

**ANNUAL FINANCIAL REPORT**  
**SULLIVAN COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2015**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT**  
**SULLIVAN 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*

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*Audit Manager*

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*Auditor 4*

*ROBERT ANDERSON*  
*GREG BRUSH, CISA*  
*State Auditors*

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)

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# ***Summary of Audit Findings***

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

## ***Scope***

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

## ***Results***

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

Our audit resulted in no findings.

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# INTRODUCTORY SECTION

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# Sullivan County Officials

## June 30, 2015

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### **Officials**

Richard Venable, County Mayor  
Jim Belgeri, Highway Commissioner  
Jubal Yennie, Director of Schools  
Frances Harrell, Trustee  
Kristinia Davis, Purchasing Agent  
Larry Bailey, Director of Accounts and Budgets  
Jeanie Gammon, County Clerk  
Tommy Kerns, Circuit, General Sessions, and Law Courts Clerk  
Katherine Priester, Clerk and Master  
Sheena Tinsley, Register of Deeds  
Ronald Hillman, Assessor of Property  
Wayne Anderson, Sheriff

### **Board of County Commissioners**

Richard Venable, County Mayor, Chairman	Matthew Johnson
Mark Bowery	Bill Kilgore
Darlene Calton	Kit McGlothlin
Michael Cole	Randy Morrell
John Crawford	Bob Neal
John Gardner	Cheryl Russell
Sherry Grubb	Bobbie Russell, Jr.
Andy Hare	Patrick Shull
Mack Harr	Angie Stanley
Joe Herron	Mark Vance
Terry Harkleroad	Robert White
Baxter Hood	Eddie Williams
Dennis Houser	

### **Board of Education**

Dan Wells, Chairman	Jack Bales
Todd Broughton	Betty Combs
Jerry Greene	Michael Hughes
Randall Jones	

### **Audit Committee**

Eddie Williams, Chairman  
John Crawford  
Terry Harkleroad

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# FINANCIAL SECTION

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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

Sullivan County Mayor and  
Board of County Commissioners  
Sullivan 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 Sullivan 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 Sullivan County, Tennessee, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows 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., Sullivan County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

### ***Emphasis of Matter***

We draw attention to Note I.D.9 to the financial statements, which describe a restatement decreasing the beginning Governmental Activities net position of the primary government by \$6,904,674, and decreasing the discretely presented Sullivan County School Department's beginning net position by \$17,130,955. 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 - other postemployment benefit(s) plan(s) on pages 98-104 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 Sullivan 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 Sullivan 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 Sullivan 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 Sullivan County School Department

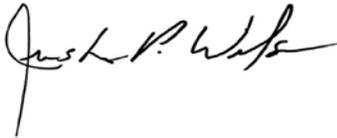
(a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 December 23, 2015, on our consideration of Sullivan 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 Sullivan County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

December 23, 2015

JPW/kp

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# BASIC FINANCIAL STATEMENTS

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## Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Sullivan County School Department</u>
<b><u>ASSETS</u></b>		
Cash	\$ 425,245	\$ 19,364
Equity in Pooled Cash and Investments	14,917,965	8,357,407
Inventories	16,492	211,510
Accounts Receivable	2,335,922	9,248
Allowance for Uncollectibles	(101,224)	0
Due from Other Governments	3,301,720	2,638,089
Due from Primary Government	0	995
Due from Component Units	89,801	0
Due from Joint Venture	2,717	0
Property Taxes Receivable	33,324,099	26,907,367
Allowance for Uncollectible Property Taxes	(922,740)	(745,063)
Prepaid Items	200,450	3,534
Net Pension Asset - Agent Plan	671,801	322,428
Net Pension Asset - Cost-sharing Plan	0	163,095
Capital Assets:		
Assets Not Depreciated:		
Land	1,947,221	1,111,748
Construction in Progress	110,954	30,000
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	20,376,279	66,922,073
Infrastructure	10,667,951	0
Other Capital Assets	11,711,715	2,324,108
Total Assets	<u>\$ 99,076,368</u>	<u>\$ 108,275,903</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Deferred Charge on Refunding	\$ 891,002	\$ 0
Pension Changes in Experience	0	395,954
Pension Contributions After Measurement Date	4,013,017	4,652,559
Total Deferred Outflows of Resources	<u>\$ 4,904,019</u>	<u>\$ 5,048,513</u>
<b><u>LIABILITIES</u></b>		
Accounts Payable	\$ 915,031	\$ 165,648
Accrued Payroll	631,092	0
Accrued Interest Payable	411,600	0
Payroll Deductions Payable	36,593	829,728
Contracts Payable	0	22,494
Retainage Payable	14,155	0
Claims and Judgments Payable	832,184	0
Due to Primary Government	0	89,801
Due to Component Units	995	0
Due to State of Tennessee	3,935	0
Other Current Liabilities	383,010	66,664

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Sullivan County School Department</u>
<u>LIABILITIES (Cont.)</u>		
Noncurrent Liabilities:		
Due Within One Year	5,224,072	532,868
Due in More Than One Year (net of unamortized premium on debt)	<u>60,549,404</u>	<u>36,768,937</u>
Total Liabilities	<u>\$ 69,002,071</u>	<u>\$ 38,476,140</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 31,678,238	\$ 25,578,425
Deferred Credit on Refunding	265,886	0
Pension Changes in Experience	1,210,848	581,142
Pension Changes in Investment Earnings	6,937,686	16,767,692
Pension Other Deferrals	<u>0</u>	<u>684,240</u>
Total Deferred Inflows of Resources	<u>\$ 40,092,658</u>	<u>\$ 43,611,499</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 32,304,869	\$ 70,387,929
Restricted for:		
General Government	960,594	0
Finance	143,755	0
Administration of Justice	256,532	0
Public Safety	133,082	0
Public Health and Welfare	57,891	0
Education	0	1,583,599
Capital Projects	308,294	0
Other Purposes	671,801	0
Debt Service	1,171,278	0
Unrestricted	<u>(41,122,438)</u>	<u>(40,734,751)</u>
Total Net Position	<u>\$ (5,114,342)</u>	<u>\$ 31,236,777</u>

