013	69,742	70,742	1,729
Employee Benefits	87,821	0	0	87,821	92,652	92,674	4,853
Capital Outlay	53,136	0	0	53,136	24,687	74,952	21,816
Total Expenditures	$ 1,567,219	$ (33,506)	$ 22,381	$ 1,556,094	$ 1,727,775	$ 1,865,607	$ 309,513
Excess (Deficiency) of Revenues Over Expenditures	$ 67,419	$ 33,506	$ (22,381)	$ 78,544	$ (255,000)	$ (265,777)	$ 344,321
Other Financing Sources (Uses)							
Insurance Recovery	$ 12,377	$ 0	$ 0	$ 12,377	$ 0	$ 10,777	$ 1,600
Transfers In	230,704	0	0	230,704	255,000	255,000	(24,296)
Total Other Financing Sources	$ 243,081	$ 0	$ 0	$ 243,081	$ 255,000	$ 265,777	$ (22,696)
Net Change in Fund Balance	$ 310,500	$ 33,506	$ (22,381)	$ 321,625	$ 0	$ 0	$ 321,625
Fund Balance, July 1, 2014	232,053	(33,506)	0	198,547	173,718	173,718	24,829
Fund Balance, June 30, 2015	$ 542,553	$ 0	$ (22,381)	$ 520,172	$ 173,718	$ 173,718	$ 346,454

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

Exhibit D

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

	Agency Funds
ASSETS	
Cash	$ 318,648
Equity in Pooled Cash and Investments	71,124
Accounts Receivable	4,880
Due from Other Governments	81,547
Total Assets	$ 476,199
LIABILITIES	
Due to Other Taxing Units	$ 153,626
Due to Litigants, Heirs, and Others	322,573
Total Liabilities	$ 476,199

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

JOHNSON COUNTY, TENNESSEE
Index of Notes to the Financial Statements

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Johnson 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 Johnson County:

A. Reporting Entity

Johnson County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Johnson 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 Johnson County School Department operates the public school system in the county, and the voters of Johnson 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 Johnson County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Johnson County, and the Johnson 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 Johnson 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 Johnson 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 Johnson County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Johnson County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Johnson County Emergency
Communications District
999 Honeysuckle Street
Mountain City, TN 37683

Related Organization – The Johnson County Industrial Commission is a related organization of Johnson County. The county's officials are responsible for appointing the members of the Johnson County Industrial Commission; however, the county's accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

Johnson County issues all debt for the discretely presented Johnson 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 and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

Fund financial statements of Johnson County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Johnson County has no proprietary funds to report.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. 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. Johnson County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest

on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Johnson County reports the following major governmental funds:

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

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

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

Additionally, Johnson County reports the following fund types:

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Johnson County, and assets held in a custodial capacity for the Doe Mountain Recreation Authority. 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 Johnson County School Department reports the following major governmental funds:

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.

School Federal Projects Fund – This special revenue fund accounts for restricted federal revenues, which must be expended on specific education programs.

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

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

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the 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 Johnson County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Johnson County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a

2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

Long-term receivables between funds, as reported in Due from Other Funds in the General Debt Service Fund financial statements, are included in committed fund balance.

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.01 percent of total taxes levied.

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

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

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

Most payables are disaggregated on the face of the financial statements. Other current liabilities of the General, Highway/Public Works, and the discretely presented School Department's General Purpose School funds consist of balances of employee federal tax deposits not drawn as of June 30, 2015. Other current liabilities of the Drug Control Fund represent asset seizures that have not been awarded to the county as of June 30, 2015.

3. Capital Assets

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

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

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

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

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

Assets	Years
Buildings and Improvements	7 - 39
Machinery and Equipment	5 - 15
Other Capital Assets	5 - 15
Infrastructure:	
Roads	9 - 20
Bridges	75
School Infrastructure	15

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. 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, employer contributions made to the pension plan after the measurement date, other pension deferrals, and the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt.

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, etc.) 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 investment earnings, and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. <u>Compensated Absences</u>

It is the county's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits, which will be paid to employees upon separation of service. All vacation and sick pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation and sick pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

It is the policy of the Johnson County School Department to permit noncertified employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid upon separation from service. All vacation pay is accrued when incurred in the government-wide financial statements for the School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. Also, the general policy of the School Department permits all professional personnel (teachers) to accumulate an unlimited amount of unused sick leave days. There is no liability for unpaid accumulated sick leave since the School

Department does not have a policy to pay any amounts when employees separate from service.

6. Long-term Obligations

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

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

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

7. Net Position and Fund Balances

In the government-wide financial statements, equity is classified as net position and displayed in three components:

a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors,

grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

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

Restricted for Other Purposes in the governmental activities represents net position attributable to pension activity.

As of June 30, 2015, Johnson County had $6,400,217 in outstanding debt for capital purposes for the discretely presented Johnson County School Department. This debt is a liability of Johnson County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Johnson 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 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 and the Board of Education are authorized bodies to make assignments by resolution. Assigned fund balance in the General Fund includes fund balance approved for use in the budget for fiscal year ending June 30, 2016 ($137,983), encumbrances ($99,707), and amounts assigned by the commission for public safety ($336,612) and various other purposes ($277,699). Assigned fund balance in the discretely presented School Department's General Purpose School Fund includes encumbrances of ($105,996), and amounts assigned by the board for various purposes within Instruction ($275,000), Support ($171,436), and Capital Outlay ($400,000).

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

8. <u>Restatement</u>

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 Johnson County's beginning net position has been recognized on the Statement of Activities totaling $282,954. In addition, a restatement to decrease the discretely presented School Department's beginning net position totaling $3,376,581 has been recognized in the Statement of Activities for liabilities of the pension agent plan $458,346 and the pension cost-sharing plan $2,918,235.

E. <u>Pension Plans</u>

<u>Primary Government</u>

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 Johnson County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from

Johnson 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 Johnson 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 Johnson County School Department

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

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

Primary Government

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

Discretely Presented Johnson County School Department

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

III. STEWARDSHIP, C7OMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Other Boards and Committees, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2015, Johnson County had the following significant encumbrance:

Fund	Description	Amount
Primary Government:		
Major Fund:		
General	Van	$ 33,528
Nonmajor Fund:		
General Capital Projects	Buses	161,448

B. Fund Deficit

The School Federal Projects Fund (special revenue fund) of the discretely presented Johnson County School Department had a deficit unassigned fund balance of $150,502 at June 30, 2015. This deficit unassigned fund balance was liquidated when revenues were recognized after June 30, 2015.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Board of Education major appropriations category (the legal level of control) of the General Purpose School Fund by $17,751. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the General Purpose School Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Johnson County and the Johnson 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 agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

Investments

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

The county had no pooled and nonpooled investments as of June 30, 2015.

B. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	$ 830,378	$ 0	$ 0	$ 830,378
Construction in Progress	0	36,592	0	36,592
Total Capital Assets Not Depreciated	$ 830,378	$ 36,592	$ 0	$ 866,970
Capital Assets Depreciated:				
Buildings and Improvements	$ 11,225,081	$ 0	$ 0	$ 11,225,081
Other Capital Assets	3,619,023	80,465	(292,349)	3,407,139
Infrastructure	3,753,084	130,142	0	3,883,226
Total Capital Assets Depreciated	$ 18,597,188	$ 210,607	$ (292,349)	$ 18,515,446
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 4,082,946	$ 266,011	$ 0	$ 4,348,957
Other Capital Assets	2,911,531	170,265	(284,849)	2,796,947
Infrastructure	1,033,317	188,195	0	1,221,512
Total Accumulated Depreciation	$ 8,027,794	$ 624,471	$ (284,849)	$ 8,367,416
Total Capital Assets Depreciated, Net	$ 10,569,394	$ (413,864)	$ (7,500)	$ 10,148,030
Governmental Activities Capital Assets, Net	$ 11,399,772	$ (377,272)	$ (7,500)	$ 11,015,000

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

Governmental Activities:

General Government	$ 160,532
Finance	3,824
Administration of Justice	5,388
Public Safety	197,081
Public Health and Welfare	59,451
Social, Cultural, and Recreational Services	16,497
Highways/Public Works	181,698
Total Depreciation Expense - Governmental Activities	$ 624,471

Discretely Presented Johnson County School Department

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	$ 946,939	$ 0	$ 0	$ 946,939
Construction in Progress	0	4,500	0	4,500
Total Capital Assets Not Depreciated	$ 946,939	$ 4,500	$ 0	$ 951,439
Capital Assets Depreciated:				
Buildings and Improvements	$ 24,004,913	$ 421,606	$ 0	$ 24,426,519
Other Capital Assets	4,184,419	87,784	(103,565)	4,168,638
Infrastructure	2,218,763	15,348	0	2,234,111
Total Capital Assets Depreciated	$ 30,408,095	$ 524,738	$ (103,565)	$ 30,829,268
Less Accumulated Depreciated For:				
Buildings and Improvements	$ 10,424,129	$ 602,243	$ 0	$ 11,026,372
Other Capital Assets	2,805,118	308,952	(88,416)	3,025,654
Infrastructure	1,826,354	106,310	0	1,932,664
Total Accumulated Depreciation	$ 15,055,601	$ 1,017,505	$ (88,416)	$ 15,984,690
Total Capital Assets Depreciated, Net	$ 15,352,494	$ (492,767)	$ (15,149)	$ 14,844,578
Governmental Activities Capital Assets, Net	$ 16,299,433	$ (488,267)	$ (15,149)	$ 15,796,017

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

Governmental Activities:

Instruction	$ 799,012
Support Services	207,858
Operation of Non-instructional Services	10,635
Total Depreciation Expense - Governmental Activities	$ 1,017,505

C. 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
Primary Government:		
General	Nonmajor governmental	$ 1,093
Highway/Public Works	General	21,570
General Debt Service	"	21,570
"	Nonmajor governmental	166,667
Nonmajor governmental	General	2,876
Discretely Presented School Department:		
General Purpose School	School Federal Projects	23,880
School Federal Projects	General Purpose School	2,878

The amount due to the General Debt Service Fund from the nonmajor governmental funds resulted from long-term interfund loans. The amount of these loans not expected to be received within one year is $133,334. See Note IV.G. for further details of these loans.

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Component Unit		
School Department:	Primary Government:	
Central Cafeteria	General	$ 218

Interfund Transfers:

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

Primary Government

	Transfers In		
Transfers Out	Highway/ Public Works Fund	General Debt Service Fund	Nonmajor Governmental Fund
General Fund	$ 230,704	$ 230,704	$ 30,760
Nonmajor governmental funds	0	20,000	0
Total	$ 230,704	$ 250,704	$ 30,760

Discretely Presented Johnson County School Department

	Transfers In	
Transfers Out	General Purpose School Fund	School Federal Projects Fund
General Purpose School Fund	$ 0	$ 150,000
School Federal Projects Fund	23,880	0
Total	$ 23,880	$ 150,000

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

D. Capital Lease

On August 27, 2013, Johnson County entered into a two-year lease-purchase agreement for the School Department for Apple iPads. The terms of the agreement require total lease payments of $190,270 plus interest of 3.49 percent. Title to the equipment transferred to the School Department immediately upon acceptance of each item of equipment. In the government-wide financial statements, the equipment was expensed in the year of acquisition because those items did not meet criteria of the county's capitalization policy.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

Year Ending June 30		Governmental Funds
2016	$	65,611
Total Minimum Lease Payments	$	65,611
Less: Amount Representing Interest		(2,212)
Present Value of Minimum Lease Payments	$	63,399

E. Long-term Obligations

Primary Government

General Obligation Bonds and Other Loans

Johnson County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds and loans. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Johnson County had no outstanding capital outlay notes at June 30, 2015.

General obligation bonds and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 18 years for bonds and up to seven years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and other loans included in long-term debt as of June 30, 2015, will be retired from the General Debt Service Fund.

General obligation bonds, other loans and the capital lease 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 - Refunding	1.73 to 4.125 %	6-1-28	$ 12,130,000	$ 11,365,000
Other Loans	0	4-1-17	336,161	88,037
Capital Lease	3.49	8-27-15	190,270	63,399

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	$ 740,000	$ 331,713	$ 1,071,713
2017	750,000	315,312	1,065,312
2018	770,000	297,213	1,067,213
2019	785,000	278,512	1,063,512
2020	805,000	259,413	1,064,413
2021-2025	4,380,000	984,000	5,364,000
2026-2028	3,135,000	258,487	3,393,487
Total	$ 11,365,000	$ 2,724,650	$ 14,089,650

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2016	$ 48,024	$ 0	$ 48,024
2017	40,013	0	40,013
Total	$ 88,037	$ 0	$ 88,037

During the year, the Johnson County School Department contributed $377,789 to the primary government's General Debt Service Fund to be applied toward the retirement of general obligation debt that was issued by the county for school capital purposes.

There is $5,473,082 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, other loans, and capital leases outstanding totaled $631, 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	Capital Lease
Balance, July 1, 2014	$ 12,035,000	$ 20,000	$ 136,061	$ 124,659
Additions	6,470,000	0	0	0
Reductions	(7,140,000)	(20,000)	(48,024)	(61,260)
Balance, June 30, 2015	$ 11,365,000	$ 0	$ 88,037	$ 63,399
Balance Due Within One Year	$ 740,000	$ 0	$ 48,024	$ 63,399

	Compensated Absences	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2014	$ 211,811	$ 1,202,414	$ 1,554,532
Additions	151,251	18,636	147,601
Reductions	(205,263)	(19,270)	(25,240)
Balance, June 30, 2015	$ 157,799	$ 1,201,780	$ 1,676,893
Balance Due Within One Year	$ 142,019	$ 73,407	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilites, June 30, 2015	$ 14,552,908
Less: Balance Due Within One Year	(1,066,849)
Add: Unamortized Premium on Debt	196,468
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 13,682,527

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

Current Refunding

On March 18, 2015, Johnson County current refunded two general obligation bond issues with a separate general obligation bond issue. The county issued $6,470,000 of general obligation refunding bonds to provide resources to place funds with an escrow agent and redeem the refunded bonds at the April 1, 2015, call date. As a result, the liability has been removed from the county's long-term debt. As a result of the refunding, total debt service payments over the next 12 years will be reduced by $804,938, and an economic gain (difference between the present value of debt service payments of the refunded and refunding bonds) of $756,275 was obtained.

Discretely Presented Johnson County School Department

Changes in Long-term Obligations

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

Governmental Activities:	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2014	$ 49,357	$ (9,641)
Additions	60,427	508,990
Reductions	(60,810)	(420,620)
Balance, June 30, 2015	$ 48,974	$ 78,729
Balance Due Within One Year	$ 48,974	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilites, June 30, 2015	$ 127,703
Less: Balance Due Within One Year	(48,974)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 78,729

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

F. On-Behalf Payments – Primary Government and Discretely Presented Johnson County School Department

Primary Government

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Johnson County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments made by the state to the Medicare Supplement Plan for the year ended June 30, 2015, were $2,450. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

Discretely Presented Johnson County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Johnson 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 made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2015, were $111,811 and $9,675, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Internal Financing

In-lieu-of issuing debt with financial institutions, Johnson County often chooses to internally finance various projects with idle county funds. Internally reported notes receivable from idle funds due to the General Debt Service Fund from the Solid Waste/Sanitation and Community Development/Industrial Park funds are reflected below:

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
Solid Waste Equipment	$ 119,000	0%	6-21-12	6-1-15
Building Rehabilitation	300,000	0	11-30-10	9-16-19

	Outstanding 7-1-14	Issued During Period	Matured During Period	Outstanding 6-30-15
Solid Waste Equipment	$ 39,667	$ 0	$ 39,667	$ 0
Building Rehabilitation	200,000	0	33,333	166,667
Total	$ 239,667	$ 0	$ 73,000	$ 166,667

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county is exposed to various risks related to general liability, property, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined the Local

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

Johnson County decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for workers' compensation coverage. The county joined the Local Government Workers' Compensation Fund (LGWCF). The county pays an annual premium to the LGWCF for its workers' compensation coverage. The creation of the LGWCF provides for it to be self-sustaining through member premiums.

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

Discretely Presented Johnson County School Department

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

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 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. Subsequent Event

On September 17, 2015, the county's General Debt Service Fund issued $250,000 in capital outlay notes to the General Fund for the construction of an emergency operations center.

D. Contingent Liabilities

The county is involved in several pending lawsuits. Based on letters from attorneys, management estimates that the potential claims not covered by insurance resulting from such litigation would not materially affect the financial statements.

E. Changes in Administration

On August 31, 2014, James Moody left the Office of Road Superintendent and was succeeded by Darrell Reece, Carolyn Sue Hensley left the Office of Trustee and was succeeded by Lisa Crowder, Carolyn Hawkins left the Office of Circuit and General Sessions Court Clerk and was succeeded by Melissa Hollaway, and Patricia Hartley left the Office of Register of Deeds and was succeeded by Freida May Gwinn.

F. Landfill Closure and Postclosure Care Costs

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

State and federal laws and regulations require the 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. Johnson County closed its sanitary landfill in 1997. The $1,201,780 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.

G. Joint Ventures

Primary Government

The Upper East Tennessee Juvenile Detention Center was formed through cooperative agreements between Johnson County and the counties of Carter, Greene, Hawkins, Sullivan, Unicoi, and Washington for the operation of a program to divert youth from commitment to Department of Correction facilities. This program is governed by a board of directors designated by the counties. The board of directors has contracted with Universal Health Services to undertake the management of this program. Operation costs to the counties are allocated according to percentages based on population. Johnson County's participation cost percentage is 3.7 percent. The county also pays a daily fee for each individual from the county using the facility.

Johnson County does not retain an equity interest in these joint ventures. Complete financial statements for the above-noted joint venture can be obtained from its administrative office at the following addresses:

Upper East Tennessee Regional
Juvenile Detention Center
307 Wesley Street
Johnson City, TN 37601

Discretely Presented Johnson County School Department

The discretely presented School Department participates in the Northeast Tennessee Cooperative (NETCO). The cooperative was established through a

contractual agreement between the Boards of Education of Johnson County and various other counties and cities in the upper East Tennessee area. The cooperative was authorized through Chapter 49 of *Tennessee Code Annotated*, and 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 (Johnson City School System) and a service provider to provide this service. NETCO is governed by a representative committee, including 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.