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Governmental Activities	Sullivan County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 5,720,804	\$ 1,784,266	\$ 57,571	\$ 434,901	\$ (3,444,066)	\$ 0
Finance	5,089,290	4,005,432	0	0	(1,083,858)	0
Administration of Justice	5,081,120	2,726,290	146,750	0	(2,208,080)	0
Public Safety	24,380,024	2,540,766	472,061	167,150	(21,200,047)	0
Public Health and Welfare	12,585,509	6,231,436	3,822,293	351,756	(2,180,024)	0
Social, Cultural, and Recreational Services	1,466,941	342,295	50	3,100	(1,121,496)	0
Agriculture and Natural Resources	163,564	0	0	0	(163,564)	0
Highways	8,769,204	22,291	2,733,156	214,845	(5,798,912)	0
Education	8,064,822	277,409	0	0	(7,787,413)	0
Debt Service:						
Interest	2,149,526	0	916,930	0	(1,232,596)	0
<b>Total Primary Government</b>	<b>\$ 73,470,804</b>	<b>\$ 17,930,185</b>	<b>\$ 8,148,811</b>	<b>\$ 1,171,752</b>	<b>\$ (46,220,056)</b>	<b>\$ 0</b>
Component Units:						
Sullivan County School Department	\$ 93,471,932	\$ 1,670,992	\$ 9,517,969	\$ 7,276,211	\$ 0	\$ (75,006,760)
<b>Total Component Units</b>	<b>\$ 93,471,932</b>	<b>\$ 1,670,992</b>	<b>\$ 9,517,969</b>	<b>\$ 7,276,211</b>	<b>\$ 0</b>	<b>\$ (75,006,760)</b>

Exhibit B

Sullivan County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Governmental Activities	Sullivan County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 28,573,454	\$ 26,340,313
Property Taxes Levied for Debt Service					4,048,121	0
Local Option Sales Taxes					3,116,348	12,281,604
Litigation Tax - General					289,564	0
Litigation Tax - Office of Public Defender					164,643	0
Litigation Tax - Jail, Workhouse, or Courthouse					135,425	0
Litigation Tax - Courtroom Security					382,349	0
Business Tax					2,199,584	0
Mixed Drink Tax					18,772	0
Mineral Severance Tax					146,787	0
Wholesale Beer Tax					375,064	0
Interstate Telecommunications Tax					11,718	0
Other Local Taxes					0	5,704
Grants and Contributions Not Restricted to Specific Programs					2,149,920	42,476,255
Unrestricted Investment Income					284,787	18
Miscellaneous					51,336	536,497
Pension Income					0	253,915
<b>Total General Revenues</b>					<b>\$ 41,947,872</b>	<b>\$ 81,894,306</b>
Change in Net Position						
Net Position, July 1, 2014					\$ (4,272,184)	\$ 6,887,546
Restatement - Pension Liability (See Notes I.D.9.)					6,062,516	41,480,186
					(6,904,674)	(17,130,955)
<b>Net Position, June 30, 2015</b>					<b>\$ (5,114,342)</b>	<b>\$ 31,236,777</b>

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 400	\$ 0	\$ 0	\$ 182,712	\$ 183,112
Equity in Pooled Cash and Investments	6,797,668	3,354,764	1,593,389	1,859,412	13,605,233
Inventories	16,492	0	0	0	16,492
Accounts Receivable	197,170	112,232	0	1,917,913	2,227,315
Due from Other Governments	2,499,063	736,480	0	66,177	3,301,720
Due from Other Funds	243,967	362	0	7,338	251,667
Due from Component Units	38,475	100	0	632	39,207
Due from Joint Ventures	0	0	2,717	0	2,717
Property Taxes Receivable	25,399,115	3,021,784	4,135,275	767,925	33,324,099
Allowance for Uncollectible Property Taxes	(703,299)	(83,673)	(114,505)	(21,263)	(922,740)
Prepaid Items	6,031	0	187,119	0	193,150
Total Assets	\$ 34,495,082	\$ 7,142,049	\$ 5,803,995	\$ 4,780,846	\$ 52,221,972
<u>LIABILITIES</u>					
Accounts Payable	\$ 824,261	\$ 16,174	\$ 0	\$ 51,762	\$ 892,197
Accrued Payroll	457,910	84,738	0	88,444	631,092
Payroll Deductions Payable	34,366	886	0	1,341	36,593
Retainage Payable	14,155	0	0	0	14,155
Due to Other Funds	543,822	64,789	0	314,627	923,238
Due to Component Units	982	13	0	0	995
Due to State of Tennessee	3,935	0	0	0	3,935
Other Current Liabilities	0	0	383,010	0	383,010
Total Liabilities	\$ 1,879,431	\$ 166,600	\$ 383,010	\$ 456,174	\$ 2,885,215

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 24,144,664	\$ 2,872,540	\$ 3,931,036	\$ 729,998	\$ 31,678,238
Deferred Delinquent Property Taxes	471,080	56,045	76,697	14,243	618,065
Other Deferred/Unavailable Revenue	689,363	455,858	0	1,537,382	2,682,603
Total Deferred Inflows of Resources	<u>\$ 25,305,107</u>	<u>\$ 3,384,443</u>	<u>\$ 4,007,733</u>	<u>\$ 2,281,623</u>	<u>\$ 34,978,906</u>

FUND BALANCES

Nonspendable:					
Inventory	\$ 16,492	\$ 0	\$ 0	\$ 0	\$ 16,492
Prepaid Items	6,031	0	187,119	0	193,150
Restricted:					
Restricted for General Government	887,539	0	0	0	887,539
Restricted for Finance	143,755	0	0	0	143,755
Restricted for Administration of Justice	256,532	0	0	0	256,532
Restricted for Public Safety	33,877	0	0	99,205	133,082
Restricted for Public Health and Welfare	57,891	0	0	0	57,891
Restricted for Other Operations	73,055	0	0	0	73,055
Restricted for Debt Service	0	0	1,226,133	92,929	1,319,062
Restricted for Capital Projects	0	0	0	308,294	308,294
Committed:					
Committed for Finance	726,476	0	0	0	726,476
Committed for Public Health and Welfare	0	0	0	1,298,586	1,298,586
Committed for Social, Cultural, and Recreational Services	0	0	0	244,035	244,035
Committed for Other Operations	538,993	0	0	0	538,993
Committed for Highways/Public Works	0	3,591,006	0	0	3,591,006
Assigned:					
Assigned for General Government	1,763,541	0	0	0	1,763,541