Complete financial statements for NETCO can be obtained from its administrative office at the following address:

Northeast Tennessee Cooperative
100 East Maple Street
P.O. Box 1517
Johnson City, TN 37605

H. Jointly Governed Organization

Primary Government

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64 of *Tennessee Code Annotated*, and includes the counties of Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Sullivan, Unicoi, and Washington. The purpose of the authority is to establish and operate a market for agricultural products of the region through a food distribution center. The authority is governed by a Board of Directors consisting of the county mayors/executives of each county or the county mayor's/executive's designee and one nonvoting member representing each of the following: the Tennessee Department of Agriculture and the University of Tennessee's Agriculture Extension Service. An executive committee, consisting of the chairman, vice-chairman, secretary, and treasurer of the Board of Directors, along with the center's manager as an ex-officio member, is in charge of the daily operations of the center.

I. Retirement Commitments

Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Johnson County and non-certified employees of the discretely presented Johnson 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 38.17 percent and the non-certified employees of the discretely present School Department comprise 61.83 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	202
Inactive Employees Entitled to But Not Yet Receiving Benefits	334
Active Employees	262
Total	798

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. Johnson 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 Johnson County were $720,314 based on a rate of 12.75 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Johnson 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)

Johnson 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	6.46 %	33 %
Developed Market International Equity	6.26	17
Emerging Market International Equity	6.40	5
Private Equity and Strategic Lending	4.61	8
U.S. Fixed Income	0.98	29
Real Estate	4.73	7
Short-term Securities	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 Johnson 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	$ 18,149,638	$ 16,739,734	$ 1,409,904
Changes for the year:			
Service Cost	$ 489,369	$ 0	$ 489,369
Interest	1,364,428	0	1,364,428
Differences Between Expected and Actual Experience	322,898	0	322,898
Contributions-Employer	0	668,604	(668,604)
Contributions-Employees	0	286,133	(286,133)
Net Investment Income	0	2,783,446	(2,783,446)
Benefit Payments, Including Refunds of Employee Contributions	(893,289)	(893,289)	0
Administrative Expense	0	(10,300)	10,300
Other Changes	0	0	0
Net Changes	$ 1,283,406	$ 2,834,594	$ (1,551,188)
Balance, June 30, 2014	$ 19,433,044	$ 19,574,328	$ (141,284)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	38.17%	$ 7,417,593	$ 7,471,521	$ (53,928)
School Department	61.83%	12,015,451	12,102,807	(87,356)
Total		$ 19,433,044	$ 19,574,328	$ (141,284)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Johnson 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:

Johnson County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	$ 2,223,151	$ (141,284)	$ (2,111,570)

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

Pension Expense. For the year ended June 30, 2015, Johnson County recognized pension expense of $79,936.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, Johnson 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	$ 258,318	$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,220,838
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	720,314	N/A
Total	$ 978,632	$ 1,220,838

(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	$ 505,277	$ 465,994
School Department	473,355	754,844
Total	$ 978,632	$ 1,220,838

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	$ (240,630)
2017	(240,630)
2018	(240,630)
2019	(240,630)
2020	0
Thereafter	0

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

Pension Payable

At June 30, 2015, Johnson County reported a payable of $34,807 for the Primary Government and $22,963 for the School Department for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

Discretely Presented Johnson County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Johnson County and non-certified employees of the discretely presented Johnson 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 38.17 percent and the non-certified employees of the discretely present School Department comprise 61.83 percent of the plan based on census data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Johnson 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 to 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 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 $22,696, 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 Johnson 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 Johnson 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	$ 22,696	N/A

The Johnson County School Department's employer contributions of $22,696 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.

Payable to the Pension Plan

At June 30, 2015, Johnson County Schools reported a payable of $3,248 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Johnson 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 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 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 Johnson County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were $737,738, 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 Johnson County School Department reported an asset of $36,620 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 Johnson County School Department's proportion of the net pension asset was based on the Johnson 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 June 30, 2014, the Johnson County School Department's proportion was 0.225362 percent. The proportion measured as of June 30, 2013, was 0.225063.

Pension Income. For the year ended June 30, 2015, the Johnson County School Department recognized a pension income of $30,704.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Johnson 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	$ 88,905	$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,017,272
Changes in Proportion of Net Pension Liability	4,216	0
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	737,738	N/A
Total	$ 830,859	$ 3,017,272

The Johnson County School Department's employer contributions of $737,738 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	$ (738,798)
2017	(738,798)
2018	(738,798)
2019	(738,798)
2020	15,520
Thereafter	15,520

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:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	6.46 %	33 %
Developed Market International Equity	6.26	17
Emerging Market International Equity	6.40	5
Private Equity and Strategic Lending	4.61	8
U.S. Fixed Income	0.98	29
Real Estate	4.73	7
Short-term Securities	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 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 Johnson 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 Johnson County School Department's proportionate share of the net pension liability (asset) would be if it was 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%
Net Pension Liability	$ 6,176,411	$ (36,620)	$ (5,180,337)

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

Payable to the Pension Plan

At June 30, 2015, Johnson County Schools reported a payable of $103,363 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

J. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plans are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local

government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. Johnson County and the School Department contributed $25,240 and $420,620, respectively, for postemployment benefits during the year ended June 30, 2015.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	$ 509,000	$ 146,000
Interest on the NOPEBO	(386)	62,181
Adjustment to the ARC	376	(60,580)
Annual OPEB cost	$ 508,990	$ 147,601
Amount of contribution	(420,620)	(25,240)
Increase/decrease in NOPEBO	$ 88,370	$ 122,361
Net OPEB obligation, 7-1-14	(9,641)	1,554,532
Net OPEB obligation, 6-30-15	$ 78,729	$ 1,676,893

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Education Group	$ 470,198	214 %	$ 86,499
6-30-14	"	490,089	120	(9,641)
6-30-15	"	508,990	83	78,729
6-30-13	Local Government Group	428,504	1	1,436,451
6-30-14	"	142,480	17	1,554,532
6-30-15	"	147,601	17	1,676,893

Funded Status and Funding Progress

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

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	$ 5,147,000	$ 904,000
Actuarial value of plan assets	$ 544,407	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 4,602,593	$ 904,000
Actuarial value of assets as a % of the AAL	11%	0%
Covered payroll (active plan members)	$ 9,852,628	$ 3,378,226
UAAL as a % of covered payroll	47%	27%

The Board of Education has placed funds with the Tennessee School Board Association (TSBA) GASB 45 Trust to be used to pre-fund a portion of the School Department's OPEB liability. The assets of the GASB 45 Trust are commingled with other participants' funds for investment purposes, but are held in an irrevocable trust for each plan participant and may be used only for the payment of benefits to the members of the plan in accordance with the terms of their plan. At June 30, 2015, the Board of Education's balance with the GASB 45 Trust was $725,693. The TSBA GASB 45 Trust procures an annual audit, which may be obtained from the TSBA at 525 Brick Church Park Drive, Nashville, TN 37207.

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

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 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. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

K. Office of Central Accounting and Budgeting

Johnson County operates under provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting and budgeting covering funds administered by the county mayor, road superintendent, and director of schools. These funds were maintained in the Office of Central Accounting under the supervision of the director of accounts and budgets.

L. Purchasing Laws

Office of County Mayor and Road Superintendent

Purchasing procedures for the Offices of County Mayor and Road Superintendent are conducted under provisions of Section 5-14-101, et seq., *Tennessee Code Annotated* (*TCA*). Purchasing procedures for the Office of Road Superintendent are also governed by provisions of the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for purchases exceeding $10,000 to be made on a competitive bid basis.

Office of Director of Schools

Purchasing procedures for the discretely presented Johnson 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

Johnson 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

	2014
Total Pension Liability (Asset)	
Service Cost	$ 489,369
Interest	1,364,428
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	322,898
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	(893,289)
Net Change in Total Pension Liability (Asset)	$ 1,283,406
Total Pension Liability (Asset), Beginning	18,149,638
Total Pension Liability (Asset), Ending (a)	$ 19,433,044
Plan Fiduciary Net Position	
Contributions - Employer	$ 668,604
Contributions - Employee	286,133
Net Investment Income	2,783,446
Benefit Payments, Including Refunds of Employee Contributions	(893,289)
Administrative Expense	(10,300)
Net Change in Plan Fiduciary Net Position	$ 2,834,594
Plan Fiduciary Net Position, Beginning	16,739,734
Plan Fiduciary Net Position, Ending (b)	$ 19,574,328
Net Pension Liability (Asset), Ending (a - b)	$ (141,284)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.73%
Covered Employee Payroll	$ 5,690,056
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	2.48%

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

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

Exhibit E-2

Johnson 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

	2014	2015
Actuarially Determined Contribution	$ 668,604	$ 720,314
Less Contributions in Relation to the Actuarially Determined Contribution	(668,604)	(720,314)
Contribution Deficiency (Excess)	$ 0	$ 0
Covered Employee Payroll	$ 5,690,056	$ 6,235,544
Contributions as a Percentage of Covered Employee Payroll	11.75%	12.75%

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

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

Exhibit E-3

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

		2015
Actuarially Determined Contribution	$	14,185
Less Contributions in Relation to the Actuarially Determined Contribution		(22,696)
Contribution Deficiency (Excess)	$	(8,511)
Covered Employee Payroll	$	586,691
Contributions as a Percentage of Covered Employee Payroll		3.87%

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

Exhibit E-4

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

	2014	2015
Actuarially Determined Contribution	$ 785,473	$ 737,738
Less Contributions in Relation to the Actuarially Determined Contribution	(785,473)	(737,738)
Contribution Deficiency (Excess)	$ 0	$ 0
Covered Employee Payroll	$ 8,845,421	$ 8,677,788
Contributions as a Percentage of Covered Employee Payroll	8.88%	8.50%

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

Exhibit E-5

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

		2014
School Department's Proportion of the Net Pension Asset		0.225362%
School Department's Proportionate Share of the Net Pension Asset	$	36,620
Covered Employee Payroll	$	8,845,421
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 precented when available.

Exhibit E-6

Johnson County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Johnson County School Department
June 30, 2015

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
PRIMARY GOVERNMENT							
Local Government Group	7-1-10	$ 0	$ 680	$ 680	0 %	$ 3,252	20.9 %
"	7-1-11	0	2,849	2,849	0	3,433	83
"	7-1-13	0	904	904	0	3,378	26.8
DISCRETELY PRESENTED JOHNSON COUNTY SCHOOL DEPARTMENT							
Commercial Group	7-1-10	0	5,329	5,329	0	9,737	54.7
Local Education Group*	7-1-11	150	5,448	5,298	2.8	11,820	44.8
"	7-1-13	544	5,147	4,603	10.6	9,853	46.7

* The School Department joined the Local Education Group Insurance Fund effective January 1, 2012.

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	2 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.

Public Library Fund – The Public Library Fund is used to account for revenues committed or restricted for library operations.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions involving solid waste collection.

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

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

Capital Projects Funds

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

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

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for community development and industrial expansion in the county.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for the Trails Grant program.

Exhibit F-1

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

	Special Revenue Funds					Capital Projects Funds
	Public Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
ASSETS						
Cash	$ 300	$ 250	$ 0	$ 1,000	$ 1,550	$ 0
Equity in Pooled Cash and Investments	12,061	55,410	38,595	0	106,066	973,313
Accounts Receivable	180	31,668	70	93	32,011	0
Due from Other Governments	0	3,326	0	0	3,326	0
Due from Other Funds	0	0	0	0	0	2,876
Property Taxes Receivable	0	100,003	0	0	100,003	300,008
Allowance for Uncollectible Property Taxes	0	(3,800)	0	0	(3,800)	(11,400)
Total Assets	$ 12,541	$ 186,857	$ 38,665	$ 1,093	$ 239,156	$ 1,264,797
LIABILITIES						
Accounts Payable	$ 45	$ 1,328	$ 0	$ 0	$ 1,373	$ 0
Due to Other Funds	0	0	0	1,093	1,093	0
Other Current Liabilities	0	0	1,403	0	1,403	0
Total Liabilities	$ 45	$ 1,328	$ 1,403	$ 1,093	$ 3,869	$ 0
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 0	$ 92,651	$ 0	$ 0	$ 92,651	$ 277,951
Deferred Delinquent Property Taxes	0	3,303	0	0	3,303	9,911
Total Deferred Inflows of Resources	$ 0	$ 95,954	$ 0	$ 0	$ 95,954	$ 287,862

(Continued)

Exhibit F-1

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

	Special Revenue Funds					Capital Projects Funds
	Public Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
FUND BALANCES						
Restricted:						
Restricted for Public Safety	$ 0	$ 0	$ 37,262	$ 0	$ 37,262	$ 0
Restricted for Capital Outlay	0	0	0	0	0	947,932
Committed:						
Committed for Public Health and Welfare	0	89,575	0	0	89,575	0
Committed for Social, Cultural, and Recreational Services	12,496	0	0	0	12,496	0
Committed for Capital Outlay	0	0	0	0	0	29,003
Total Fund Balances	$ 12,496	$ 89,575	$ 37,262	$ 0	$ 139,333	$ 976,935
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 12,541	$ 186,857	$ 38,665	$ 1,093	$ 239,156	$ 1,264,797

(Continued)

Exhibit F-1

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

	Capital Projects Funds (Cont.)			
	Community Development/ Industrial Park	Other Capital Projects	Total	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 0	$ 0	$ 0	$ 1,550
Equity in Pooled Cash and Investments	347,173	9,289	1,329,775	1,435,841
Accounts Receivable	2,700	0	2,700	34,711
Due from Other Governments	0	1,311	1,311	4,637
Due from Other Funds	0	0	2,876	2,876
Property Taxes Receivable	0	0	300,008	400,011
Allowance for Uncollectible Property Taxes	0	0	(11,400)	(15,200)
Total Assets	$ 349,873	$ 10,600	$ 1,625,270	$ 1,864,426
LIABILITIES				
Accounts Payable	$ 0	$ 0	$ 0	$ 1,373
Due to Other Funds	166,667	0	166,667	167,760
Other Current Liabilities	0	0	0	1,403
Total Liabilities	$ 166,667	$ 0	$ 166,667	$ 170,536
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 0	$ 0	$ 277,951	$ 370,602
Deferred Delinquent Property Taxes	0	0	9,911	13,214
Total Deferred Inflows of Resources	$ 0	$ 0	$ 287,862	$ 383,816

(Continued)

Exhibit F-1

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

	Capital Projects Funds (Cont.)			
	Community Development/ Industrial Park	Other Capital Projects	Total	Total Nonmajor Governmental Funds
FUND BALANCES				
Restricted:				
Restricted for Public Safety	$ 0	$ 0	$ 0	$ 37,262
Restricted for Capital Outlay	183,206	10,600	1,141,738	1,141,738
Committed:				
Committed for Public Health and Welfare	0	0	0	89,575
Committed for Social, Cultural, and Recreational Services	0	0	0	12,496
Committed for Capital Outlay	0	0	29,003	29,003
Total Fund Balances	$ 183,206	$ 10,600	$ 1,170,741	$ 1,310,074
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 349,873	$ 10,600	$ 1,625,270	$ 1,864,426

Exhibit F-2

Johnson 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 Funds
	Public Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
Revenues						
Local Taxes	$ 39,000	$ 97,463	$ 0	$ 0	$ 136,463	$ 295,006
Fines, Forfeitures, and Penalties	0	0	30,572	0	30,572	0
Charges for Current Services	0	449,451	0	211	449,662	0
Other Local Revenues	51	4,572	2,057	0	6,680	0
State of Tennessee	2,542	12,456	0	0	14,998	0
Other Governments and Citizens Groups	32,480	0	0	0	32,480	0
Total Revenues	$ 74,073	$ 563,942	$ 32,629	$ 211	$ 670,855	$ 295,006
Expenditures						
Current:						
General Government	$ 0	$ 0	$ 0	$ 211	$ 211	$ 0
Public Safety	0	0	38,319	0	38,319	0
Public Health and Welfare	0	545,853	0	0	545,853	0
Social, Cultural, and Recreational Services	73,005	0	0	0	73,005	0
Capital Projects	0	0	0	0	0	115,665
Total Expenditures	$ 73,005	$ 545,853	$ 38,319	$ 211	$ 657,388	$ 115,665
Excess (Deficiency) of Revenues Over Expenditures	$ 1,068	$ 18,089	$ (5,690)	$ 0	$ 13,467	$ 179,341
Other Financing Sources (Uses)						
Transfers In	$ 0	$ 0	$ 0	$ 0	$ 0	$ 30,760
Transfers Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 30,760

(Continued)

Exhibit F-2

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

	Special Revenue Funds					Capital Projects Funds
	Public Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
Net Change in Fund Balances	$ 1,068	$ 18,089	$ (5,690)	$ 0	$ 13,467	$ 210,101
Fund Balance, July 1, 2014	11,428	71,486	42,952	0	125,866	766,834
Fund Balance, June 30, 2015	$ 12,496	$ 89,575	$ 37,262	$ 0	$ 139,333	$ 976,935

(Continued)

Exhibit F-2

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

	Capital Projects Funds (Cont.)			
	Community Development/ Industrial Park	Other Capital Projects	Total	Total Nonmajor Governmental Funds
Revenues				
Local Taxes	$ 0	$ 0	$ 295,006	$ 431,469
Fines, Forfeitures, and Penalties	0	0	0	30,572
Charges for Current Services	0	0	0	449,662
Other Local Revenues	110,455	0	110,455	117,135
State of Tennessee	8,030	14,628	22,658	37,656
Other Governments and Citizens Groups	2,500	0	2,500	34,980
Total Revenues	$ 120,985	$ 14,628	$ 430,619	$ 1,101,474
Expenditures				
Current:				
General Government	$ 0	$ 0	$ 0	$ 211
Public Safety	0	0	0	38,319
Public Health and Welfare	0	0	0	545,853
Social, Cultural, and Recreational Services	0	0	0	73,005
Capital Projects	36,005	17,641	169,311	169,311
Total Expenditures	$ 36,005	$ 17,641	$ 169,311	$ 826,699
Excess (Deficiency) of Revenues Over Expenditures	$ 84,980	$ (3,013)	$ 261,308	$ 274,775
Other Financing Sources (Uses)				
Transfers In	$ 0	$ 0	$ 30,760	$ 30,760
Transfers Out	(20,000)	0	(20,000)	(20,000)
Total Other Financing Sources (Uses)	$ (20,000)	$ 0	$ 10,760	$ 10,760

(Continued)

Exhibit F-2

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

	Capital Projects Funds (Cont.)			
	Community Development/ Industrial Park	Other Capital Projects	Total	Total Nonmajor Governmental Funds
Net Change in Fund Balances	$ 64,980	$ (3,013)	$ 272,068	$ 285,535
Fund Balance, July 1, 2014	118,226	13,613	898,673	1,024,539
Fund Balance, June 30, 2015	$ 183,206	$ 10,600	$ 1,170,741	$ 1,310,074

Exhibit F-3

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Public Library Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 39,000	$ 0	$ 0	$ 39,000	$ 39,000	$ 39,000	$ 0
Charges for Current Services	0	0	0	0	100	100	(100)
Other Local Revenues	51	0	0	51	0	0	51
State of Tennessee	2,542	0	0	2,542	0	2,542	0
Other Governments and Citizens Groups	32,480	0	0	32,480	25,712	31,327	1,153
Total Revenues	$ 74,073	$ 0	$ 0	$ 74,073	$ 64,812	$ 72,969	$ 1,104
Expenditures							
Social, Cultural, and Recreational Services							
Libraries	$ 73,005	$ (47)	$ 456	$ 73,414	$ 64,812	$ 76,240	$ 2,826
Total Expenditures	$ 73,005	$ (47)	$ 456	$ 73,414	$ 64,812	$ 76,240	$ 2,826
Excess (Deficiency) of Revenues Over Expenditures	$ 1,068	$ 47	$ (456)	$ 659	$ 0	$ (3,271)	$ 3,930
Net Change in Fund Balance	$ 1,068	$ 47	$ (456)	$ 659	$ 0	$ (3,271)	$ 3,930
Fund Balance, July 1, 2014	11,428	(47)	0	11,381	11,337	11,337	44
Fund Balance, June 30, 2015	$ 12,496	$ 0	$ (456)	$ 12,040	$ 11,337	$ 8,066	$ 3,974

Exhibit F-4

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 97,463	$ 0	$ 0	$ 97,463	$ 92,626	$ 92,626	$ 4,837
Charges for Current Services	449,451	0	0	449,451	430,000	430,000	19,451
Other Local Revenues	4,572	0	0	4,572	7,000	7,000	(2,428)
State of Tennessee	12,456	0	0	12,456	0	14,992	(2,536)
Total Revenues	$ 563,942	$ 0	$ 0	$ 563,942	$ 529,626	$ 544,618	$ 19,324
Expenditures							
Public Health and Welfare							
Sanitation Management	$ 545,853	$ (14,861)	$ 50	$ 531,042	$ 529,626	$ 544,618	$ 13,576
Total Expenditures	$ 545,853	$ (14,861)	$ 50	$ 531,042	$ 529,626	$ 544,618	$ 13,576
Excess (Deficiency) of Revenues Over Expenditures	$ 18,089	$ 14,861	$ (50)	$ 32,900	$ 0	$ 0	$ 32,900
Net Change in Fund Balance	$ 18,089	$ 14,861	$ (50)	$ 32,900	$ 0	$ 0	$ 32,900
Fund Balance, July 1, 2014	71,486	(14,861)	0	56,625	56,608	56,608	17
Fund Balance, June 30, 2015	$ 89,575	$ 0	$ (50)	$ 89,525	$ 56,608	$ 56,608	$ 32,917

Exhibit F-5

Johnson 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 30,572	$ 2,150	$ 26,731	$ 3,841
Other Local Revenues	2,057	0	1,967	90
Total Revenues	$ 32,629	$ 2,150	$ 28,698	$ 3,931
Expenditures				
Public Safety				
Drug Enforcement	$ 38,319	$ 24,850	$ 66,398	$ 28,079
Total Expenditures	$ 38,319	$ 24,850	$ 66,398	$ 28,079
Excess (Deficiency) of Revenues Over Expenditures	$ (5,690)	$ (22,700)	$ (37,700)	$ 32,010
Net Change in Fund Balance	$ (5,690)	$ (22,700)	$ (37,700)	$ 32,010
Fund Balance, July 1, 2014	42,952	42,952	42,952	0
Fund Balance, June 30, 2015	$ 37,262	$ 20,252	$ 5,252	$ 32,010

Exhibit F-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 295,006	$ 0	$ 0	$ 295,006	$ 269,897	$ 269,897	$ 25,109
Total Revenues	$ 295,006	$ 0	$ 0	$ 295,006	$ 269,897	$ 269,897	$ 25,109
Expenditures							
Capital Projects							
General Administration Projects	$ 83,395	$ (77,599)	$ 161,448	$ 167,244	$ 262,010	$ 262,010	$ 94,766
Highway and Street Capital Projects	32,270	0	0	32,270	34,000	34,000	1,730
Total Expenditures	$ 115,665	$ (77,599)	$ 161,448	$ 199,514	$ 296,010	$ 296,010	$ 96,496
Excess (Deficiency) of Revenues Over Expenditures	$ 179,341	$ 77,599	$ (161,448)	$ 95,492	$ (26,113)	$ (26,113)	$ 121,605
Other Financing Sources (Uses)							
Transfers In	$ 30,760	$ 0	$ 0	$ 30,760	$ 34,000	$ 34,000	$ (3,240)
Total Other Financing Sources	$ 30,760	$ 0	$ 0	$ 30,760	$ 34,000	$ 34,000	$ (3,240)
Net Change in Fund Balance	$ 210,101	$ 77,599	$ (161,448)	$ 126,252	$ 7,887	$ 7,887	$ 118,365
Fund Balance, July 1, 2014	766,834	(77,599)	0	689,235	689,236	689,236	(1)
Fund Balance, June 30, 2015	$ 976,935	$ 0	$ (161,448)	$ 815,487	$ 697,123	$ 697,123	$ 118,364

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Johnson 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 859,630	$ 1,464,772	$ 742,865	$ 116,765
Other Governments and Citizens Groups	377,789	0	377,789	0
Total Revenues	$ 1,237,419	$ 1,464,772	$ 1,120,654	$ 116,765
Expenditures				
Principal on Debt				
General Government	$ 195,000	$ 190,000	$ 195,000	$ 0
Education	669,284	480,000	669,284	0
Interest on Debt				
General Government	211,416	218,696	213,696	2,280
Education	175,679	265,289	176,640	961
Other Debt Service				
General Government	140,532	26,000	143,529	2,997
Education	1,796	720,000	11,093	9,297
Total Expenditures	$ 1,393,707	$ 1,899,985	$ 1,409,242	$ 15,535
Excess (Deficiency) of Revenues Over Expenditures	$ (156,288)	$ (435,213)	$ (288,588)	$ 132,300
Other Financing Sources (Uses)				
Refunding Debt Issued	$ 6,470,000	$ 0	$ 6,470,000	$ 0
Premiums on Debt Issued	180,526	0	180,526	0
Transfers In	250,704	539,154	275,000	(24,296)
Payments to Refunded Debt Escrow Agent	(6,532,997)	0	(6,532,997)	0
Total Other Financing Sources	$ 368,233	$ 539,154	$ 392,529	$ (24,296)
Net Change in Fund Balance	$ 211,945	$ 103,941	$ 103,941	$ 108,004
Fund Balance, July 1, 2014	5,261,137	5,261,138	5,261,138	(1)
Fund Balance, June 30, 2015	$ 5,473,082	$ 5,365,079	$ 5,365,079	$ 108,003

Fiduciary Funds

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

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.

Other Agency Fund – The Other Agency Fund is used to account for amounts received and disbursed in an agency capacity for the Doe Mountain Recreation Authority.

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

	Agency Funds			
	Cities - Sales Tax	Constitutional Officers - Agency	Other Agency	Total
ASSETS				
Cash	$ 0	$ 318,648	$ 0	$ 318,648
Equity in Pooled Cash and Investments	0	0	71,124	71,124
Accounts Receivable	0	3,925	955	4,880
Due from Other Governments	81,547	0	0	81,547
Total Assets	$ 81,547	$ 322,573	$ 72,079	$ 476,199
LIABILITIES				
Due to Other Taxing Units	$ 81,547	$ 0	$ 72,079	$ 153,626
Due to Litigants, Heirs, and Others	0	322,573	0	322,573
Total Liabilities	$ 81,547	$ 322,573	$ 72,079	$ 476,199

Exhibit H-2

Johnson 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
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 460,884	$ 460,884	$ 0
Due from Other Governments	77,479	81,547	77,479	81,547
Total Assets	$ 77,479	$ 542,431	$ 538,363	$ 81,547
Liabilities				
Due to Other Taxing Units	$ 77,479	$ 542,431	$ 538,363	$ 81,547
Total Liabilities	$ 77,479	$ 542,431	$ 538,363	$ 81,547
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 351,466	$ 4,009,139	$ 4,041,957	$ 318,648
Accounts Receivable	4,679	3,925	4,679	3,925
Total Assets	$ 356,145	$ 4,013,064	$ 4,046,636	$ 322,573
Liabilities				
Due to Litigants, Heirs, and Others	$ 356,145	$ 4,013,064	$ 4,046,636	$ 322,573
Total Liabilities	$ 356,145	$ 4,013,064	$ 4,046,636	$ 322,573
Other Agency Fund				
Assets				
Equity in Pooled Cash and Investments	$ 56,250	$ 34,892	$ 20,018	$ 71,124
Accounts Receivable	0	955	0	955
Total Assets	$ 56,250	$ 35,847	$ 20,018	$ 72,079
Liabilities				
Due to Other Taxing Units	$ 56,250	$ 35,847	$ 20,018	$ 72,079
Total Liabilities	$ 56,250	$ 35,847	$ 20,018	$ 72,079
Totals - All Agency Funds				
Assets				
Cash	$ 351,466	$ 4,009,139	$ 4,041,957	$ 318,648
Equity in Pooled Cash and Investments	56,250	495,776	480,902	71,124
Accounts Receivable	4,679	4,880	4,679	4,880
Due from Other Governments	77,479	81,547	77,479	81,547
Total Assets	$ 489,874	$ 4,591,342	$ 4,605,017	$ 476,199
Liabilities				
Due to Other Taxing Units	$ 133,729	$ 578,278	$ 558,381	$ 153,626
Due to Litigants, Heirs, and Others	356,145	4,013,064	4,046,636	322,573
Total Liabilities	$ 489,874	$ 4,591,342	$ 4,605,017	$ 476,199

Johnson County School Department

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

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

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

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

Other Education Special Revenue Fund – The Other Education Special Revenue Fund is used to account for a Headstart program, which is funded by charges for services.

Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities:					
Instruction	$ 11,686,214	$ 90	$ 2,599,709	$ 0	$ (9,086,415)
Support Services	7,675,090	91,720	516,565	77,599	(6,989,206)
Operation of Non-instructional Services	2,006,444	175,336	1,306,685	16,900	(507,523)
Total Governmental Activities	$ 21,367,748	$ 267,146	$ 4,422,959	$ 94,499	$ (16,583,144)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					$ 2,740,978
Local Option Sales Taxes					721,907
Interstate Telecommunications Tax					3,670
Grants and Contributions Not Restricted for Specific Programs					13,030,276
Unrestricted Investment Income					27,995
Miscellaneous					302,094
Pension Income					30,704
Total General Revenues					$ 16,857,624
Change in Net Position					$ 274,480
Net Position, July 1, 2014					19,703,475
Restatement - Pension Liability (see Note I.D.8.)					(3,376,581)
Net Position, June 30, 2015					$ 16,601,374

Exhibit I-2

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

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
ASSETS				
Cash	$ 58,902	$ 0	$ 0	$ 58,902
Equity in Pooled Cash and Investments	2,558,079	188,968	647,605	3,394,652
Accounts Receivable	33,692	0	0	33,692
Due from Other Governments	312,868	214,507	22,377	549,752
Due from Other Funds	23,880	2,878	0	26,758
Due from Primary Government	0	0	218	218
Property Taxes Receivable	2,866,740	0	0	2,866,740
Allowance for Uncollectible Property Taxes	(108,934)	0	0	(108,934)
Total Assets	$ 5,745,227	$ 406,353	$ 670,200	$ 6,821,780
LIABILITIES				
Accounts Payable	$ 130,911	$ 630	$ 0	$ 131,541
Accrued Payroll	17,127	366	0	17,493
Payroll Deductions Payable	571,677	54,972	50,174	676,823
Due to Other Funds	2,878	23,880	0	26,758
Other Current Liabilities	58,902	0	0	58,902
Total Liabilities	$ 781,495	$ 79,848	$ 50,174	$ 911,517
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 2,655,973	$ 0	$ 0	$ 2,655,973
Deferred Delinquent Property Taxes	94,706	0	0	94,706
Other Deferred/Unavailable Revenue	232,720	177,007	0	409,727
Total Deferred Inflows of Resources	$ 2,983,399	$ 177,007	$ 0	$ 3,160,406

(Continued)

Exhibit I-2

Johnson County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Johnson County School Department (Cont.)

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES				
Restricted:				
Restricted for Education	$ 27,535	$ 0	$ 620,026	$ 647,561
Committed:				
Committed for Education	20,001	300,000	0	320,001
Assigned:				
Assigned for Education	952,432	0	0	952,432
Unassigned	980,365	(150,502)	0	829,863
Total Fund Balances	$ 1,980,333	$ 149,498	$ 620,026	$ 2,749,857
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 5,745,227	$ 406,353	$ 670,200	$ 6,821,780

Johnson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Discretely Presented Johnson 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 I-2)		$ 2,749,857
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 946,939	
Add: construction in progress	4,500	
Add: buildings and improvements net of accumulated depreciation	13,400,147	
Add: other capital assets net of accumulated depreciation	1,142,984	
Add: infrastructure net of accumulated depreciation	301,447	15,796,017
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	$ (48,974)	
Less: other postemployment benefits liability	(78,729)	(127,703)
(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 resourses related to pensions	$ 1,326,910	
Less: deferred inflows of resources related to pensions	(3,772,116)	(2,445,206)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: agent plan net pension assets	$ 87,356	
Add: cost share plan net pension assets	36,620	123,976
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		504,433
Net position of governmental activities (Exhibit A)		$ 16,601,374

Exhibit I-4

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

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues				
Local Taxes	$ 3,520,170	$ 0	$ 0	$ 3,520,170
Licenses and Permits	1,786	0	0	1,786
Charges for Current Services	156,173	0	655,527	811,700
Other Local Revenues	344,527	0	2,773	347,300
State of Tennessee	12,685,779	0	0	12,685,779
Federal Government	244,035	2,259,325	1,292,745	3,796,105
Total Revenues	$ 16,952,470	$ 2,259,325	$ 1,951,045	$ 21,162,840
Expenditures				
Current:				
Instruction	$ 9,418,813	$ 1,493,471	$ 382,954	$ 11,295,238
Support Services	7,255,233	547,880	161,507	7,964,620
Operation of Non-instructional Services	465,392	257,481	1,355,693	2,078,566
Capital Outlay	7,790	0	0	7,790
Debt Service:				
Other Debt Service	377,789	0	0	377,789
Total Expenditures	$ 17,525,017	$ 2,298,832	$ 1,900,154	$ 21,724,003
Excess (Deficiency) of Revenues Over Expenditures	$ (572,547)	$ (39,507)	$ 50,891	$ (561,163)
Other Financing Sources (Uses)				
Insurance Recovery	$ 610	$ 0	$ 0	$ 610
Transfers In	23,880	150,000	0	173,880
Transfers Out	(150,000)	(23,880)	0	(173,880)
Total Other Financing Sources (Uses)	$ (125,510)	$ 126,120	$ 0	$ 610

(Continued)

Exhibit I-4

Johnson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Johnson County School Department (Cont.)