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>					
Assigned (Cont.):					
Assigned for Finance	\$ 420,881	\$ 0	\$ 0	\$ 0	420,881
Assigned for Administration of Justice	92,829	0	0	0	92,829
Assigned for Public Safety	598,186	0	0	0	598,186
Assigned for Public Health and Welfare	24,515	0	0	0	24,515
Assigned for Social, Cultural, and Recreational Services	37,580	0	0	0	37,580
Unassigned	1,632,371	0	0	0	1,632,371
Total Fund Balances	\$ 7,310,544	\$ 3,591,006	\$ 1,413,252	\$ 2,043,049	\$ 14,357,851
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 34,495,082	\$ 7,142,049	\$ 5,803,995	\$ 4,780,846	\$ 52,221,972

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

Exhibit C-2

Sullivan 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)		\$ 14,357,851
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,947,221	
Add: construction in progress	110,954	
Add: infrastructure net of accumulated depreciation	10,667,951	
Add: buildings and improvements net of accumulated depreciation	20,376,279	
Add: other capital assets net of accumulated depreciation	<u>11,711,715</u>	44,814,120
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		3,300,668
(3) Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.		1,397,999
(4) Long-term liabilities are not due and payable in the current-period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (575,000)	
Less: other loans payable	(19,118,311)	
Less: capital leases payable	(311,907)	
Less: bonds payable	(38,300,000)	
Add: debt to be contributed by the School Department for capital leases	38,696	
Add: deferred charge on refunding	891,002	
Less: compensated absences payable	(1,201,970)	
Less: other postemployment benefits liability	(1,696,236)	
Less: accrued interest on notes and bonds	(411,600)	
Less: deferred credit on refunding	(265,886)	
Less: other deferred revenue - premium on debt	<u>(4,570,052)</u>	(65,521,264)
(5) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 4,013,017	
Less: deferred inflows of resources related to pensions	<u>(8,148,534)</u>	(4,135,517)
(6) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		<u>671,801</u>
Net position of governmental activities (Exhibit A)		<u>\$ (5,114,342)</u>

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<b>Revenues</b>					
Local Taxes	\$ 29,043,403	\$ 6,085,521	\$ 4,175,118	\$ 750,128	\$ 40,054,170
Licenses and Permits	456,616	250,000	0	0	706,616
Fines, Forfeitures, and Penalties	609,858	0	0	57,797	667,655
Charges for Current Services	1,174,963	0	0	4,989,363	6,164,326
Other Local Revenues	156,319	91,263	736,745	142,769	1,127,096
Fees Received from County Officials	6,597,190	0	0	0	6,597,190
State of Tennessee	4,522,039	2,742,204	0	138,928	7,403,171
Federal Government	3,004,933	10,400	0	116,443	3,131,776
Other Governments and Citizens Groups	1,018,236	12,863	514,655	2,217,778	3,763,532
<b>Total Revenues</b>	<b>\$ 46,583,557</b>	<b>\$ 9,192,251</b>	<b>\$ 5,426,518</b>	<b>\$ 8,413,206</b>	<b>\$ 69,615,532</b>
<b>Expenditures</b>					
Current:					
General Government	\$ 4,560,096	\$ 0	\$ 0	\$ 10,735	\$ 4,570,831
Finance	5,286,193	0	81,454	20,755	5,388,402
Administration of Justice	5,166,950	0	0	0	5,166,950
Public Safety	31,746,064	0	0	74,101	31,820,165
Public Health and Welfare	6,788,046	0	0	6,538,595	13,326,641
Social, Cultural, and Recreational Services	1,141,803	0	0	304,196	1,445,999
Agriculture and Natural Resources	165,146	0	0	0	165,146
Other Operations	1,651,124	0	0	110,954	1,762,078
Highways	0	8,306,702	0	0	8,306,702
Instruction	345,239	0	0	0	345,239
Debt Service:					
Principal on Debt	26,803	56,082	3,721,293	1,605,000	5,409,178
Interest on Debt	19,297	5,943	1,791,091	439,629	2,255,960

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Governmental Funds
<u>Expenditures (Cont.)</u>					
Debt Service (Cont.)					
Other Debt Service	\$ 451	\$ 0	\$ 402,002	\$ 51,869	\$ 454,322
Capital Projects	0	317,677	0	0	317,677
Capital Projects - Donated	26,006	0	0	0	26,006
Total Expenditures	<u>\$ 56,923,218</u>	<u>\$ 8,686,404</u>	<u>\$ 5,995,840</u>	<u>\$ 9,155,834</u>	<u>\$ 80,761,296</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (10,339,661)	\$ 505,847	\$ (569,322)	\$ (742,628)	\$ (11,145,764)
<u>Other Financing Sources (Uses)</u>					
Capital Leases Issued	\$ 10,596,860	\$ 0	\$ 0	\$ 0	\$ 10,596,860
Refunding Debt Issued	0	0	31,135,000	6,965,000	38,100,000
Premiums on Debt Issued	0	0	4,273,394	463,259	4,736,653
Insurance Recovery	0	5,664	0	0	5,664
Transfers In	0	0	245,939	0	245,939
Transfers Out	(945,939)	0	0	0	(945,939)
Payments to Refunded Debt Escrow Agent	0	0	(35,033,523)	(7,376,640)	(42,410,163)
Total Other Financing Sources (Uses)	<u>\$ 9,650,921</u>	<u>\$ 5,664</u>	<u>\$ 620,810</u>	<u>\$ 51,619</u>	<u>\$ 10,329,014</u>
Net Change in Fund Balances	\$ (688,740)	\$ 511,511	\$ 51,488	\$ (691,009)	\$ (816,750)
Fund Balance, July 1, 2014	<u>7,999,284</u>	<u>3,079,495</u>	<u>1,361,764</u>	<u>2,734,058</u>	<u>15,174,601</u>
Fund Balance, June 30, 2015	<u>\$ 7,310,544</u>	<u>\$ 3,591,006</u>	<u>\$ 1,413,252</u>	<u>\$ 2,043,049</u>	<u>\$ 14,357,851</u>

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

Exhibit C-4

Sullivan 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)		\$ (816,750)
(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	\$ 8,511,635	
Less: current-year depreciation expense	<u>(2,766,601)</u>	5,745,034
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Add: assets donated and capitalized	\$ 319,996	
Less: net book value of assets disposed	<u>(9,805)</u>	310,191
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2014	\$ (2,899,896)	
Add: deferred delinquent property taxes and other deferred June 30, 2015	<u>3,300,668</u>	400,772
(4) The issuance of long-term debt (e.g., notes, bonds, 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: bond proceeds	\$ (38,100,000)	
Less: capital lease proceeds	(10,596,860)	
Less: change in premium on debt issuances	(3,425,393)	
Add: principal payments on bonds	3,295,000	
Add: principal payments on notes	275,000	
Add: principal payments on other loans	1,688,063	
Add: principal payments on capital leases	151,115	
Less: contributions from the School Department for bond debt	(1,605,000)	
Less: contributions from the School Department for capital leases debt	(68,230)	
Add: principal amount of debt refunded	40,797,215	
Less: contribution to School Department for bonds refunded	(7,230,000)	
Add: change in deferred charge on refunding	704,091	
Less: change in deferred credit on refunding	<u>(265,886)</u>	(14,380,885)
(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	\$ (30,083)	
Change in compensated absences payable	8,803	
Change in other postemployment benefits liability	65,408	
Change in net pension liability/asset	7,576,475	
Change in deferred outflows related to pensions	4,013,017	
Change in deferred inflows related to pensions	<u>(8,148,534)</u>	3,485,086

(Continued)

Sullivan County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities (Cont.)

(6) Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee dental benefits to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities in the statement of activities.	<u>\$ 984,368</u>
Change in net position of governmental activities (Exhibit B)	<u><u>\$ (4,272,184)</u></u>

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

Exhibit C-5

Sullivan 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		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 29,043,403	\$ 0	\$ 0	\$ 29,043,403	\$ 29,128,197	\$ 29,146,697	\$ (103,294)
Licenses and Permits	456,616	0	0	456,616	401,814	401,814	54,802
Fines, Forfeitures, and Penalties	609,858	0	0	609,858	437,651	581,713	28,145
Charges for Current Services	1,174,963	0	0	1,174,963	918,880	918,880	256,083
Other Local Revenues	156,319	0	0	156,319	138,023	154,175	2,144
Fees Received from County Officials	6,597,190	0	0	6,597,190	6,780,231	6,587,565	9,625
State of Tennessee	4,522,039	0	0	4,522,039	4,461,639	4,570,658	(48,619)
Federal Government	3,004,933	0	0	3,004,933	3,330,448	3,491,295	(486,362)
Other Governments and Citizens Groups	1,018,236	0	0	1,018,236	1,103,600	1,103,600	(85,364)
<b>Total Revenues</b>	<b>\$ 46,583,557</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 46,583,557</b>	<b>\$ 46,700,483</b>	<b>\$ 46,956,397</b>	<b>\$ (372,840)</b>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 324,873	\$ (1,243)	\$ 0	\$ 323,630	\$ 327,055	\$ 327,355	\$ 3,725
County Mayor/Executive	204,529	(3,600)	60	200,989	209,000	209,000	8,011
County Attorney	227,569	0	85	227,654	235,919	244,371	16,717
Election Commission	619,598	(18,631)	10,273	611,240	667,434	679,855	68,615
Register of Deeds	421,843	(71,168)	46,477	397,152	553,277	553,277	156,125
Planning	348,575	(1,481)	489	347,583	340,355	358,417	10,834
Geographical Information Systems	27,966	(3,012)	5,617	30,571	31,015	31,015	444
County Buildings	1,397,795	(40,995)	32,288	1,389,088	1,503,028	1,652,643	263,555
Other Facilities	211,746	0	0	211,746	211,746	211,746	0
Preservation of Records	82,632	(41)	127	82,718	75,165	85,987	3,269
Risk Management	692,970	(4,427)	1,000	689,543	1,410,475	812,253	122,710
<u>Finance</u>							
Accounting and Budgeting	614,991	(8,108)	4,226	611,109	618,459	620,889	9,780
Purchasing	495,051	(10,298)	18,173	502,926	548,306	551,341	48,415
Property Assessor's Office	1,638,606	(20,138)	27,354	1,645,822	1,652,138	1,710,415	64,593
County Trustee's Office	609,798	(46,589)	78,822	642,031	631,566	681,854	39,823
County Clerk's Office	1,344,118	(1,411)	260	1,342,967	1,495,589	1,567,448	224,481
Data Processing	27,718	(7,980)	299,705	319,443	120,000	320,000	557

(Continued)