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
Net Change in Fund Balances	$ (698,057)	$ 86,613	$ 50,891	$ (560,553)
Fund Balance, July 1, 2014	2,678,390	62,885	569,135	3,310,410
Fund Balance, June 30, 2015	$ 1,980,333	$ 149,498	$ 620,026	$ 2,749,857

Exhibit I-5

Johnson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Johnson 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 changes in fund balances - total governmental funds (Exhibit I-4)		$ (560,553)
(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	$ 451,639	
Less: current-year depreciation expense	(1,017,505)	(565,866)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	$ 77,599	
Less: book value of capital assets disposed	(15,149)	62,450
(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	$ 504,433	
Less: deferred delinquent property taxes and other deferred June 30, 2014	(133,348)	371,085
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	$ 383	
Change in other postemployment benefits liability	(88,370)	
Change in pension/liability asset	3,500,557	
Change in deferred outflows related to pensions	1,326,910	
Change in deferred inflows related to pensions	(3,772,116)	967,364
Change in net position of governmental activities (Exhibit B)		$ 274,480

Exhibit I-6

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

	Special Revenue Funds		
	Central Cafeteria	Other Education Special Revenue	Total Nonmajor Governmental Funds
ASSETS			
Equity in Pooled Cash and Investments	$ 629,139	$ 18,466	$ 647,605
Due from Other Governments	22,377	0	22,377
Due from Primary Government	218	0	218
Total Assets	$ 651,734	$ 18,466	$ 670,200
LIABILITIES			
Payroll Deductions Payable	$ 31,906	$ 18,268	$ 50,174
Total Liabilities	$ 31,906	$ 18,268	$ 50,174
FUND BALANCES			
Restricted:			
Restricted for Education	$ 619,828	$ 198	$ 620,026
Total Fund Balances	$ 619,828	$ 198	$ 620,026
Total Liabilities and Fund Balances	$ 651,734	$ 18,466	$ 670,200

Exhibit I-7

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

	Special Revenue Funds		
	Central Cafeteria	Other Education Special Revenue	Total Nonmajor Governmental Funds
Revenues			
Charges for Current Services	$ 110,973	$ 544,554	$ 655,527
Other Local Revenues	2,668	105	2,773
Federal Government	1,292,745	0	1,292,745
Total Revenues	$ 1,406,386	$ 544,659	$ 1,951,045
Expenditures			
Current:			
Instruction	$ 0	$ 382,954	$ 382,954
Support Services	0	161,507	161,507
Operation of Non-instructional Services	1,355,693	0	1,355,693
Total Expenditures	$ 1,355,693	$ 544,461	$ 1,900,154
Excess (Deficiency) of Revenues Over Expenditures	$ 50,693	$ 198	$ 50,891
Net Change in Fund Balances	$ 50,693	$ 198	$ 50,891
Fund Balance, July 1, 2014	569,135	0	569,135
Fund Balance, June 30, 2015	$ 619,828	$ 198	$ 620,026

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 3,520,170	$ 0	$ 0	$ 3,520,170	$ 3,433,739	$ 3,433,739	$ 86,431
Licenses and Permits	1,786	0	0	1,786	1,250	1,250	536
Charges for Current Services	156,173	0	0	156,173	139,600	188,667	(32,494)
Other Local Revenues	344,527	0	0	344,527	130,000	288,250	56,277
State of Tennessee	12,685,779	0	0	12,685,779	12,681,455	12,943,043	(257,264)
Federal Government	244,035	0	0	244,035	271,500	320,824	(76,789)
Total Revenues	$ 16,952,470	$ 0	$ 0	$ 16,952,470	$ 16,657,544	$ 17,175,773	$ (223,303)
Expenditures							
Instruction							
Regular Instruction Program	$ 7,305,321	$ (9,995)	$ 17,613	$ 7,312,939	$ 7,169,270	$ 7,359,403	$ 46,464
Alternative Instruction Program	108,515	0	0	108,515	187,154	181,154	72,639
Special Education Program	1,008,430	(170)	845	1,009,105	1,017,431	1,019,063	9,958
Vocational Education Program	892,263	(4,762)	15,487	902,988	913,942	967,610	64,622
Adult Education Program	104,284	0	4,244	108,528	80,861	112,062	3,534
Support Services							
Attendance	86,154	0	0	86,154	82,644	88,644	2,490
Health Services	268,645	(13,000)	3,631	259,276	261,979	272,376	13,100
Other Student Support	392,865	0	2,874	395,739	383,581	399,609	3,870
Regular Instruction Program	640,527	(255)	384	640,656	684,543	663,751	23,095
Alternative Instruction Program	0	0	0	0	1,000	1,000	1,000
Special Education Program	118,846	0	130	118,976	119,766	119,766	790
Vocational Education Program	85,199	0	0	85,199	88,749	88,749	3,550
Adult Programs	121,391	0	0	121,391	99,424	124,813	3,422
Other Programs	121,486	0	0	121,486	0	121,486	0
Board of Education	536,820	(443)	3,894	540,271	514,208	522,520	(17,751)
Director of Schools	243,221	(847)	371	242,745	234,448	249,675	6,930
Office of the Principal	1,154,044	0	112	1,154,156	1,157,513	1,184,486	30,330
Fiscal Services	91,819	0	0	91,819	93,742	93,742	1,923
Human Services/Personnel	59,828	0	76	59,904	61,923	61,923	2,019

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Operation of Plant	$ 1,807,874	$ (1,000)	$ 5,350	$ 1,812,224	$ 1,654,639	$ 1,830,793	$ 18,569
Maintenance of Plant	638,803	(5,904)	8,692	641,591	536,795	668,843	27,252
Transportation	843,406	(56,780)	21,458	808,084	915,974	928,240	120,156
Central and Other	44,305	0	0	44,305	50,595	50,595	6,290
Operation of Non-Instructional Services							
Food Service	95,285	0	0	95,285	109,136	109,136	13,851
Community Services	95,518	(3,882)	370	92,006	85,341	97,425	5,419
Early Childhood Education	274,589	(8,609)	20,465	286,445	313,317	313,317	26,872
Capital Outlay							
Regular Capital Outlay	7,790	(7,790)	0	0	42,500	42,500	42,500
Other Debt Service							
Education	377,789	0	0	377,789	312,178	377,789	0
Total Expenditures	$ 17,525,017	$ (113,437)	$ 105,996	$ 17,517,576	$ 17,172,653	$ 18,050,470	$ 532,894
Excess (Deficiency) of Revenues Over Expenditures	$ (572,547)	$ 113,437	$ (105,996)	$ (565,106)	$ (515,109)	$ (874,697)	$ 309,591
Other Financing Sources (Uses)							
Insurance Recovery	$ 610	$ 0	$ 0	$ 610	$ 0	$ 10	$ 600
Transfers In	23,880	0	0	23,880	69,802	76,380	(52,500)
Transfers Out	(150,000)	0	0	(150,000)	0	(150,000)	0
Total Other Financing Sources	$ (125,510)	$ 0	$ 0	$ (125,510)	$ 69,802	$ (73,610)	$ (51,900)
Net Change in Fund Balance	$ (698,057)	$ 113,437	$ (105,996)	$ (690,616)	$ (445,307)	$ (948,307)	$ 257,691
Fund Balance, July 1, 2014	2,678,390	(113,437)	0	2,564,953	2,714,811	2,714,811	(149,858)
Fund Balance, June 30, 2015	$ 1,980,333	$ 0	$ (105,996)	$ 1,874,337	$ 2,269,504	$ 1,766,504	$ 107,833

Exhibit I-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Federal Government	$ 2,259,325	$ 0	$ 0	$ 2,259,325	$ 3,084,164	$ 3,279,835	$ (1,020,510)
Total Revenues	$ 2,259,325	$ 0	$ 0	$ 2,259,325	$ 3,084,164	$ 3,279,835	$ (1,020,510)
Expenditures							
Instruction							
Regular Instruction Program	$ 989,143	$ (2,881)	$ 938	$ 987,200	$ 1,557,691	$ 1,533,698	$ 546,498
Special Education Program	395,131	0	1,144	396,275	419,256	422,746	26,471
Vocational Education Program	109,197	0	14,506	123,703	28,261	123,912	209
Support Services							
Other Student Support	27,563	0	0	27,563	41,681	40,328	12,765
Regular Instruction Program	447,472	(1,761)	106	445,817	703,934	641,239	195,422
Special Education Program	1,264	0	0	1,264	21,589	28,467	27,203
Transportation	71,581	0	0	71,581	80,953	76,428	4,847
Operation of Non-Instructional Services							
Community Services	257,481	0	28,891	286,372	196,480	291,329	4,957
Total Expenditures	$ 2,298,832	$ (4,642)	$ 45,585	$ 2,339,775	$ 3,049,845	$ 3,158,147	$ 818,372
Excess (Deficiency) of Revenues Over Expenditures	$ (39,507)	$ 4,642	$ (45,585)	$ (80,450)	$ 34,319	$ 121,688	$ (202,138)
Other Financing Sources (Uses)							
Transfers In	$ 150,000	$ 0	$ 0	$ 150,000	$ 0	$ 150,000	$ 0
Transfers Out	(23,880)	0	0	(23,880)	(35,078)	(29,367)	5,487
Total Other Financing Sources	$ 126,120	$ 0	$ 0	$ 126,120	$ (35,078)	$ 120,633	$ 5,487
Net Change in Fund Balance	$ 86,613	$ 4,642	$ (45,585)	$ 45,670	$ (759)	$ 242,321	$ (196,651)
Fund Balance, July 1, 2014	62,885	(4,642)	0	58,243	759	759	57,484
Fund Balance, June 30, 2015	$ 149,498	$ 0	$ (45,585)	$ 103,913	$ 0	$ 243,080	$ (139,167)

Exhibit I-10

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 110,973	$ 245,000	$ 245,000	$ (134,027)
Other Local Revenues	2,668	3,000	3,000	(332)
Federal Government	1,292,745	1,262,036	1,262,036	30,709
Total Revenues	$ 1,406,386	$ 1,510,036	$ 1,510,036	$ (103,650)
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 1,355,693	$ 1,510,036	$ 1,510,036	$ 154,343
Total Expenditures	$ 1,355,693	$ 1,510,036	$ 1,510,036	$ 154,343
Excess (Deficiency) of Revenues Over Expenditures	$ 50,693	$ 0	$ 0	$ 50,693
Net Change in Fund Balance	$ 50,693	$ 0	$ 0	$ 50,693
Fund Balance, July 1, 2014	569,135	569,136	569,136	(1)
Fund Balance, June 30, 2015	$ 619,828	$ 569,136	$ 569,136	$ 50,692

Exhibit I-11

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Johnson County School Department
Other Education Special Revenue Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 544,554	$ 506,680	$ 549,180	$ (4,626)
Other Local Revenues	105	0	0	105
Total Revenues	$ 544,659	$ 506,680	$ 549,180	$ (4,521)
Expenditures				
Instruction				
Regular Instruction Program	$ 382,954	$ 353,211	$ 383,211	$ 257
Support Services				
Attendance	73,499	67,417	73,917	418
Health Services	15,522	16,992	16,992	1,470
Regular Instruction Program	72,486	69,060	75,060	2,574
Total Expenditures	$ 544,461	$ 506,680	$ 549,180	$ 4,719
Excess (Deficiency) of Revenues Over Expenditures	$ 198	$ 0	$ 0	$ 198
Net Change in Fund Balance	$ 198	$ 0	$ 0	$ 198
Fund Balance, July 1, 2014	0	0	0	0
Fund Balance, June 30, 2015	$ 198	$ 0	$ 0	$ 198

Miscellaneous Schedules

Exhibit J-1

Johnson County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Bonds, and Capital Leases
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	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-15
NOTES PAYABLE									
Payable through General Debt Service Fund									
Tarr Loan	$ 20,000	0%	7-31-12	7-31-14	$ 20,000	$ 0	$ 20,000	$ 0	$ 0
Total Payable through General Debt Service Fund					$ 20,000	$ 0	$ 20,000	$ 0	$ 0
Total Notes Payable					$ 20,000	$ 0	$ 20,000	$ 0	$ 0
OTHER LOANS PAYABLE									
Payable through General Debt Service Fund									
Energy Efficient Schools Initiative	336,161	0	6-2-10	4-1-17	$ 136,061	$ 0	$ 48,024	$ 0	$ 88,037
Total Payable through General Debt Service Fund					$ 136,061	$ 0	$ 48,024	$ 0	$ 88,037
Total Other Loans Payable					$ 136,061	$ 0	$ 48,024	$ 0	$ 88,037
BONDS PAYABLE									
Payable through General Debt Service Fund									
General Obligation Refunding (2004)	1,435,000	1.5 to 4.5	3-3-04	4-1-27	$ 375,000	$ 0	$ 25,000	$ 350,000	$ 0
School Refunding Bonds, Series 2005	8,535,000	3 to 4.125	5-27-05	4-1-25	6,535,000	0	480,000	6,055,000	0
General Refunding Bonds, Series 2010	5,660,000	2 to 4.125	1-25-10	6-1-28	5,125,000	0	150,000	0	4,975,000
General Refunding Bonds, Series 2015	6,470,000	2 to 2.25	3-18-15	6-1-25	0	6,470,000	80,000	0	6,390,000
Total Payable through General Debt Service Fund					$ 12,035,000	$ 6,470,000	$ 735,000	$ 6,405,000	$ 11,365,000
Total Bonds Payable					$ 12,035,000	$ 6,470,000	$ 735,000	$ 6,405,000	$ 11,365,000
CAPITAL LEASES PAYABLE									
Payable through General Debt Service Fund									
Apple iPads	190,270	3.49	8-27-13	8-27-15	$ 124,659	$ 0	$ 61,260	$ 0	$ 63,399
Total Payable through General Debt Service Fund					$ 124,659	$ 0	$ 61,260	$ 0	$ 63,399
Total Capital Leases Payable					$ 124,659	$ 0	$ 61,260	$ 0	$ 63,399

Exhibit J-2

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

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2016	$ 48,024	$ 0	$ 48,024
2017	40,013	0	40,013
Total	$ 88,037	$ 0	$ 88,037

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	$ 740,000	331,713	$ 1,071,713
2017	750,000	315,312	1,065,312
2018	770,000	297,213	1,067,213
2019	785,000	278,512	1,063,512
2020	805,000	259,413	1,064,413
2021	835,000	239,712	1,074,712
2022	855,000	219,313	1,074,313
2023	870,000	198,312	1,068,312
2024	895,000	175,238	1,070,238
2025	925,000	151,425	1,076,425
2026	1,000,000	126,763	1,126,763
2027	1,045,000	86,762	1,131,762
2028	1,090,000	44,962	1,134,962
Total	$ 11,365,000	$ 2,724,650	$ 14,089,650

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2016	$ 63,399	$ 2,212	$ 65,611
Total	$ 63,399	$ 2,212	$ 65,611

Exhibit J-3

Johnson County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Johnson County School Department
For the Year Ended June 30, 2015

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Highway/Public Works	Allocate wheel tax	$ 230,704
"	General Debt Service	"	230,704
"	General Capital Projects	"	30,760
Community Development/ Industrial Park	General Debt Service	Funds for debt service	20,000
Total Transfers Primary Government			$ 512,168
DISCRETELY PRESENTED JOHNSON COUNTY SCHOOL DEPARTMENT			
General Purpose School Fund	School Federal Projects Fund	Funds for cash flows	$ 150,000
School Federal Projects	General Purpose School	Indirect costs	23,880
Total Transfers Discretely Presented Johnson County School Department			$ 173,880

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period		Bond	Surety
County Mayor	Section 8-24-102, *TCA*	$ 73,738		$ 100,000	Western Surety Company
Road Superintendent:					
James Moody (7-1-14 through 8-31-14)	Section 8-24-102, *TCA*	7,923	(1)	100,000	"
Darrell Reece (9-1-14 through 6-30-15)	Section 8-24-102, *TCA*	58,523		100,000	
Director of Schools	State Board of Education and County Board of Education	101,081	(2)	100,000	"
Trustee:					
Carolyn Sue Hensley (7-1-14 through 8-31-14)	Section 8-24-102, *TCA*	10,640		647,000	"
Lisa Crowder (9-1-14 through 6-30-15)	Section 8-24-102, *TCA*	53,203		699,996	
Assessor of Property	Section 8-24-102, *TCA*	63,843		10,000	"
Director of Accounts and Budgets	County Commission	56,612		100,000	"
County Clerk	Section 8-24-102, *TCA*	63,843		100,000	"
Circuit and General Sessions Courts Clerk:					
Carolyn Hawkins (7-1-14 through 8-31-14)	Section 8-24-102, *TCA*	10,640		50,000	"
Melissa Hollaway (9-1-14 through 6-30-15)	Section 8-24-102, *TCA*	53,203		100,000	"
Clerk and Master	Section 8-24-102, *TCA*	63,843		100,000	"
Register of Deeds:					
Patricia Hartley (7-1-14 through 8-31-14)	Section 8-24-102, *TCA*	10,640		25,000	"
Freida May Gwinn (9-1-14 through 6-30-15)	Section 8-24-102, *TCA*	53,203		100,000	"
Sheriff	Section 8-24-102, *TCA*	70,228		100,000	"
Purchasing Agent	County Commission	29,755		10,000	"
Employee Blanket Bonds:					
Public Employees Dishonesty - County Departments				150,000	Local Government Insurance Pool
Public Employees Dishonesty - School Department				150,000	Tennessee Risk Management Trust

(1) Paid from supervisor salary line item, not county official line item.
(2) Includes $1,000 for a chief executive officer's training supplement, contractual payments for travel allowance of $5,000, bonus of $500, and stipends of $9,350 paid from School Federal Projects Fund as grant program director.