Exhibit C-5

Sullivan 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		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Other Finance	\$ 555,911	\$ 0	\$ 0	\$ 555,911	\$ 650,000	\$ 650,000	\$ 94,089
<u>Administration of Justice</u>							
Circuit Court Judge	11,732	(1,340)	0	10,392	13,000	13,000	2,608
Circuit Court Clerk	1,722,141	(6,002)	10,403	1,726,542	1,621,201	1,758,111	31,569
General Sessions Court	537,455	(164)	1,040	538,331	540,135	545,035	6,704
General Sessions Judge	579,436	(164)	2,000	581,272	590,985	602,607	21,335
Drug Court	9,152	0	0	9,152	27,000	27,000	17,848
Chancery Court	586,083	(1,292)	35,423	620,214	588,136	628,572	8,358
Juvenile Court	716,172	(2,989)	2,403	715,586	779,170	795,298	79,712
Juvenile Court Judge	3,000	0	0	3,000	3,000	3,000	0
District Attorney General	283,457	0	0	283,457	289,883	305,361	21,904
Office of Public Defender	210,637	0	0	210,637	205,000	213,806	3,169
Other Administration of Justice	91,367	(2,495)	0	88,872	153,487	153,487	64,615
Courtroom Security	378,821	0	922	379,743	337,035	390,961	11,218
Victims Assistance Programs	37,497	0	0	37,497	20,500	37,497	0
<u>Public Safety</u>							
Sheriff's Department	9,403,573	(253,598)	335,358	9,485,333	9,294,827	9,731,574	246,241
Administration of the Sexual Offender Registry	10,148	0	0	10,148	10,500	10,500	352
Jail	8,304,764	(135,714)	88,018	8,257,068	8,200,915	8,375,785	118,717
Workhouse	97,846	(176)	325	97,995	95,274	98,920	925
Juvenile Services	539,315	0	0	539,315	638,552	638,552	99,237
Fire Prevention and Control	1,318,837	0	168,817	1,487,654	1,487,654	1,487,654	0
Civil Defense	594,067	(2,915)	2,126	593,278	589,406	615,270	21,992
Rescue Squad	294,823	0	0	294,823	294,823	294,823	0
Disaster Relief	110,548	(1,979)	0	108,569	7,955	117,224	8,655
County Coroner/Medical Examiner	357,240	(5,748)	3,319	354,811	392,908	392,908	38,097
Other Public Safety	10,714,903	0	2,641	10,717,544	187,591	10,757,953	40,409
<u>Public Health and Welfare</u>							
Local Health Center	6,294,600	(173,757)	82,406	6,203,249	7,058,308	7,111,674	908,425
Rabies and Animal Control	344,517	0	0	344,517	314,517	344,517	0

(Continued)

Exhibit C-5

Sullivan 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		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Other Local Health Services	\$ 24,000	\$ 0	\$ 0	\$ 24,000	\$ 24,000	\$ 24,000	\$ 0
Regional Mental Health Center	80,159	0	0	80,159	84,359	84,359	4,200
Aid to Dependent Children	28,850	0	0	28,850	28,850	28,850	0
Other Local Welfare Services	5,920	0	0	5,920	10,000	10,000	4,080
Other Public Health and Welfare	10,000	0	0	10,000	10,000	10,000	0
<u>Social, Cultural, and Recreational Services</u>							
Libraries	809,303	(12,198)	6,300	803,405	838,675	853,629	50,224
Parks and Fair Boards	332,500	0	0	332,500	332,500	332,500	0
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	114,739	(258)	0	114,481	133,252	133,252	18,771
Forest Service	1,000	0	0	1,000	1,000	1,000	0
Soil Conservation	49,407	0	0	49,407	83,200	83,200	33,793
<u>Other Operations</u>							
Industrial Development	426,887	(65,416)	0	361,471	562,685	562,685	201,214
Housing and Urban Development	71,440	0	0	71,440	0	100,000	28,560
Other Economic and Community Development	498,950	0	73,055	572,005	650,085	650,085	78,080
Veterans' Services	11,900	0	0	11,900	11,900	11,900	0
Other Charges	3,575	0	0	3,575	0	3,575	0
Employee Benefits	586,113	0	0	586,113	382,499	588,186	2,073
Miscellaneous	52,259	0	0	52,259	82,870	82,870	30,611
<u>Instruction</u>							
Vocational Education Program	10,239	0	0	10,239	10,239	10,239	0
Other	335,000	(135,000)	0	200,000	200,000	200,000	0
<u>Principal on Debt</u>							
General Government	26,803	0	0	26,803	0	26,803	0
<u>Interest on Debt</u>							
General Government	19,297	0	0	19,297	0	19,297	0
<u>Other Debt Service</u>							
General Government	451	0	0	451	6,000	451	0

(Continued)

Exhibit C-5

Sullivan 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		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Capital Projects - Donated</u>							
Capital Projects Donated to Other Entities	\$ 26,006	\$ (26,006)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 56,923,218	\$ (1,066,333)	\$ 1,339,512	\$ 57,196,397	\$ 48,474,403	\$ 60,535,836	\$ 3,339,439
Excess (Deficiency) of Revenues Over Expenditures	\$ (10,339,661)	\$ 1,066,333	\$ (1,339,512)	\$ (10,612,840)	\$ (1,773,920)	\$ (13,579,439)	\$ 2,966,599
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 10,596,860	\$ 0	\$ 0	\$ 10,596,860	\$ 0	\$ 10,596,860	\$ 0
Transfers Out	(945,939)	0	0	(945,939)	(245,939)	(945,939)	0
Total Other Financing Sources	\$ 9,650,921	\$ 0	\$ 0	\$ 9,650,921	\$ (245,939)	\$ 9,650,921	\$ 0
Net Change in Fund Balance	\$ (688,740)	\$ 1,066,333	\$ (1,339,512)	\$ (961,919)	\$ (2,019,859)	\$ (3,928,518)	\$ 2,966,599
Fund Balance, July 1, 2014	7,999,284	(1,066,333)	0	6,932,951	7,106,928	7,106,928	(173,977)
Fund Balance, June 30, 2015	\$ 7,310,544	\$ 0	\$ (1,339,512)	\$ 5,971,032	\$ 5,087,069	\$ 3,178,410	\$ 2,792,622

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

Exhibit C-6

Sullivan 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		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,085,521	\$ 0	\$ 0	\$ 6,085,521	\$ 6,074,735	\$ 6,074,735	\$ 10,786
Licenses and Permits	250,000	0	0	250,000	250,000	250,000	0
Other Local Revenues	91,263	0	0	91,263	72,822	72,822	18,441
State of Tennessee	2,742,204	0	0	2,742,204	3,782,028	3,782,028	(1,039,824)
Federal Government	10,400	0	0	10,400	10,400	10,400	0
Other Governments and Citizens Groups	12,863	0	0	12,863	0	0	12,863
<b>Total Revenues</b>	<b>\$ 9,192,251</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 9,192,251</b>	<b>\$ 10,189,985</b>	<b>\$ 10,189,985</b>	<b>\$ (997,734)</b>
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 355,043	\$ (1,056)	\$ 712	\$ 354,699	\$ 375,090	\$ 375,090	\$ 20,391
Highway and Bridge Maintenance	5,654,355	(4,332)	24,274	5,674,297	5,794,281	5,881,281	206,984
Operation and Maintenance of Equipment	625,078	(8,551)	5,193	621,720	785,000	710,000	88,280
Asphalt Plant Operations	1,096,571	0	3,521	1,100,092	1,306,730	1,294,730	194,638
Traffic Control	39,949	0	0	39,949	40,000	40,000	51
Other Charges	219,702	0	0	219,702	295,000	295,000	75,298
Capital Outlay	316,004	0	82,422	398,426	500,000	437,975	39,549
<u>Principal on Debt</u>							
Highways and Streets	56,082	0	0	56,082	0	56,082	0
<u>Interest on Debt</u>							
Highways and Streets	5,943	0	0	5,943	0	5,943	0
<u>Capital Projects</u>							
Highway and Street Capital Projects	317,677	(74,487)	9,567	252,757	1,050,000	1,050,000	797,243
<b>Total Expenditures</b>	<b>\$ 8,686,404</b>	<b>\$ (88,426)</b>	<b>\$ 125,689</b>	<b>\$ 8,723,667</b>	<b>\$ 10,146,101</b>	<b>\$ 10,146,101</b>	<b>\$ 1,422,434</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 505,847	\$ 88,426	\$ (125,689)	\$ 468,584	\$ 43,884	\$ 43,884	\$ 424,700
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 5,664	\$ 0	\$ 0	\$ 5,664	\$ 0	\$ 0	\$ 5,664
<b>Total Other Financing Sources</b>	<b>\$ 5,664</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,664</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,664</b>

(Continued)

Exhibit C-6

Sullivan County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 511,511	\$ 88,426	\$ (125,689)	\$ 474,248	\$ 43,884	\$ 43,884	\$ 430,364
Fund Balance, July 1, 2014	3,079,495	(88,426)	0	2,991,069	3,010,517	3,010,517	(19,448)
Fund Balance, June 30, 2015	<u>\$ 3,591,006</u>	<u>\$ 0</u>	<u>\$ (125,689)</u>	<u>\$ 3,465,317</u>	<u>\$ 3,054,401</u>	<u>\$ 3,054,401</u>	<u>\$ 410,916</u>

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

Exhibit D-1

Sullivan County, Tennessee  
Statement of Net Position  
Proprietary Funds  
June 30, 2015

Governmental  
 Activities -  
 Internal  
Service Funds

ASSETS

Current Assets:

Cash	\$	242,133
Equity in Pooled Cash and Investments		1,312,732
Accounts Receivable		7,383
Due from Other Funds		671,571
Due from Component Units		11,898
Prepaid Items		7,300
Total Assets	\$	<u>2,253,017</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$	22,834
Claims and Judgments Payable		832,184
Total Liabilities	\$	<u>855,018</u>

NET POSITION

Unrestricted	\$	<u>1,397,999</u>
Total Net Position	\$	<u>1,397,999</u>

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

Exhibit D-2

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

	<u>Governmental Activities - Internal Service Funds</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums	\$ 9,482,404
Retirees' Insurance Payments	232,548
Cobra Insurance Payments	22,398
Total Operating Revenues	<u>\$ 9,737,350</u>
<u>Operating Expenses</u>	
Handling Charges and Administrative Costs	\$ 1,323,551
Dental Insurance	279,659
Audit Services	3,000
Contracts with Private Agencies	31
Building and Contents Insurance	3,229
Liability Insurance	125,560
Medical Claims	7,101,426
Bank Charges	129
Other Fringe Benefits	3,249
Trustee's Commission	207
Vehicle and Equipment Insurance	57,741
Workers' Compensation Insurance	543,901
Other Self Insurance Claims	14,494
Total Operating Expenses	<u>\$ 9,456,177</u>
Operating Income (Loss)	<u>\$ 281,173</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 1,295
Sales of Supplies and Materials	1,900
Total Nonoperating Revenues (Expenses)	<u>\$ 3,195</u>
Income (Loss) before Transfers	\$ 284,368
Transfers In	<u>700,000</u>
Change in Net Position	\$ 984,368
Net Position, July 1, 2014	<u>413,631</u>
Net Position, June 30, 2015	<u><u>\$ 1,397,999</u></u>

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

Exhibit D-3

Sullivan County, Tennessee  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2015

	<u>Governmental Activities - Internal Service Funds</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 10,216,999
Payments to Insurers and Claims Payments	(8,280,605)
Payments for Administrative Costs	(1,330,167)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 606,227</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 1,295
Net Cash Provided By (Used In) Investing Activities	<u>\$ 1,295</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Sales of Materials and Supplies	\$ 1,900
Other State Revenues	3,849
Transfers In	500,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 505,749</u>
Increase (Decrease) in Cash	\$ 1,113,271
Cash, July 1, 2014	<u>441,594</u>
Cash, June 30, 2015	<u><u>\$ 1,554,865</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 281,173
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Changes in Assets and Liabilities:	
(Increase) Decrease in Operating Receivables	479,649
(Increase) Decrease in Prepaid Expenses	(7,300)
Increase (Decrease) in Other Current Liabilities	<u>(147,295)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 606,227</u>
<u>Reconciliation of Cash With the Statement of Net Position</u>	
Cash Per Net Position	\$ 242,133
Equity in Pooled Cash and Investments Per Net Position	<u>1,312,732</u>
Cash, June 30, 2015	<u><u>\$ 1,554,865</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 7,716,473
Equity in Pooled Cash and Investments	1,405,041
Accounts Receivable	8,407
Due from Other Governments	5,895,896
Taxes Receivable	28,287,231
Allowance for Uncollectible Taxes	<u>(783,270)</u>
Total Assets	<u>\$ 42,529,778</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 34,650,409
Due to Litigants, Heirs, and Others	7,755,539
Due to Joint Ventures	<u>123,830</u>
Total Liabilities	<u>\$ 42,529,778</u>

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

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**SULLIVAN COUNTY, TENNESSEE**  
**Index of Notes to Financial Statements**

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Sullivan 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 Sullivan County:

**A. Reporting Entity**

Sullivan County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Sullivan 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 Sullivan County School Department operates the public school system in the county, and the voters of Sullivan 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 Sullivan County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Sullivan County, and the Sullivan 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 Sullivan 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 Sullivan 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. As previously mentioned, financial statements of the Sullivan County Emergency Communications District were not available in time for inclusion. Complete financial statements of the Sullivan County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Sullivan County Emergency  
Communications District  
P.O. Box 485  
Blountville, TN 37618

**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 Sullivan 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 Sullivan 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.