Exhibit J-5

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

		Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Local Taxes						
County Property Taxes						
Current Property Tax	$ 1,778,355	$ 0	$ 88,916	$ 0	$ 0	$ 0
Trustee's Collections - Prior Year	91,748	0	4,621	0	0	0
Circuit/Clerk and Master Collections - Prior Years	53,065	0	2,529	0	0	0
Interest and Penalty	17,026	0	864	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	2,430	0	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	131,683	39,000	0	0	0	0
Hotel/Motel Tax	20,329	0	0	0	0	0
Wheel Tax	615,210	0	0	0	0	0
Litigation Tax - General	9,418	0	0	0	0	0
Litigation Tax - Special Purpose	38,522	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	16,964	0	0	0	0	0
Business Tax	68,594	0	0	0	0	0
Mixed Drink Tax	610	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	1,874
Statutory Local Taxes						
Bank Excise Tax	10,658	0	533	0	0	0
Wholesale Beer Tax	144,220	0	0	0	0	0
Total Local Taxes	$ 2,998,832	$ 39,000	$ 97,463	$ 0	$ 0	$ 1,874
Licenses and Permits						
Licenses						
Cable TV Franchise	$ 52,191	$ 0	$ 0	$ 0	$ 0	$ 0
Permits						
Beer Permits	2,228	0	0	0	0	0

(Continued)

Exhibit J-5

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

		Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Licenses and Permits (Cont.)						
Permits (Cont.)						
Other Permits	$ 903	$ 0	$ 0	$ 0	$ 0	$ 0
Total Licenses and Permits	$ 55,322	$ 0	$ 0	$ 0	$ 0	$ 0
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 10,550	$ 0	$ 0	$ 0	$ 0	$ 0
Jail Fees	2,180	0	0	0	0	0
DUI Treatment Fines	104	0	0	0	0	0
Data Entry Fee - Circuit Court	510	0	0	0	0	0
Courtroom Security Fee	2,773	0	0	0	0	0
Criminal Court						
Officers Costs	3,341	0	0	0	0	0
Drug Control Fines	538	0	0	633	0	0
Drug Court Fees	709	0	0	0	0	0
General Sessions Court						
Fines	21,744	0	0	0	0	0
Fines for Littering	48	0	0	0	0	0
Officers Costs	23,951	0	0	0	0	0
Game and Fish Fines	158	0	0	0	0	0
Drug Control Fines	6,365	0	0	6,691	0	0
Drug Court Fees	3,193	0	0	0	0	0
Jail Fees	25,652	0	0	0	0	0
DUI Treatment Fines	2,764	0	0	0	0	0
Data Entry Fee - General Sessions Court	6,887	0	0	0	0	0
Courtroom Security Fee	8,559	0	0	0	0	0

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds				
		Public Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)						
Chancery Court						
Officers Costs	$ 262	$ 0	$ 0	$ 0	$ 0	$ 0
Data Entry Fee - Chancery Court	1,737	0	0	0	0	0
Courtroom Security Fee	116	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	10,910	0	0	23,248	0	0
Other Fines, Forfeitures, and Penalties	300	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	$ 133,351	$ 0	$ 0	$ 30,572	$ 0	$ 0
Charges for Current Services						
General Service Charges						
Self-insurance Premiums/Contributions	$ 3,199	$ 0	$ 0	$ 0	$ 0	$ 0
Tipping Fees	0	0	449,451	0	0	0
Other General Service Charges	8,804	0	0	0	0	0
Fees						
Airport Fees	2,639	0	0	0	0	0
Copy Fees	3,164	0	0	0	0	0
Telephone Commissions	16,052	0	0	0	0	0
Vending Machine Collections	235	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	211	0
Data Processing Fee - Register	5,224	0	0	0	0	0
Probation Fees	104	0	0	0	0	0
Data Processing Fee - Sheriff	1,182	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,200	0	0	0	0	0
Data Processing Fee - County Clerk	9,088	0	0	0	0	0
Total Charges for Current Services	$ 50,891	$ 0	$ 449,451	$ 0	$ 211	$ 0

(Continued)

Exhibit J-5

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

		Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Other Local Revenues						
Recurring Items						
Investment Income	$ 53,338	$ 0	$ 0	$ 0	$ 0	$ 0
Lease/Rentals	91,579	0	0	0	0	0
Sale of Materials and Supplies	2,806	0	4,572	0	0	10,494
Commissary Sales	219,515	0	0	0	0	0
Sale of Gasoline	310,749	0	0	0	0	0
Retirees' Insurance Payments	5,401	0	0	0	0	2,745
Miscellaneous Refunds	39,084	51	0	2,057	0	170
Nonrecurring Items						
Sale of Equipment	8,241	0	0	0	0	30,874
Sale of Property	4,781	0	0	0	0	0
Total Other Local Revenues	$ 735,494	$ 51	$ 4,572	$ 2,057	$ 0	$ 44,283
Fees Received from County Officials						
Fees in-Lieu-of Salary						
County Clerk	$ 185,211	$ 0	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	57,622	0	0	0	0	0
General Sessions Court Clerk	104,217	0	0	0	0	0
Clerk and Master	87,556	0	0	0	0	0
Register	64,154	0	0	0	0	0
Sheriff	989	0	0	0	0	0
Trustee	202,215	0	0	0	0	0
Total Fees Received from County Officials	$ 701,964	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds				
		Public Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 9,400	$ 0	$ 0	$ 0	$ 0	$ 0
Airport Maintenance Program	46,931	0	0	0	0	0
Aging Programs	19,840	0	0	0	0	0
On-behalf Contributions for OPEB	2,450	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	18,600	0	0	0	0	0
Public Works Grants						
Litter Program	32,720	0	0	0	0	0
Other State Revenues						
Income Tax	47,602	0	0	0	0	0
Beer Tax	18,055	0	0	0	0	0
Vehicle Certificate of Title Fees	21,466	0	0	0	0	0
Alcoholic Beverage Tax	37,964	0	0	0	0	0
State Revenue Sharing - T.V.A.	498,499	0	0	0	0	0
Contracted Prisoner Boarding	989,979	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,466,904
Petroleum Special Tax	0	0	0	0	0	13,164
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	46,970	2,542	0	0	0	0
Other State Revenues	91,215	0	12,456	0	0	0
Total State of Tennessee	$ 1,896,855	$ 2,542	$ 12,456	$ 0	$ 0	$ 1,480,068
Federal Government						
Federal Through State						
Community Development	$ 196,383	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit J-5

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

		Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Federal Government (Cont.)						
Federal Through State (Cont.)						
Homeland Security Grants	$ 33,500	$ 0	$ 0	$ 0	$ 0	$ 0
Other Federal through State	17,758	0	0	0	0	26,699
Direct Federal Revenue						
Other Direct Federal Revenue	26,139	0	0	0	0	73,078
Total Federal Government	$ 273,780	$ 0	$ 0	$ 0	$ 0	$ 99,777
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Contracted Services	38,626	0	0	0	0	8,636
Citizens Groups						
Donations	37,994	15,768	0	0	0	0
Other						
Other	0	16,712	0	0	0	0
Total Other Governments and Citizens Groups	$ 76,620	$ 32,480	$ 0	$ 0	$ 0	$ 8,636
Total	$ 6,923,109	$ 74,073	$ 563,942	$ 32,629	$ 211	$ 1,634,638

(Continued)

Exhibit J-5

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

	Debt Service Fund	Capital Projects Funds			
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 681,662	$ 266,621	$ 0	$ 0	$ 2,815,554
Trustee's Collections - Prior Year	35,722	15,518	0	0	147,609
Circuit/Clerk and Master Collections - Prior Years	19,392	8,431	0	0	83,417
Interest and Penalty	6,619	2,837	0	0	27,346
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	2,430
County Local Option Taxes					
Local Option Sales Tax	112,149	0	0	0	282,832
Hotel/Motel Tax	0	0	0	0	20,329
Wheel Tax	0	0	0	0	615,210
Litigation Tax - General	0	0	0	0	9,418
Litigation Tax - Special Purpose	0	0	0	0	38,522
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	16,964
Business Tax	0	0	0	0	68,594
Mixed Drink Tax	0	0	0	0	610
Mineral Severance Tax	0	0	0	0	1,874
Statutory Local Taxes					
Bank Excise Tax	4,086	1,599	0	0	16,876
Wholesale Beer Tax	0	0	0	0	144,220
Total Local Taxes	$ 859,630	$ 295,006	$ 0	$ 0	$ 4,291,805
Licenses and Permits					
Licenses					
Cable TV Franchise	$ 0	$ 0	$ 0	$ 0	$ 52,191
Permits					
Beer Permits	0	0	0	0	2,228

(Continued)

Exhibit J-5

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

	Debt Service Fund	Capital Projects Funds			
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	Total
Licenses and Permits (Cont.)					
Permits (Cont.)					
Other Permits	$ 0	$ 0	$ 0	$ 0	$ 903
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 0	$ 55,322
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	$ 0	$ 0	$ 0	$ 0	$ 10,550
Jail Fees	0	0	0	0	2,180
DUI Treatment Fines	0	0	0	0	104
Data Entry Fee - Circuit Court	0	0	0	0	510
Courtroom Security Fee	0	0	0	0	2,773
Criminal Court					
Officers Costs	0	0	0	0	3,341
Drug Control Fines	0	0	0	0	1,171
Drug Court Fees	0	0	0	0	709
General Sessions Court					
Fines	0	0	0	0	21,744
Fines for Littering	0	0	0	0	48
Officers Costs	0	0	0	0	23,951
Game and Fish Fines	0	0	0	0	158
Drug Control Fines	0	0	0	0	13,056
Drug Court Fees	0	0	0	0	3,193
Jail Fees	0	0	0	0	25,652
DUI Treatment Fines	0	0	0	0	2,764
Data Entry Fee - General Sessions Court	0	0	0	0	6,887
Courtroom Security Fee	0	0	0	0	8,559

(Continued)

Exhibit J-5

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

	Debt Service Fund	Capital Projects Funds			
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)					
Chancery Court					
Officers Costs	$ 0	$ 0	$ 0	$ 0	$ 262
Data Entry Fee - Chancery Court	0	0	0	0	1,737
Courtroom Security Fee	0	0	0	0	116
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	0	0	0	0	34,158
Other Fines, Forfeitures, and Penalties	0	0	0	0	300
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 0	$ 163,923
Charges for Current Services					
General Service Charges					
Self-insurance Premiums/Contributions	$ 0	$ 0	$ 0	$ 0	$ 3,199
Tipping Fees	0	0	0	0	449,451
Other General Service Charges	0	0	0	0	8,804
Fees					
Airport Fees	0	0	0	0	2,639
Copy Fees	0	0	0	0	3,164
Telephone Commissions	0	0	0	0	16,052
Vending Machine Collections	0	0	0	0	235
Constitutional Officers' Fees and Commissions	0	0	0	0	211
Data Processing Fee - Register	0	0	0	0	5,224
Probation Fees	0	0	0	0	104
Data Processing Fee - Sheriff	0	0	0	0	1,182
Sexual Offender Registration Fee - Sheriff	0	0	0	0	1,200
Data Processing Fee - County Clerk	0	0	0	0	9,088
Total Charges for Current Services	$ 0	$ 0	$ 0	$ 0	$ 500,553

(Continued)

Exhibit J-5

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

	Debt Service Fund	Capital Projects Funds			
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	Total
Other Local Revenues					
Recurring Items					
Investment Income	$ 0	$ 0	$ 0	$ 0	$ 53,338
Lease/Rentals	0	0	106,755	0	198,334
Sale of Materials and Supplies	0	0	0	0	17,872
Commissary Sales	0	0	0	0	219,515
Sale of Gasoline	0	0	0	0	310,749
Retirees' Insurance Payments	0	0	0	0	8,146
Miscellaneous Refunds	0	0	3,700	0	45,062
Nonrecurring Items					
Sale of Equipment	0	0	0	0	39,115
Sale of Property	0	0	0	0	4,781
Total Other Local Revenues	$ 0	$ 0	$ 110,455	$ 0	$ 896,912
Fees Received from County Officials					
Fees in-Lieu-of Salary					
County Clerk	$ 0	$ 0	$ 0	$ 0	$ 185,211
Circuit Court Clerk	0	0	0	0	57,622
General Sessions Court Clerk	0	0	0	0	104,217
Clerk and Master	0	0	0	0	87,556
Register	0	0	0	0	64,154
Sheriff	0	0	0	0	989
Trustee	0	0	0	0	202,215
Total Fees Received from County Officials	$ 0	$ 0	$ 0	$ 0	$ 701,964

(Continued)

Exhibit J-5

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

	Debt Service Fund	Capital Projects Funds			
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	Total
State of Tennessee					
General Government Grants					
Juvenile Services Program	$ 0	$ 0	$ 0	$ 0	$ 9,400
Airport Maintenance Program	0	0	0	0	46,931
Aging Programs	0	0	0	0	19,840
On-behalf Contributions for OPEB	0	0	0	0	2,450
Public Safety Grants					
Law Enforcement Training Programs	0	0	0	0	18,600
Public Works Grants					
Litter Program	0	0	0	0	32,720
Other State Revenues					
Income Tax	0	0	0	0	47,602
Beer Tax	0	0	0	0	18,055
Vehicle Certificate of Title Fees	0	0	0	0	21,466
Alcoholic Beverage Tax	0	0	0	0	37,964
State Revenue Sharing - T.V.A.	0	0	0	0	498,499
Contracted Prisoner Boarding	0	0	0	0	989,979
Gasoline and Motor Fuel Tax	0	0	0	0	1,466,904
Petroleum Special Tax	0	0	0	0	13,164
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	8,030	14,628	72,170
Other State Revenues	0	0	0	0	103,671
Total State of Tennessee	$ 0	$ 0	$ 8,030	$ 14,628	$ 3,414,579
Federal Government					
Federal Through State					
Community Development	$ 0	$ 0	$ 0	$ 0	$ 196,383

(Continued)

Exhibit J-5

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

	Debt Service Fund	Capital Projects Funds			
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	Total
Federal Government (Cont.)					
Federal Through State (Cont.)					
Homeland Security Grants	$ 0	$ 0	$ 0	$ 0	$ 33,500
Other Federal through State	0	0	0	0	44,457
Direct Federal Revenue					
Other Direct Federal Revenue	0	0	0	0	99,217
Total Federal Government	$ 0	$ 0	$ 0	$ 0	$ 373,557
Other Governments and Citizens Groups					
Other Governments					
Contributions	$ 377,789	$ 0	$ 0	$ 0	$ 377,789
Contracted Services	0	0	0	0	47,262
Citizens Groups					
Donations	0	0	2,500	0	56,262
Other					
Other	0	0	0	0	16,712
Total Other Governments and Citizens Groups	$ 377,789	$ 0	$ 2,500	$ 0	$ 498,025
Total	$ 1,237,419	$ 295,006	$ 120,985	$ 14,628	$ 10,896,640

Exhibit J-6

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

		Special Revenue Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 2,548,817	$ 0	$ 0	$ 0	$ 2,548,817
Trustee's Collections - Prior Year	133,661	0	0	0	133,661
Circuit/Clerk and Master Collections - Prior Years	72,389	0	0	0	72,389
Interest and Penalty	24,753	0	0	0	24,753
County Local Option Taxes					
Local Option Sales Tax	721,907	0	0	0	721,907
Statutory Local Taxes					
Bank Excise Tax	15,277	0	0	0	15,277
Interstate Telecommunications Tax	3,366	0	0	0	3,366
Total Local Taxes	$ 3,520,170	$ 0	$ 0	$ 0	$ 3,520,170
Licenses and Permits					
Licenses					
Marriage Licenses	$ 1,302	$ 0	$ 0	$ 0	$ 1,302
Permits					
Other Permits	484	0	0	0	484
Total Licenses and Permits	$ 1,786	$ 0	$ 0	$ 0	$ 1,786
Charges for Current Services					
Education Charges					
Tuition - Other	$ 90	$ 0	$ 0	$ 0	$ 90
Lunch Payments - Adults	0	0	48,843	0	48,843
A la carte Sales	0	0	62,130	0	62,130
Contract for Instructional Services with Other LEAs	0	0	0	544,554	544,554

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Special Revenue Funds: Other Education Special Revenue	Total
Charges for Current Services (Cont.)					
Education Charges (Cont.)					
Receipts from Individual Schools	$ 42,847	$ 0	$ 0	$ 0	$ 42,847
Community Service Fees - Children	64,363	0	0	0	64,363
TBI Criminal Background Fee	4,200	0	0	0	4,200
Other Charges for Services					
Other Charges for Services	44,673	0	0	0	44,673
Total Charges for Current Services	$ 156,173	$ 0	$ 110,973	$ 544,554	$ 811,700
Other Local Revenues					
Recurring Items					
Investment Income	$ 25,327	$ 0	$ 2,668	$ 0	$ 27,995
E-Rate Funding	55,828	0	0	0	55,828
Retirees' Insurance Payments	117,600	0	0	0	117,600
Miscellaneous Refunds	112,375	0	0	105	112,480
Nonrecurring Items					
Sale of Equipment	15,702	0	0	0	15,702
Contributions and Gifts	17,695	0	0	0	17,695
Total Other Local Revenues	$ 344,527	$ 0	$ 2,668	$ 105	$ 347,300
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	$ 121,486	$ 0	$ 0	$ 0	$ 121,486
State Education Funds					
Basic Education Program	12,060,684	0	0	0	12,060,684
Early Childhood Education	94,636	0	0	0	94,636

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Special Revenue Funds: Other Education Special Revenue	Total
State of Tennessee (Cont.)					
State Education Funds (Cont.)					
School Food Service	$ 13,940	$ 0	$ 0	$ 0	$ 13,940
Other State Education Funds	295,404	0	0	0	295,404
Career Ladder Program	66,584	0	0	0	66,584
Career Ladder - Extended Contract	25,345	0	0	0	25,345
Other State Revenues					
Other State Grants	7,700	0	0	0	7,700
Total State of Tennessee	$ 12,685,779	$ 0	$ 0	$ 0	$ 12,685,779
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 869,029	$ 0	$ 869,029
USDA - Commodities	0	0	80,996	0	80,996
Breakfast	0	0	321,099	0	321,099
USDA - Other	0	0	14,121	0	14,121
Adult Education State Grant Program	162,109	0	0	0	162,109
Vocational Education - Basic Grants to States	0	22,964	0	0	22,964
Other Vocational	0	81,314	0	0	81,314
Title I Grants to Local Education Agencies	0	855,912	0	0	855,912
Special Education - Grants to States	0	447,730	0	0	447,730
Special Education Preschool Grants	0	4,449	0	0	4,449
Safe and Drug-free Schools - State Grants	0	85,642	0	0	85,642
Rural Education	0	36,621	0	0	36,621
Eisenhower Professional Development State Grants	0	139,115	0	0	139,115
Race to the Top - ARRA	0	50,130	0	0	50,130
Other Federal through State	0	535,448	7,500	0	542,948

(Continued)

Exhibit J-6

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

		Special Revenue Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total
Federal Government (Cont.)					
Direct Federal Revenue					
Other Direct Federal Revenue	$ 81,926	$ 0	$ 0	$ 0	$ 81,926
Total Federal Government	$ 244,035	$ 2,259,325	$ 1,292,745	$ 0	$ 3,796,105
Total	$ 16,952,470	$ 2,259,325	$ 1,406,386	$ 544,659	$ 21,162,840

Exhibit J-7

Johnson 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	$	36,000		
Social Security		1,870		
Pensions		3,249		
Medical Insurance		7,219		
Employer Medicare		498		
Audit Services		5,473		
Dues and Memberships		6,909		
Financial Advisory Services		1,250		
Travel		12,874		
Other Supplies and Materials		524		
Total County Commission			$	75,866
Board of Equalization				
Board and Committee Members Fees	$	1,000		
Total Board of Equalization				1,000
Other Boards and Committees				
Board and Committee Members Fees	$	1,800		
Social Security		10		
Pensions		25		
Medical Insurance		61		
Unemployment Compensation		1		
Employer Medicare		2		
Total Other Boards and Committees				1,899
County Mayor/Executive				
County Official/Administrative Officer	$	73,738		
Secretary(ies)		21,261		
Social Security		5,648		
Pensions		10,556		
Medical Insurance		13,109		
Unemployment Compensation		180		
Employer Medicare		1,321		
Data Processing Services		1,500		
Operating Lease Payments		407		
Printing, Stationery, and Forms		231		
Office Supplies		658		
Other Charges		1,000		
Office Equipment		2,474		
Total County Mayor/Executive				132,083
County Attorney				
Advertising	$	171		
Legal Services		6,306		
Other Contracted Services		6,000		
Total County Attorney				12,477