Sullivan County issues all debt for the discretely presented Sullivan County School Department. Net refunding debt issues of \$7,230,000 were contributed by the county to the School Department during the year ended June 30, 2015.

Separate financial statements are provided for governmental funds, proprietary funds (internal service), and fiduciary funds. Internal service funds are reported with the governmental activities in the government-wide financial statements, and 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 proprietary funds and fiduciary fund 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 Sullivan 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/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Sullivan County reports three proprietary funds, all internal service funds. It has no enterprise funds to report.

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

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. Sullivan 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 debt service funds for payments to be made early in the following year.

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

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

Sullivan 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, Sullivan County reports the following fund types:

**Capital Projects Funds** – These 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 major capital facilities and other capital assets.

**Internal Service Funds** – The Self-Insurance Fund accounts for the self-insured general liability, property, casualty, and workers’ compensation programs managed by the county for the primary government and the discretely presented School Department. The Employee Insurance – General Fund accounts for the self-insured retirees’ supplemental health and employee dental programs. The Employee Insurance – Health Fund accounts for the primary governments self-insured health programs. Premiums charged to the various county funds and employee payroll deductions are placed in this fund to pay the claims of county employees.

**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 Sullivan County, Bristol and Kingsport city school systems’ share of educational revenues, state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Sullivan County School Department reports the following major governmental fund:

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

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

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

**Capital Projects Fund** – The Education Capital Projects Fund is used to account for the receipt of debt issued by Sullivan County and contributed to the School Department for building construction and renovation.

**Private-Purpose Trust Fund** – The Endowment Fund is used to account for resources legally held in trust to fund student scholarships at a local high school. Interest earned by the fund for a calendar year or five percent of the value of the fund on December 31, whichever is greater, may be expended for scholarships awarded to students.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has three proprietary funds. Operating revenues and expenses generally result from providing services in connection with the funds’ principal ongoing operations. The principal operating revenues of the county’s internal service funds are self-insurance premiums.

Operating expenses for the internal service funds include various self-insured insurance program expenses and fiscal agent charges.

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

**1. Deposits and Investments**

For purposes of the Statement of Cash Flows of the internal service funds, cash includes cash on hand, demand deposits, cash with paying agent, cash equivalents, and cash on deposit with the county trustee. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less.

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

## 2. Receivables and Payables

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

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.43 percent of total taxes levied. Ambulance receivables are shown net of an allowance for uncollectibles for amounts exceeding 150 days.

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. The balance in the Other Current Liabilities account totaling \$383,010 on the Statement of Net Position for the primary government consists of a liability for amounts held in escrow for the Tri-Cities Regional Airport, a joint venture discussed in Note V.D. for contingent liabilities. Claims and judgments payable totaling \$832,184 is discussed in Note V.A. Risk Management.

Retainage payable in the primary government's General Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. The amount is held by

the county trustee as Equity in Pooled Cash and Investments in the General Fund.

**3. Inventories and Prepaid Items**

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaids are offset in the nonspendable fund balance account in governmental funds.

**4. Capital Assets**

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Building and Improvements	50
Other Capital Assets	5 - 20
Infrastructure	40

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has 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, 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 of the 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, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, pension changes in investment earnings, other pension deferrals, the deferred credit on refunding, and various receivables for revenues, which do not meet the availability criteria for governmental funds.

**6. Compensated Absences**

It is the county's and the School Department's policies to permit employees to accumulate earned but unused vacation benefits, which will be paid to employees upon separation from service. All vacation pay is accrued when incurred in the government-wide financial statements for the county and 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. The granting of sick leave for the primary government

has no guaranteed payment attached and therefore is not required to be accrued or recorded.

The School Department allows employees to accumulate earned but unused sick leave, which will be paid to employees upon separation from service at the rate of \$28 per day for one to 100 unused sick days; \$30 per day for 101 to 200 unused sick days; \$32 per day for 201 to 300 unused sick days; and \$34 per day for 301 and above unused sick days. This practice was negotiated by the Board of Education and the local education association. All sick leave is accrued when incurred in the government-wide statements for the School Department.

## **7. Long-term Obligations**

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

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

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

## **8. Net Position and Fund Balance**

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

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

Restricted for Other Purposes in the governmental activities of the primary government (\$671,801) and a portion of the Restricted for Education in the discretely presented School Department (\$485,523) is attributable to net pension assets of the agent and cost-sharing pension plans.

As of June 30, 2015, Sullivan County had \$38,755,967 in outstanding debt for capital purposes of the discretely presented Sullivan County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Bristol School System and City of Kingsport School System) based on average daily attendance prorations. This debt is a liability of Sullivan County, but the capital assets acquired are reported in the financial statements of the School Department, the City of Bristol School System, and the City of Kingsport School System. In addition, Sullivan County had outstanding debt totaling \$7,040,000 on June 30, 2015, for capital purposes of a joint venture, the Sullivan County Economic Development Partnership (NETWORKS). This debt is also a liability of Sullivan County, but the capital assets acquired are reported by the Sullivan County Economic Development Partnership. Therefore, Sullivan County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission makes assignment for the general government and the Board of Education makes assignments for the School Department. Assigned fund balance in the General Fund consists primarily of amounts assigned for encumbrances of \$1,182,300 and fund balance appropriated for use in the 2015-16 year budget totaling \$1,683,531. Assigned fund balance in the School Department's General Purpose School Fund consists primarily of \$2,258,254 assigned for use in the 2015-16 year budget.