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
General Government (Cont.)		
Election Commission		
County Official/Administrative Officer	$ 57,459	
Deputy(ies)	28,619	
Clerical Personnel	2,002	
Other Salaries and Wages	4,852	
Election Commission	5,640	
Election Workers	23,689	
Social Security	5,288	
Pensions	10,935	
Medical Insurance	13,291	
Unemployment Compensation	193	
Employer Medicare	1,237	
Data Processing Services	16,679	
Dues and Memberships	200	
Operating Lease Payments	508	
Legal Notices, Recording, and Court Costs	6,588	
Printing, Stationery, and Forms	1,480	
Equipment Parts - Light	118	
Office Supplies	1,000	
In Service/Staff Development	5,754	
Office Equipment	1,043	
Total Election Commission		$ 186,575
Register of Deeds		
County Official/Administrative Officer	$ 63,843	
Deputy(ies)	21,672	
Social Security	5,118	
Pensions	9,284	
Medical Insurance	9,311	
Unemployment Compensation	166	
Employer Medicare	1,197	
Data Processing Services	3,139	
Dues and Memberships	707	
Printing, Stationery, and Forms	1,841	
Office Supplies	312	
Office Equipment	551	
Total Register of Deeds		117,141
County Buildings		
Custodial Personnel	$ 22,402	
Social Security	1,301	
Pensions	2,778	
Medical Insurance	6,223	
Unemployment Compensation	108	
Employer Medicare	304	
Maintenance and Repair Services - Buildings	36,329	
Custodial Supplies	5,266	
Electricity	35,975	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Natural Gas	$ 4,990	
Uniforms	1,235	
Water and Sewer	4,487	
Other Charges	142	
Other Capital Outlay	3,921	
Total County Buildings		$ 125,461
Finance		
Accounting and Budgeting		
Supervisor/Director	$ 56,612	
Data Processing Personnel	65,643	
Social Security	6,805	
Pensions	15,159	
Medical Insurance	21,978	
Unemployment Compensation	324	
Employer Medicare	1,592	
Data Processing Services	11,439	
Printing, Stationery, and Forms	4,467	
Office Supplies	847	
Office Equipment	4,309	
Total Accounting and Budgeting		189,175
Purchasing		
County Official/Administrative Officer	$ 29,755	
Social Security	1,832	
Pensions	3,690	
Unemployment Compensation	108	
Employer Medicare	428	
Advertising	625	
Data Processing Services	800	
Dues and Memberships	190	
Office Supplies	4,846	
Office Equipment	1,099	
Total Purchasing		43,373
Property Assessor's Office		
County Official/Administrative Officer	$ 63,843	
Deputy(ies)	22,386	
Social Security	4,958	
Pensions	10,694	
Medical Insurance	12,655	
Unemployment Compensation	108	
Employer Medicare	1,160	
Advertising	78	
Contracts with Government Agencies	8,000	
Data Processing Services	149	
Operating Lease Payments	1,008	

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Finance (Cont.)				
Property Assessor's Office (Cont.)				
Postal Charges	$	98		
Printing, Stationery, and Forms		420		
Office Supplies		419		
Office Equipment		738		
Total Property Assessor's Office			$	126,714
Reappraisal Program				
Clerical Personnel	$	19,546		
Other Salaries and Wages		7,132		
Social Security		1,475		
Pensions		2,499		
Medical Insurance		8,916		
Unemployment Compensation		194		
Employer Medicare		345		
Data Processing Services		3,196		
Total Reappraisal Program				43,303
County Trustee's Office				
County Official/Administrative Officer	$	63,843		
Deputy(ies)		28,326		
Other Salaries and Wages		2,898		
Social Security		5,366		
Pensions		11,301		
Medical Insurance		13,560		
Unemployment Compensation		143		
Employer Medicare		1,297		
Advertising		130		
Dues and Memberships		917		
Printing, Stationery, and Forms		1,772		
Office Supplies		1,574		
Data Processing Equipment		18,657		
Office Equipment		322		
Total County Trustee's Office				150,106
County Clerk's Office				
County Official/Administrative Officer	$	63,843		
Deputy(ies)		26,172		
Other Salaries and Wages		50,280		
Social Security		7,777		
Pensions		15,905		
Medical Insurance		26,357		
Unemployment Compensation		437		
Employer Medicare		1,819		
Dues and Memberships		607		
Printing, Stationery, and Forms		2,302		
Office Supplies		307		
Data Processing Equipment		23,907		
Office Equipment		917		
Total County Clerk's Office				220,630

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Administration of Justice				
Circuit Court				
County Official/Administrative Officer	$	63,843		
Other Salaries and Wages		113,250		
Jury and Witness Expense		15,624		
Social Security		10,563		
Pensions		15,331		
Medical Insurance		26,617		
Unemployment Compensation		678		
Employer Medicare		2,471		
Data Processing Services		7,307		
Dues and Memberships		707		
Printing, Stationery, and Forms		3,440		
Office Supplies		4,944		
Office Equipment		2,743		
Total Circuit Court			$	267,518
General Sessions Court				
Judge(s)	$	89,539		
Social Security		5,450		
Pensions		11,103		
Medical Insurance		6,223		
Employer Medicare		1,274		
Data Processing Services		3,262		
Dues and Memberships		220		
Operating Lease Payments		504		
Printing, Stationery, and Forms		6,057		
Office Supplies		453		
Total General Sessions Court				124,085
Chancery Court				
County Official/Administrative Officer	$	63,843		
Deputy(ies)		24,729		
Social Security		5,076		
Pensions		10,899		
Medical Insurance		13,652		
Unemployment Compensation		112		
Employer Medicare		1,187		
Data Processing Services		3,200		
Dues and Memberships		567		
Printing, Stationery, and Forms		833		
Office Supplies		1,007		
Office Equipment		750		
Total Chancery Court				125,855
Juvenile Court				
Social Workers	$	25,646		
Secretary(ies)		11,408		
Social Security		2,180		

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Juvenile Court (Cont.)		
Pensions	$ 3,944	
Medical Insurance	7,761	
Unemployment Compensation	189	
Employer Medicare	510	
Operating Lease Payments	234	
Travel	339	
Other Contracted Services	71,273	
Office Supplies	642	
Other Supplies and Materials	3,054	
Data Processing Equipment	744	
Total Juvenile Court		$ 127,924
Courtroom Security		
Other Supplies and Materials	$ 3,659	
Total Courtroom Security		3,659
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 70,228	
Deputy(ies)	393,432	
Investigator(s)	105,334	
Youth Service Officer(s)	19,873	
Guards	133,403	
Secretary(ies)	65,638	
Overtime Pay	56,290	
Other Salaries and Wages	14,458	
Social Security	50,686	
Pensions	120,723	
Medical Insurance	132,314	
Unemployment Compensation	3,186	
Employer Medicare	11,959	
Communication	23,424	
Data Processing Services	2,749	
Dues and Memberships	1,500	
Operating Lease Payments	1,990	
Maintenance and Repair Services - Vehicles	119,199	
Postal Charges	3,337	
Printing, Stationery, and Forms	1,729	
Rentals	5,800	
Travel	1,631	
Remittance of Revenue Collected	3,625	
Other Contracted Services	21,975	
Law Enforcement Supplies	5,546	
Office Supplies	2,286	
Uniforms	6,449	
Other Supplies and Materials	1,426	
In Service/Staff Development	6,100	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Other Charges	$ 4,100	
Data Processing Equipment	740	
Law Enforcement Equipment	26,005	
Office Equipment	2,455	
Total Sheriff's Department		$ 1,419,590
Administration of the Sexual Offender Registry		
Other Charges	$ 400	
Total Administration of the Sexual Offender Registry		400
Jail		
Medical Personnel	$ 22,681	
Guards	388,506	
Maintenance Personnel	21,911	
Overtime Pay	33,985	
Social Security	26,643	
Pensions	42,911	
Medical Insurance	86,906	
Unemployment Compensation	2,846	
Employer Medicare	6,231	
Operating Lease Payments	1,352	
Maintenance and Repair Services - Buildings	31,475	
Printing, Stationery, and Forms	156	
Custodial Supplies	20,167	
Drugs and Medical Supplies	189,684	
Electricity	54,316	
Food Supplies	138,880	
Natural Gas	22,992	
Office Supplies	3,070	
Uniforms	4,243	
Water and Sewer	34,592	
Other Supplies and Materials	6,711	
In Service/Staff Development	963	
Food Service Equipment	888	
Office Equipment	2,158	
Other Equipment	53,516	
Other Construction	1,811	
Total Jail		1,199,594
Commissary		
Food Supplies	$ 39,386	
Other Supplies and Materials	15,979	
Total Commissary		55,365
Fire Prevention and Control		
Contracts with Other Public Agencies	$ 1,000	
Contributions	158,000	
Total Fire Prevention and Control		159,000

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Public Safety (Cont.)				
Civil Defense				
Supervisor/Director	$	37,668		
Secretary(ies)		9,690		
Social Security		2,796		
Pensions		5,873		
Medical Insurance		5,978		
Unemployment Compensation		164		
Employer Medicare		654		
Communication		5,325		
Operating Lease Payments		504		
Instructional Supplies and Materials		1,084		
Uniforms		581		
Other Supplies and Materials		1,446		
In Service/Staff Development		6,770		
Maintenance Equipment		433		
Other Equipment		8,178		
Total Civil Defense			$	87,144
Other Emergency Management				
Other Contracted Services	$	66,600		
Total Other Emergency Management				66,600
Inspection and Regulation				
Secretary(ies)	$	12,577		
Social Security		742		
Pensions		1,560		
Medical Insurance		1,914		
Unemployment Compensation		54		
Employer Medicare		173		
Medical and Dental Services		1,955		
Office Supplies		274		
Total Inspection and Regulation				19,249
County Coroner/Medical Examiner				
Medical Personnel	$	1,200		
Social Security		74		
Employer Medicare		17		
Other Contracted Services		600		
Drugs and Medical Supplies		400		
Other Charges		600		
Total County Coroner/Medical Examiner				2,891
Public Health and Welfare				
Local Health Center				
Salary Supplements	$	2,604		
Custodial Personnel		21,888		
Other Salaries and Wages		68,037		
Social Security		4,045		

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Local Health Center (Cont.)		
Pensions	$ 6,204	
Medical Insurance	7,174	
Unemployment Compensation	291	
Employer Medicare	961	
Other Fringe Benefits	6,530	
Communication	123	
Contracts with Other Public Agencies	35,107	
Travel	3,233	
Custodial Supplies	2,907	
Drugs and Medical Supplies	104	
Office Supplies	1,218	
Utilities	16,952	
Other Supplies and Materials	17,655	
Total Local Health Center		$ 195,033
Rabies and Animal Control		
Other Charges	$ 524	
Total Rabies and Animal Control		524
Regional Mental Health Center		
Other Charges	$ 5,300	
Total Regional Mental Health Center		5,300
Appropriation to State		
Other Contracted Services	$ 26,252	
Total Appropriation to State		26,252
Other Public Health and Welfare		
Travel	$ 2,104	
Other Contracted Services	13,696	
Other Supplies and Materials	23,627	
In Service/Staff Development	2,325	
Total Other Public Health and Welfare		41,752
Social, Cultural, and Recreational Services		
Senior Citizens Assistance		
Supervisor/Director	$ 20,920	
Bus Drivers	18,776	
Social Security	2,198	
Pensions	4,832	
Medical Insurance	5,978	
Unemployment Compensation	227	
Employer Medicare	514	
Communication	1,588	
Drugs and Medical Supplies	1,500	
Utilities	5,641	
Total Senior Citizens Assistance		62,174

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Social, Cultural, and Recreational Services (Cont.)				
Other Social, Cultural, and Recreational				
Contributions	$	1,500		
Evaluation and Testing		3,375		
Other Contracted Services		25,000		
Total Other Social, Cultural, and Recreational			$	29,875
Agriculture and Natural Resources				
Agricultural Extension Service				
Salary Supplements	$	41,112		
Secretary(ies)		6,345		
Social Security		2,936		
Pensions		5,885		
Unemployment Compensation		52		
Employer Medicare		676		
Communication		2,425		
Maintenance Agreements		201		
Travel		5,031		
Other Contracted Services		1,000		
Other Supplies and Materials		3,412		
Office Equipment		943		
Total Agricultural Extension Service				70,018
Soil Conservation				
Secretary(ies)	$	17,633		
Social Security		1,041		
Pensions		2,186		
Unemployment Compensation		111		
Employer Medicare		244		
Total Soil Conservation				21,215
Other Operations				
Tourism				
Contributions	$	15,000		
Dues and Memberships		550		
Other Charges		2,339		
Total Tourism				17,889
Other Economic and Community Development				
Consultants	$	2,500		
Contracts with Other Public Agencies		176,967		
Total Other Economic and Community Development				179,467
Airport				
Communication	$	1,700		
Maintenance and Repair Services - Buildings		2,594		
Travel		1,226		
Electricity		596		
Liability Insurance		1,200		

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Other Operations (Cont.)		
Airport (Cont.)		
Airport Improvement	$ 66,492	
Site Development	8,611	
Total Airport		$ 82,419
Veterans' Services		
Secretary(ies)	$ 12,577	
Other Salaries and Wages	9,628	
Social Security	1,339	
Pensions	1,560	
Medical Insurance	1,914	
Unemployment Compensation	164	
Employer Medicare	313	
Dues and Memberships	449	
Office Supplies	430	
Total Veterans' Services		28,374
Other Charges		
On-behalf Payments to OPEB	$ 2,450	
Diesel Fuel	222,559	
Gasoline	70,436	
Trustee's Commission	58,502	
Workers' Compensation Insurance	82,553	
Other Charges	8,690	
Total Other Charges		445,190
Contributions to Other Agencies		
Contracts with Other Public Agencies	$ 15,000	
Contributions	6,844	
Remittance of Revenue Collected	4,130	
Total Contributions to Other Agencies		25,974
Employee Benefits		
Life Insurance	$ 1,369	
Medical Insurance	23,616	
Other Fringe Benefits	9,870	
Total Employee Benefits		34,855
Miscellaneous		
Bank Charges	$ 546	
Communication	25,209	
Operating Lease Payments	9,204	
Legal Notices, Recording, and Court Costs	1,753	
Maintenance and Repair Services - Buildings	2,953	
Pauper Burials	1,000	
Postal Charges	29,456	
Duplicating Supplies	7,065	
Electricity	2,229	

(Continued)

Exhibit J-7

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

General Fund (Cont.)			
Other Operations (Cont.)			
Miscellaneous (Cont.)			
Liability Insurance	$ 99,222		
Premiums on Corporate Surety Bonds	9,277		
Other Charges	5,888		
Total Miscellaneous		$ 193,802	
Highways			
Litter and Trash Collection			
Part-time Personnel	$ 1,990		
Other Salaries and Wages	19,080		
Social Security	1,159		
Pensions	2,366		
Medical Insurance	6,223		
Unemployment Compensation	134		
Employer Medicare	271		
Communication	1,814		
Maintenance and Repair Services - Vehicles	1,990		
Other Contracted Services	4,384		
Other Supplies and Materials	3,140		
Other Charges	1,839		
Total Litter and Trash Collection		44,390	
Total General Fund			$ 6,589,180
Public Library Fund			
Social, Cultural, and Recreational Services			
Libraries			
Bonus Payments	$ 900		
Other Salaries and Wages	33,891		
Social Security	2,114		
Unemployment Compensation	293		
Employer Medicare	494		
Other Fringe Benefits	90		
Communication	1,986		
Data Processing Services	4,304		
Operating Lease Payments	858		
Maintenance and Repair Services - Buildings	2,191		
Postal Charges	380		
Travel	460		
Electricity	5,626		
Library Books/Media	8,320		
Office Supplies	2,443		
Periodicals	490		
Water and Sewer	270		
Other Supplies and Materials	1,070		
Trustee's Commission	390		
Workers' Compensation Insurance	205		
Office Equipment	149		

(Continued)

Exhibit J-7

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

Public Library Fund (Cont.)			
Social, Cultural, and Recreational Services (Cont.)			
Libraries (Cont.)			
Regular Instruction Equipment	$ 5,148		
Other Equipment	933		
Total Libraries		$ 73,005	
Total Public Library Fund			$ 73,005
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Sanitation Management			
Equipment Operators	$ 63,417		
Other Salaries and Wages	9,690		
Social Security	4,439		
Pensions	9,065		
Life Insurance	54		
Medical Insurance	6,223		
Unemployment Compensation	382		
Employer Medicare	1,038		
Other Fringe Benefits	158		
Communication	1,584		
Operating Lease Payments	1,096		
Maintenance and Repair Services - Equipment	4,700		
Printing, Stationery, and Forms	385		
Other Contracted Services	383,219		
Custodial Supplies	905		
Diesel Fuel	4,647		
Electricity	5,416		
Gasoline	3,090		
Office Supplies	329		
Uniforms	2,947		
Water and Sewer	891		
Other Supplies and Materials	283		
Liability Insurance	7,506		
Trustee's Commission	6,378		
Workers' Compensation Insurance	5,629		
Other Charges	3,721		
Building Improvements	14,436		
Maintenance Equipment	3,326		
Site Development	899		
Total Sanitation Management		$ 545,853	
Total Solid Waste/Sanitation Fund			545,853
Drug Control Fund			
Public Safety			
Drug Enforcement			
Deputy(ies)	$ 17,000		
Confidential Drug Enforcement Payments	20,000		

(Continued)

Exhibit J-7

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

Drug Control Fund (Cont.)			
Public Safety (Cont.)			
Drug Enforcement (Cont.)			
Trustee's Commission	$ 71		
Fines, Assessments, and Penalties	1,248		
Total Drug Enforcement		$ 38,319	
Total Drug Control Fund			$ 38,319
Constitutional Officers - Fees Fund			
General Government			
Other General Administration			
Other Charges	$ 211		
Total Other General Administration		$ 211	
Total Constitutional Officers - Fees Fund			211
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 58,523		
Supervisor/Director	47,614		
Clerical Personnel	26,840		
Other Salaries and Wages	16,975		
Social Security	8,779		
Pensions	16,500		
Medical Insurance	19,761		
Unemployment Compensation	1,218		
Employer Medicare	2,053		
Operating Lease Payments	804		
Travel	608		
Office Supplies	1,331		
Office Equipment	405		
Total Administration		$ 201,411	
Highway and Bridge Maintenance			
Laborers	$ 465,111		
Social Security	26,991		
Pensions	53,591		
Medical Insurance	109,944		
Unemployment Compensation	6,116		
Employer Medicare	6,312		
Asphalt - Liquid	113,682		
Crushed Stone	104,439		
Pipe	11,371		
Road Signs	11,403		
Salt	4,818		
Wood Products	576		
Total Highway and Bridge Maintenance		914,354	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Operation and Maintenance of Equipment			
Laundry Service	$ 3,818		
Diesel Fuel	69,007		
Equipment and Machinery Parts	107,469		
Garage Supplies	20,250		
Gasoline	18,701		
Lubricants	10,372		
Tires and Tubes	12,304		
Total Operation and Maintenance of Equipment		$ 241,921	
Other Charges			
Communication	$ 6,871		
Electricity	6,152		
Natural Gas	38		
Water and Sewer	493		
Liability Insurance	29,792		
Premiums on Corporate Surety Bonds	700		
Trustee's Commission	14,825		
Other Charges	9,705		
Total Other Charges		68,576	
Employee Benefits			
Life Insurance	$ 538		
Medical Insurance	4,711		
Other Fringe Benefits	3,420		
Workers' Compensation Insurance	79,152		
Total Employee Benefits		87,821	
Capital Outlay			
Building Construction	$ 782		
Highway Equipment	52,354		
Total Capital Outlay		53,136	
Total Highway/Public Works Fund			$ 1,567,219
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 175,000		
Principal on Notes	20,000		
Total General Government		$ 195,000	
Education			
Principal on Bonds	$ 560,000		
Principal on Capital Leases	61,260		
Principal on Other Loans	48,024		
Total Education		669,284	

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)			
Interest on Debt			
General Government			
Interest on Bonds	$ 211,416		
Total General Government		$ 211,416	
Education			
Interest on Bonds	$ 171,328		
Interest on Capital Leases	4,351		
Total Education		175,679	
Other Debt Service			
General Government			
Trustee's Commission	$ 23,003		
Underwriter's Discount	47,819		
Other Debt Issuance Charges	69,710		
Total General Government		140,532	
Education			
Other Debt Service	$ 1,796		
Total Education		1,796	
Total General Debt Service Fund			$ 1,393,707
General Capital Projects Fund			
Capital Projects			
General Administration Projects			
Trustee's Commission	$ 5,796		
Transportation Equipment	77,599		
Total General Administration Projects		$ 83,395	
Highway and Street Capital Projects			
Bridge Construction	$ 32,270		
Total Highway and Street Capital Projects		32,270	
Total General Capital Projects Fund			115,665
Community Development/Industrial Park Fund			
Capital Projects			
General Administration Projects			
Communication	$ 1,200		
Data Processing Services	5,996		
Maintenance and Repair Services - Buildings	990		
Other Contracted Services	14,500		
Electricity	2,676		
Water and Sewer	1,439		
Other Charges	9,204		
Total General Administration Projects		$ 36,005	
Total Community Development/Industrial Park Fund			36,005

(Continued)

Exhibit J-7

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

Other Capital Projects Fund			
Capital Projects			
Social, Cultural, and Recreation Projects			
Other Charges	$ 17,641		
Total Social, Cultural, and Recreation Projects		$ 17,641	
Total Other Capital Projects Fund			$ 17,641
Total Governmental Funds - Primary Government			$ 10,376,805

Exhibit J-8

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

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 4,617,441	
Career Ladder Program	42,010	
Career Ladder Extended Contracts	20,040	
Educational Assistants	84,881	
Bonus Payments	97,790	
Other Salaries and Wages	21,905	
Certified Substitute Teachers	36,049	
Non-certified Substitute Teachers	64,774	
Social Security	294,847	
Pensions	441,595	
Medical Insurance	1,009,129	
Unemployment Compensation	9,861	
Employer Medicare	69,196	
Evaluation and Testing	443	
Operating Lease Payments	20,333	
Maintenance and Repair Services - Equipment	4,740	
Tuition	105,000	
Other Contracted Services	17,047	
Instructional Supplies and Materials	103,784	
Textbooks	64,768	
Other Supplies and Materials	2,393	
Fee Waivers	140	
Other Charges	15,904	
Regular Instruction Equipment	161,251	
Total Regular Instruction Program		$ 7,305,321
Alternative Instruction Program		
Teachers	$ 59,627	
Career Ladder Program	1,000	
Clerical Personnel	13,342	
Educational Assistants	8,229	
Bonus Payments	500	
Non-certified Substitute Teachers	2,146	
Social Security	1,925	
Pensions	3,625	
Medical Insurance	9,396	
Unemployment Compensation	236	
Employer Medicare	476	
Other Contracted Services	1,100	
Instructional Supplies and Materials	200	
Other Supplies and Materials	397	
Other Equipment	6,316	
Total Alternative Instruction Program		108,515
Special Education Program		
Teachers	$ 406,715	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Special Education Program (Cont.)		
Career Ladder Program	$ 3,000	
Homebound Teachers	38,786	
Educational Assistants	51,077	
Speech Pathologist	133,589	
Bonus Payments	3,000	
Other Salaries and Wages	24,767	
Certified Substitute Teachers	678	
Non-certified Substitute Teachers	30,565	
Social Security	43,918	
Pensions	62,805	
Medical Insurance	96,315	
Unemployment Compensation	2,076	
Employer Medicare	10,290	
Other Fringe Benefits	3,122	
Contracts with Other School Systems	14,000	
Contracts with Private Agencies	48,308	
Other Contracted Services	13,892	
Instructional Supplies and Materials	21,527	
Total Special Education Program		$ 1,008,430
Vocational Education Program		
Teachers	$ 494,487	
Career Ladder Program	2,000	
Clerical Personnel	16,158	
Educational Assistants	18,243	
Bonus Payments	2,500	
Other Salaries and Wages	56,499	
Non-certified Substitute Teachers	21,875	
Social Security	36,245	
Pensions	56,142	
Medical Insurance	88,124	
Unemployment Compensation	1,758	
Employer Medicare	8,494	
Operating Lease Payments	3,320	
Maintenance and Repair Services - Equipment	2,952	
Other Contracted Services	3,015	
Instructional Supplies and Materials	16,951	
T&I Construction Materials	42,585	
Other Supplies and Materials	3,743	
Other Charges	5,856	
Vocational Instruction Equipment	8,610	
Total Vocational Education Program		889,557
Adult Education Program		
Teachers	$ 71,992	
Social Security	4,406	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Adult Education Program (Cont.)		
Pensions	$ 3,524	
Medical Insurance	6,188	
Unemployment Compensation	387	
Employer Medicare	1,030	
Other Fringe Benefits	299	
Instructional Supplies and Materials	2,058	
Other Charges	14,400	
Total Adult Education Program		$ 104,284
Support Services		
Attendance		
Supervisor/Director	$ 60,171	
Career Ladder Program	1,000	
Social Workers	1,543	
Social Security	3,550	
Pensions	5,721	
Medical Insurance	7,179	
Unemployment Compensation	86	
Employer Medicare	830	
Travel	202	
Other Supplies and Materials	1,669	
In Service/Staff Development	4,203	
Total Attendance		86,154
Health Services		
Medical Personnel	$ 108,013	
Bonus Payments	3,375	
Other Salaries and Wages	70,758	
Social Security	10,938	
Pensions	19,213	
Medical Insurance	36,340	
Unemployment Compensation	583	
Employer Medicare	2,558	
Travel	1,666	
Drugs and Medical Supplies	2,853	
Other Supplies and Materials	2,340	
In Service/Staff Development	2,727	
Other Charges	5,938	
Administration Equipment	1,343	
Total Health Services		268,645
Other Student Support		
Career Ladder Program	$ 2,000	
Guidance Personnel	233,241	
Other Salaries and Wages	4,116	
Social Security	14,786	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Other Student Support (Cont.)		
Pensions	$ 21,456	
Medical Insurance	30,747	
Unemployment Compensation	436	
Employer Medicare	3,458	
Evaluation and Testing	5,206	
Travel	869	
Other Contracted Services	31,202	
Other Supplies and Materials	1,428	
In Service/Staff Development	3,066	
Other Charges	40,854	
Total Other Student Support		$ 392,865
Regular Instruction Program		
Supervisor/Director	$ 130,580	
Career Ladder Program	1,000	
Librarians	180,325	
Instructional Computer Personnel	56,331	
Bonus Payments	1,250	
Other Salaries and Wages	15,031	
In-service Training	10,589	
Social Security	24,607	
Pensions	39,404	
Medical Insurance	58,940	
Unemployment Compensation	727	
Employer Medicare	5,755	
Operating Lease Payments	2,987	
Travel	2,761	
Other Contracted Services	10,094	
Library Books/Media	24,000	
Periodicals	6,000	
Other Supplies and Materials	751	
In Service/Staff Development	24,677	
Other Charges	3,232	
Other Equipment	41,486	
Total Regular Instruction Program		640,527
Special Education Program		
Supervisor/Director	$ 36,364	
Psychological Personnel	33,376	
Secretary(ies)	13,324	
Bonus Payments	215	
Social Security	5,019	
Pensions	7,983	
Medical Insurance	3,443	
Unemployment Compensation	163	
Employer Medicare	1,174	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Special Education Program (Cont.)				
Other Fringe Benefits	$	337		
Travel		13,628		
Other Supplies and Materials		505		
In Service/Staff Development		3,315		
Total Special Education Program			$	118,846
Vocational Education Program				
Supervisor/Director	$	62,576		
Social Security		3,845		
Pensions		5,657		
Medical Insurance		6,148		
Unemployment Compensation		86		
Employer Medicare		899		
Travel		488		
In Service/Staff Development		5,500		
Total Vocational Education Program				85,199
Adult Programs				
Supervisor/Director	$	56,531		
Career Ladder Program		1,000		
Clerical Personnel		30,299		
Social Security		5,416		
Pensions		8,237		
Medical Insurance		9,826		
Unemployment Compensation		220		
Employer Medicare		1,267		
Other Fringe Benefits		367		
Travel		1,874		
In Service/Staff Development		6,354		
Total Adult Programs				121,391
Other Programs				
On-behalf Payments to OPEB	$	121,486		
Total Other Programs				121,486
Board of Education				
Secretary to Board	$	1,345		
Other Salaries and Wages		315		
Board and Committee Members Fees		12,000		
Social Security		843		
Pensions		790		
Life Insurance		7,491		
Medical Insurance		276		
Unemployment Compensation		8,295		
Employer Medicare		197		
Other Fringe Benefits		93,508		

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Board of Education (Cont.)				
Audit Services	$	13,617		
Dues and Memberships		14,727		
Legal Services		1,062		
Other Contracted Services		2,712		
Liability Insurance		150,000		
Trustee's Commission		88,319		
Workers' Compensation Insurance		115,000		
In Service/Staff Development		14,157		
Criminal Investigation of Applicants - TBI		4,200		
Other Charges		7,966		
Total Board of Education			$	536,820
Director of Schools				
County Official/Administrative Officer	$	91,231		
Clerical Personnel		20,788		
Bonus Payments		500		
Social Security		6,882		
Pensions		10,887		
Medical Insurance		12,297		
Unemployment Compensation		171		
Employer Medicare		1,609		
Communication		47,020		
Dues and Memberships		85		
Operating Lease Payments		3,648		
Postal Charges		3,656		
Other Contracted Services		7,507		
Office Supplies		3,636		
In Service/Staff Development		12,465		
Other Charges		19,503		
Administration Equipment		1,336		
Total Director of Schools				243,221
Office of the Principal				
Principals	$	366,687		
Career Ladder Program		5,000		
Assistant Principals		255,910		
Secretary(ies)		165,448		
Bonus Payments		5,000		
Non-certified Substitute Teachers		367		
Social Security		47,184		
Pensions		74,274		
Medical Insurance		91,592		
Unemployment Compensation		1,709		
Employer Medicare		11,088		
Communication		66,225		
Dues and Memberships		6,549		

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Office of the Principal (Cont.)		
Operating Lease Payments	$ 4,576	
Postal Charges	1,252	
Travel	603	
Other Contracted Services	2,613	
Office Supplies	2,241	
Other Supplies and Materials	20,896	
In Service/Staff Development	14,300	
Other Charges	6,700	
Administration Equipment	3,830	
Total Office of the Principal		$ 1,154,044
Fiscal Services		
Supervisor/Director	$ 33,338	
Accountants/Bookkeepers	31,683	
Bonus Payments	875	
Social Security	3,959	
Pensions	8,171	
Medical Insurance	10,536	
Unemployment Compensation	146	
Employer Medicare	926	
Travel	123	
Office Supplies	452	
In Service/Staff Development	692	
Other Charges	93	
Administration Equipment	825	
Total Fiscal Services		91,819
Human Services/Personnel		
Supervisor/Director	$ 11,113	
Clerical Personnel	30,901	
Bonus Payments	625	
Social Security	2,567	
Pensions	5,287	
Medical Insurance	7,661	
Unemployment Compensation	107	
Employer Medicare	600	
Travel	23	
Office Supplies	470	
In Service/Staff Development	256	
Other Charges	175	
Administration Equipment	43	
Total Human Services/Personnel		59,828
Operation of Plant		
Guards	$ 61,581	
Custodial Personnel	335,337	

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Operation of Plant (Cont.)		
Bonus Payments	$ 10,500	
Other Salaries and Wages	23,756	
Social Security	25,185	
Pensions	43,401	
Medical Insurance	144,764	
Unemployment Compensation	2,478	
Employer Medicare	5,995	
Other Contracted Services	277,061	
Custodial Supplies	94,572	
Electricity	509,106	
Natural Gas	123,045	
Water and Sewer	47,453	
Other Supplies and Materials	19,492	
In Service/Staff Development	2,423	
Other Charges	928	
Plant Operation Equipment	80,797	
Total Operation of Plant		$ 1,807,874
Maintenance of Plant		
Maintenance Personnel	$ 107,698	
Bonus Payments	1,000	
Social Security	6,453	
Pensions	12,280	
Medical Insurance	22,760	
Unemployment Compensation	286	
Employer Medicare	1,509	
Maintenance and Repair Services - Buildings	87,703	
Maintenance and Repair Services - Equipment	20,149	
Other Contracted Services	16,698	
General Construction Materials	1,020	
Other Supplies and Materials	351,697	
In Service/Staff Development	1,269	
Other Charges	3,382	
Maintenance Equipment	4,899	
Total Maintenance of Plant		638,803
Transportation		
Supervisor/Director	$ 44,301	
Mechanic(s)	56,755	
Bus Drivers	218,374	
Clerical Personnel	21,595	
Bonus Payments	13,000	
Social Security	20,981	
Pensions	41,426	
Medical Insurance	144,244	
Unemployment Compensation	2,004	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Transportation (Cont.)				
Employer Medicare	$	4,907		
Communication		3,230		
Contracts with Parents		2,033		
Medical and Dental Services		2,655		
Rentals		2,300		
Other Contracted Services		1,064		
Diesel Fuel		125,833		
Equipment and Machinery Parts		799		
Garage Supplies		2,835		
Gasoline		21,151		
Lubricants		5,750		
Tires and Tubes		28,020		
Vehicle Parts		33,268		
Other Supplies and Materials		4,449		
In Service/Staff Development		2,596		
Other Charges		39,836		
Total Transportation			$	843,406
Central and Other				
Data Processing Personnel	$	10,469		
Bonus Payments		170		
Social Security		632		
Pensions		1,319		
Medical Insurance		2,705		
Unemployment Compensation		30		
Employer Medicare		148		
Travel		887		
Other Contracted Services		26,552		
Data Processing Supplies		856		
In Service/Staff Development		230		
Data Processing Equipment		307		
Total Central and Other				44,305
Operation of Non-Instructional Services				
Food Service				
Supervisor/Director	$	46,224		
Accountants/Bookkeepers		21,250		
Bonus Payments		500		
Social Security		4,154		
Pensions		6,876		
Medical Insurance		12,297		
Unemployment Compensation		171		
Employer Medicare		972		
Travel		2,841		
Total Food Service				95,285

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)			
Instruction			
Vocational Education Program			
Instructional Supplies and Materials	$ 2,706		
Total Vocational Education Program		$ 2,706	
Operation of Non-Instructional Services			
Community Services			
Other Salaries and Wages	$ 70,242		
Social Security	4,221		
Pensions	5,986		
Medical Insurance	4,850		
Unemployment Compensation	430		
Employer Medicare	1,009		
Food Supplies	3,901		
In Service/Staff Development	660		
Other Charges	4,219		
Total Community Services		95,518	
Early Childhood Education			
Supervisor/Director	$ 11,674		
Teachers	117,932		
Educational Assistants	42,373		
Bonus Payments	2,000		
Other Salaries and Wages	1,500		
Certified Substitute Teachers	636		
Non-certified Substitute Teachers	4,293		
Social Security	10,808		
Pensions	17,363		
Medical Insurance	39,931		
Unemployment Compensation	619		
Employer Medicare	2,534		
Other Fringe Benefits	758		
Travel	827		
Instructional Supplies and Materials	10,128		
In Service/Staff Development	1,711		
Other Charges	9,502		
Total Early Childhood Education		274,589	
Capital Outlay			
Regular Capital Outlay			
Building Improvements	$ 7,790		
Total Regular Capital Outlay		7,790	
Other Debt Service			
Education			
Debt Service Contribution to Primary Government	$ 377,789		
Total Education		377,789	
Total General Purpose School Fund			$ 17,525,017

(Continued)

Exhibit J-8

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

School Federal Projects Fund				
Instruction				
Regular Instruction Program				
Teachers	$	441,001		
Educational Assistants		100,843		
Bonus Payments		5,750		
Other Salaries and Wages		108,494		
Non-certified Substitute Teachers		5,928		
Social Security		37,330		
Pensions		53,864		
Medical Insurance		86,022		
Unemployment Compensation		2,396		
Employer Medicare		9,300		
Other Fringe Benefits		2,279		
Other Contracted Services		640		
Instructional Supplies and Materials		125,898		
Other Charges		7,758		
Regular Instruction Equipment		1,640		
Total Regular Instruction Program			$	989,143
Special Education Program				
Teachers	$	87,136		
Educational Assistants		115,827		
Speech Pathologist		8,462		
Bonus Payments		6,375		
Other Salaries and Wages		13,813		
Non-certified Substitute Teachers		19,988		
Social Security		14,703		
Pensions		25,268		
Medical Insurance		79,583		
Unemployment Compensation		1,340		
Employer Medicare		3,481		
Other Fringe Benefits		1,057		
Instructional Supplies and Materials		18,098		
Total Special Education Program				395,131
Vocational Education Program				
Instructional Supplies and Materials	$	250		
Other Supplies and Materials		40,021		
Vocational Instruction Equipment		68,926		
Total Vocational Education Program				109,197
Support Services				
Other Student Support				
Other Salaries and Wages	$	2,398		
Social Security		149		
Pensions		217		
Employer Medicare		35		
Travel		4,340		

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)				
Support Services (Cont.)				
Other Student Support (Cont.)				
Other Supplies and Materials	$	7,990		
In Service/Staff Development		12,434		
Total Other Student Support			$	27,563
Regular Instruction Program				
Supervisor/Director	$	77,730		
Instructional Computer Personnel		14,921		
Secretary(ies)		7,607		
Bonus Payments		365		
Other Salaries and Wages		153,039		
In-service Training		79,988		
Social Security		18,378		
Pensions		28,063		
Medical Insurance		13,397		
Unemployment Compensation		677		
Employer Medicare		4,745		
Other Fringe Benefits		764		
Travel		1,273		
Other Supplies and Materials		5,808		
In Service/Staff Development		28,753		
Other Equipment		11,964		
Total Regular Instruction Program				447,472
Special Education Program				
In-service Training	$	340		
Social Security		18		
Pensions		28		
Employer Medicare		4		
In Service/Staff Development		874		
Total Special Education Program				1,264
Transportation				
Bus Drivers	$	26,844		
Bonus Payments		1,500		
Other Salaries and Wages		15,494		
Social Security		2,603		
Pensions		3,514		
Medical Insurance		18,446		
Unemployment Compensation		393		
Employer Medicare		599		
Other Fringe Benefits		2,188		
Total Transportation				71,581
Operation of Non-Instructional Services				
Community Services				
Supervisor/Director	$	30,000		

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Community Services (Cont.)			
Teachers	$ 80,445		
Clerical Personnel	16,506		
Educational Assistants	4,772		
Other Salaries and Wages	12,000		
Social Security	8,902		
Pensions	13,242		
Medical Insurance	1,725		
Unemployment Compensation	57		
Employer Medicare	2,082		
Other Fringe Benefits	602		
Travel	5,963		
Food Supplies	556		
Instructional Supplies and Materials	42,818		
Other Supplies and Materials	7,653		
In Service/Staff Development	19,595		
Other Charges	4,067		
Other Equipment	6,496		
Total Community Services		$ 257,481	
Total School Federal Projects Fund			$ 2,298,832
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Cafeteria Personnel	$ 344,802		
Bonus Payments	15,645		
Social Security	20,685		
Pensions	42,586		
Medical Insurance	158,858		
Unemployment Compensation	2,657		
Employer Medicare	4,838		
Other Fringe Benefits	12,640		
Communication	1,332		
Maintenance and Repair Services - Equipment	21,957		
Transportation - Other than Students	3,765		
Travel	2,906		
Food Preparation Supplies	38,696		
Food Supplies	509,049		
Office Supplies	2,453		
Uniforms	3,538		
USDA - Commodities	80,996		
Other Supplies and Materials	2,973		
In Service/Staff Development	172		
Other Charges	57,257		
Food Service Equipment	27,888		
Total Food Service		$ 1,355,693	
Total Central Cafeteria Fund			1,355,693

(Continued)

Exhibit J-8

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

Other Education Special Revenue Fund				
Instruction				
Regular Instruction Program				
Teachers	$	151,458		
Educational Assistants		43,874		
Bonus Payments		2,000		
Other Salaries and Wages		500		
Non-certified Substitute Teachers		7,655		
Social Security		11,642		
Pensions		19,446		
Medical Insurance		46,384		
Unemployment Compensation		689		
Employer Medicare		2,745		
Other Fringe Benefits		863		
Instructional Supplies and Materials		84,019		
Other Supplies and Materials		472		
Other Charges		11,207		
Total Regular Instruction Program			$	382,954
Support Services				
Attendance				
Social Workers	$	45,980		
Bonus Payments		1,000		
Social Security		2,310		
Pensions		4,849		
Medical Insurance		10,881		
Unemployment Compensation		246		
Employer Medicare		654		
Other Fringe Benefits		197		
Travel		86		
Other Supplies and Materials		7,296		
Total Attendance				73,499
Health Services				
Medical Personnel	$	9,636		
Bonus Payments		125		
Social Security		605		
Pensions		1,210		
Unemployment Compensation		17		
Employer Medicare		142		
Other Fringe Benefits		307		
Other Contracted Services		570		
Drugs and Medical Supplies		2,500		
Other Supplies and Materials		410		
Total Health Services				15,522
Regular Instruction Program				
Supervisor/Director	$	46,696		
Social Security		2,834		

(Continued)

Exhibit J-8

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

Other Education Special Revenue Fund (Cont.)			
Support Services (Cont.)			
Regular Instruction Program (Cont.)			
Pensions	$ 4,223		
Medical Insurance	4,936		
Unemployment Compensation	74		
Employer Medicare	663		
Other Fringe Benefits	196		
Travel	63		
Other Supplies and Materials	2,305		
In Service/Staff Development	10,496		
Total Regular Instruction Program		$ 72,486	
Total Other Education Special Revenue Fund			$ 544,461
Total Governmental Funds - Johnson County School Department			$ 21,724,003

Exhibit J-9

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

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 460,884
Total Cash Receipts	$ 460,884
Cash Disbursements	
Remittance of Revenues Collected	$ 456,275
Trustee's Commissions	4,609
Total Cash Disbursements	$ 460,884
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2014	0
Cash Balance, June 30, 2015	$ 0

SINGLE AUDIT SECTION

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

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

Independent Auditor's Report

Johnson County Mayor and
Board of County Commissioners
Johnson County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Johnson County's basic financial statements, and have issued our report thereon dated October 15, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Johnson 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 Johnson County's internal control. Accordingly, we do not express an opinion on the effectiveness of Johnson 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 following deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 2015-001.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2015-002 and 2015-003.

Compliance and Other Matters

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

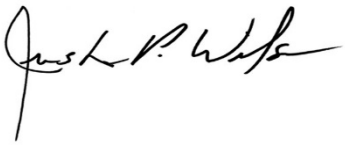
Johnson County's Responses to Findings

Johnson County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Johnson 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 Johnson 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 15, 2015

JPW/kp

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

Johnson County Mayor and
Board of County Commissioners
Johnson County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Johnson 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 Johnson County's major federal programs for the year ended June 30, 2015. Johnson 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 Johnson 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 Johnson 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 Johnson County's compliance.

Opinion on Each Major Federal Program

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

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

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

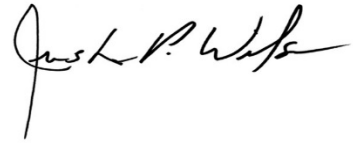
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Johnson County's basic financial statements. We issued our report thereon dated October 15, 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 15, 2015

JPW/kp

Johnson 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:			
Direct Program:			
Schools and Roads - Grants to States	10.665	N/A	$ 104,459
Community Facilities Loans and Grants	10.766	N/A	16,900
Emergency Watershed Protection Program, Recovery Act	10.923	N/A	51,403
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	321,099
National School Lunch Program	10.555	N/A	869,029 (3)
Summer Food Service Program for Children	10.559	N/A	14,121
Healthy, Hunger-Free Kids Act of 2010 Childhood Hunger Research and Demonstration Projects	10.592	N/A	7,500
Passed-through State Department of Agriculture:			
Child Nutrition Cluster:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	80,996 (3)
Total U.S. Department of Agriculture			$ 1,465,507
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	N/A	$ 196,383
Total U.S. Department of Housing and Urban Development			$ 196,383
U.S. Bureau of Land Management, Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	$ 23,739
Total U.S. Bureau of Land Management, Department of the Interior			$ 23,739
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	N/A	$ 39,855
Passed-through State Department of Environment and Conservation:			
Recreational Trails Program	20.219	N/A	14,628
Total U.S. Department of Transportation			$ 54,483
U.S. Institute of Museums and Library Services:			
Passed-through Department of State, Division of Library Services:			
Grants to States	45.310	(2)	$ 1,504
Total U.S. Institute of Museums and Library Services			$ 1,504
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	$ 889,357
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	459,786
Special Education - Preschool Grants	84.173	N/A	14,709
Career and Technical Education - Basic Grants to States	84.048	N/A	128,985
Twenty-first Century Community Learning Centers	84.287	(2)	90,707
Rural Education	84.358	N/A	36,713
Improving Teacher Quality State Grants	84.367	N/A	139,871
Teacher Incentive Fund	84.374	N/A	258,522
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	50,332
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	162,109
Passed-through State Higher Education Commission:			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	(2)	80,739
Total U.S. Department of Education			$ 2,311,830

(Continued)

Johnson 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	(2)	$ 26,699
Emergency Management Performance Grants	97.042	(2)	27,000
Homeland Security Grant Program	97.067	(2)	6,500
Total U.S. Department of Homeland Security			$ 60,199
Total Expenditures of Federal Awards			$ 4,113,645
State Grants		Contract Number	
Juvenile Services Program - State Commission on Children and Youth	N/A	(2)	$ 9,400
Airport Maintenance - State Department of Transportation	N/A	(2)	7,076
Aging Program - First Tennessee Development District	N/A	(2)	19,840
Health Department Program - State Department of Health	N/A	GG-1541603-00	90,840
Litter Program - State Department of Transportation	N/A	(2)	32,720
Rural Library Grant - State Department of Library and Archives	N/A	(2)	1,038
Used Oil Grant - State Department of Environment and Conservation	N/A	(2)	3,326
Art Student Ticket Subsidy - Tennessee Arts Commission through State Department of Education	N/A	(2)	7,700
Adult Basic Education - State Department of Education	N/A	(2)	45,069
Family Resource Center Grant - State Department of Education	N/A	(2)	29,612
Safe Schools Act Grant - State Department of Education	N/A	(2)	10,315
Lottery for Education After School Program - State Department of Education	N/A	(2)	172,992
Connect TN - State Department of Education	N/A	(2)	6,247
Early Childhood Education Pilot Project - State Department of Education	N/A	(2)	94,636
Coordinated School Health Program - State Department of Education	N/A	(2)	86,903
Total State Grants			$ 617,714

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

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) The total for CFDA No. 10.555 is $950,025.

Johnson 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 Johnson County, Tennessee, for the year ended June 30, 2014, which have not been corrected.

OFFICE OF DIRECTOR OF SCHOOLS

Finding Number	Page Number	Subject
2014-001	167	Deficiencies were noted with cash management of the School Federal Projects Fund

OFFICES OF CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF

Finding Number	Page Number	Subject
2014-003	169	Duties were not segregated adequately

JOHNSON 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 Johnson County is unmodified.

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

3. The audit disclosed no instances of noncompliance that are material to the financial statements of Johnson 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, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); the Title I Grants to Local Education Agencies (CFDA No. 84.010); and the Teacher Incentive Fund Program (CFDA No. 84.374) were determined to be major programs.

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

9. Johnson County qualifed as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2015-001 **THE SCHOOL DEPARTMENT FAILED TO REQUEST REIMBURSEMENTS FOR GRANT EXPENDITURES ON A TIMELY BASIS RESULTING IN DEFICITS IN UNASSIGNED FUND BALANCES AND CASH OVERDRAFTS**

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

School Department personnel failed to request reimbursements for grant expenditures related to multiple state and federal programs on a timely basis. Requests totaling $409,423 were not submitted to the Tennessee Department of Education for reimbursement until July and August 2015, for expenditures made from the General Purpose School Fund totaling $232,416 and the School Federal Projects Fund totaling $177,007 during the period November 2014 through June 2015. Receivables from these reimbursement requests have been deferred and are not reflected as revenues in the fund financial statements since they were not available to meet current obligations. A breakdown of the various requests and related programs is presented below.

General Purpose School Fund:

Grant	Period Expended	Date of Reimbursement Request	Amount Requested
Adult Education Program	6/1/15 - 6/30/15	8/3/2015	$ 24,946
Early Childhood Education Pilot Program	11/25/14 - 6/30/15	7/22/2015	191,768
Coordinated School Health Program	6/1/15 - 6/30/15	8/20/2015	12,004
Safe Schools Program	6/1/15 - 6/30/15	8/20/2015	3,698
Total General Purpose School Fund			$ 232,416

School Federal Projects Expenditures:

Grant	Period Expended	Date of Reimbursement Request	Amount Requested
Title I	6/1/15 - 6/30/15	8/10/2015	$ 32,075
Twenty-first Century Community Learning Centers	5/22/15 - 6/30/15	8/26/2015	6,494
Lottery Education After School Program	6/1/15 - 6/30/15	8/17/2015	75,674
Rural Education Achievement Program	6/1/15 - 6/30/15	8/10/2015	91
Vocational Education Program	2/20/15 - 6/30/15	8/10/2015	20,749
Vocational Education Discretionary Program	12/1/14 - 6/30/15	8/25/2015	18,465
Special Education - Grants to States	6/18/15 - 6/30/15	8/10/2015	12,785
Special Education - Preschool Grants	6/11/15 - 6/30/15	8/10/2015	10,674
Total School Federal Projects Fund			$ 177,007

The failure to submit requests for reimbursements on a timely basis in the General Purpose School Fund limited its operating funds by relying on existing cash and fund balances to cover expenditures that the state or federal programs would otherwise reimburse. The failure to submit requests for reimbursements on a timely basis in the School Federal Projects Fund resulted in the fund having a deficit in unassigned fund balance of $150,502 at June 30, 2015.

Also, as a result of not submitting requests for reimbursements on a timely basis, the General Purpose School Fund transferred an additional $150,000 to the School Federal Projects Fund bringing total transfers for cash flow purposes to $300,000. However, even with these transfers, the School Federal Projects Fund ended three months with cash overdrafts: July 2014 ($53,833), September 2014 ($95,145), and November 2014 ($50,496). The School Federal Projects Fund was as much as $350,496 behind in requesting grant reimbursements at various times during the year.

Sound business practices dictate that cash flow should be monitored to ensure that funds are sufficient to meet current obligations. The deficit in unassigned fund balance was liquidated with the receipt of multiple grant reimbursements subsequent to June 30, 2015.

RECOMMENDATION

The School Department should monitor each fund's cash flow to prevent cash overdrafts and deficits in fund balances. Requests for reimbursements for expenditures of grant funds should be made on a timely basis.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

During the audit it was determined that School Department personnel failed to request reimbursements for grant expenditures related to multiple state and federal programs on a

timely basis. The following action plan has been put into place: in the future, funds that were previously drawn down on a quarterly basis will be drawn down monthly, and funds that were drawn down monthly will now be drawn twice each month (following each pay period). No purchase orders will be issued for federal program purchases after May 31, which will allow for receipt of materials and invoices allowing draw down of funds before June 30. Cash flow will be monitored to ensure that funds are sufficient to meet current obligations.

FINDING 2015-002 **THE SCHOOL DEPARTMENT HAD PURCHASING DEFICIENCIES**

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

Purchasing procedures for the School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *Tennessee Code Annotated*. As part of our auditing procedures for determining whether internal controls over purchasing were operating as designed, we initially selected a sample of 31 disbursements. Due to deficiencies noted in certain items in the original sample and questions related to credit card activity, we selected an additional 15 disbursements. Our examination revealed the following deficiencies, which can be attributed to a lack of management oversight and failure to adopt and implement proper policies and procedures over the use of credit cards.

A. Purchase orders were issued after the purchases were made in nine instances. Seven of these instances related to purchases made using county issued credit cards. In one instance, the School Department contracted for the replacement of a water tank and was invoiced by the contractor on September 30, 2014, for $77,700; however, a purchase order was not issued until February 10, 2015, when a duplicate invoice was received noting payment was past due. This practice defeats the purpose of the purchase order and makes it an approval of payment rather than an approval of the purchase.

B. A purchase order was not issued for one applicable purchase. Purchase orders are necessary to control who has purchasing authority for the School Department and to document purchasing commitments.

C. Two instances were noted where the School Department had paid late fees and/or interest on credit card account statements. It was also noted that sales tax had been paid on several purchases using School Department credit cards. The absence of formal policies and procedures governing the use of credit cards contributed to these deficiencies.

RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases before purchases are made. Invoices should be processed in a timely manner to avoid late fees

and/or interest charges. The School Department should develop written policies and procedures for the use of credit cards.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

During the audit it was determined that these deficiencies were due to a lack of management oversight and failure to adopt and implement proper policies and procedures over the use of credit cards. The office will issue purchase orders for all applicable purchases before purchases are made and all procurement guidelines will be followed. Invoices will be processed in a timely manner to avoid late fees and/or interest charges. Written policies and procedures for the use of credit cards will be developed.

OFFICES OF CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF

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 Clerk and Master, Register of Deeds, and Sheriff. 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 give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

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 Johnson County.

JOHNSON COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF PURCHASING FOR ALL DEPARTMENTS

Johnson County operates under provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting and budgeting covering funds administered by the county mayor, road superintendent, and director of schools. These funds were maintained in the Office of Central Accounting under the supervision of the director of accounts and budgets.

The Fiscal Control Acts of 1957 also include provisions for centralized purchasing for funds maintained by the county mayor and road superintendent. However, purchasing procedures for the School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *Tennessee Code Annotated*, 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. Sound business practices dictate that establishing a central system would significantly improve internal controls over the purchasing process. The absence of a central system of 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 purchasing for all county departments.

JOHNSON 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.