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

## **9. Restatement**

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 decreasing Sullivan County's beginning net position has been recognized on the Statement of Activities totaling \$6,904,674. In addition, a restatement decreasing the discretely presented School Department's beginning net position totaling \$17,130,955 has been recognized in the Statement of Activities for liabilities of the pension agent plan \$3,313,876 and the pension cost-sharing plan \$13,817,079.

**E. Pension Plans**

**Primary Government**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Sullivan County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Sullivan 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 Sullivan 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 Sullivan County School Department**

Exhibit K-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 Sullivan County School Department**

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

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

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

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

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

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

At June 30, 2015, Sullivan County and the Sullivan County School Department reported the following significant encumbrances:

Fund	Description	Amount
Primary Government:		
Major Fund:		
General	Accounting software	\$ 186,642
"	Patrol car lease payment (See Note V.C.)	327,244
"	Fire truck	168,817
Highway/Public Works	Trucks	82,422
School Department:		
Major Fund:		
General Purpose Schools	School buses	120,710
Nonmajor Fund:		
Special Purpose Fund	School renovations	176,000

#### IV. DETAILED NOTES ON ALL FUNDS

##### A. Deposits and Investments

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

##### Deposits

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

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

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

### **Investments**

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

**Investment Balances.** As of June 30, 2015, Sullivan County had the following investments carried at fair value. Separate disclosures concerning pooled investments cannot be made for Sullivan County and the discretely presented Sullivan County School Department since both pool their deposits and investments through the county trustee.

## POOLED INVESTMENTS

Investment	Weighted Average Maturity (days)	Fair Value
State Treasurer's Investment Pool	3 to 139	\$ 12,008,047

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Sullivan County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Sullivan County has no investment policy that would further limit its investment choices. As of June 30, 2015, Sullivan County's investment in the State Treasurer's Investment Pool was unrated.

### **B. Capital Assets**

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

**Primary Government**

**Governmental Activities:**

	Balance			Balance
	7-1-14	Increases	Decreases	6-30-15
Capital Assets Not Depreciated:				
Land	\$ 1,944,721	\$ 2,500	\$ 0	\$ 1,947,221
Construction in Progress	0	110,954	0	110,954
Total Capital Assets Not Depreciated	<u>\$ 1,944,721</u>	<u>\$ 113,454</u>	<u>\$ 0</u>	<u>\$ 2,058,175</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 32,790,064	\$ 275,430	\$ 0	\$ 33,065,494
Infrastructure	20,374,577	108,000	0	20,482,577
Other Capital Assets	25,606,936	8,334,747	(5,316,344)	28,625,339
Total Capital Assets Depreciated	<u>\$ 78,771,577</u>	<u>\$ 8,718,177</u>	<u>\$ (5,316,344)</u>	<u>\$ 82,173,410</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 12,037,175	\$ 652,040	\$ 0	\$ 12,689,215
Infrastructure	9,302,850	511,776	0	9,814,626
Other Capital Assets	20,617,378	1,602,785	(5,306,539)	16,913,624
Total Accumulated Depreciation	<u>\$ 41,957,403</u>	<u>\$ 2,766,601</u>	<u>\$ (5,306,539)</u>	<u>\$ 39,417,465</u>
Total Capital Assets Depreciated, Net	<u>\$ 36,814,174</u>	<u>\$ 5,951,576</u>	<u>\$ (9,805)</u>	<u>\$ 42,755,945</u>
Governmental Activities Capital Assets, Net	<u>\$ 38,758,895</u>	<u>\$ 6,065,030</u>	<u>\$ (9,805)</u>	<u>\$ 44,814,120</u>

Depreciation expense was charged to functions of the primary government as follows:585

**Governmental Activities:**

General Government	\$ 46,367
Administration of Justice	147,623
Public Safety	1,349,064
Public Health and Welfare	351,029
Social, Cultural, and Recreational	36,376
Highways	<u>836,142</u>

Total Depreciation Expense - Governmental Activities \$ 2,766,601

**Discretely Presented Sullivan County School Department**

**Governmental Activities:**

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 1,114,248	\$ 0	\$ (2,500)	\$ 1,111,748
Construction in Progress	330,486	30,000	(330,486)	30,000
Total Capital Assets Not Depreciated	<u>\$ 1,444,734</u>	<u>\$ 30,000</u>	<u>\$ (332,986)</u>	<u>\$ 1,141,748</u>

Capital Assets Depreciated:

Buildings and Improvements	\$ 122,451,785	\$ 716,571	\$ (718,589)	\$ 122,449,767
Other Capital Assets	8,792,422	271,511	0	9,063,933
Total Capital Assets Depreciated	<u>\$ 131,244,207</u>	<u>\$ 988,082</u>	<u>\$ (718,589)</u>	<u>\$ 131,513,700</u>

Less Accumulated

Depreciation For:				
Buildings and Improvements	\$ 53,205,046	\$ 2,781,807	\$ (459,159)	\$ 55,527,694
Other Capital Assets	6,182,288	557,537	0	6,739,825
Total Accumulated Depreciation	<u>\$ 59,387,334</u>	<u>\$ 3,339,344</u>	<u>\$ (459,159)</u>	<u>\$ 62,267,519</u>

Total Capital Assets  
Depreciated, Net \$ 71,856,873 \$ (2,351,262) \$ (259,430) \$ 69,246,181

Governmental Activities

Capital Assets, Net \$ 73,301,607 \$ (2,321,262) \$ (592,416) \$ 70,387,929

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

**Governmental Activities:**

Instruction	\$ 2,996,221
Support Services	211,633
Operation of Non-instructional Services	<u>131,490</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,339,344</u>

**C. Construction Commitments**

At June 30, 2015, Sullivan County had uncompleted construction contracts of \$182,485 in the Other Capital Projects Fund and the discretely presented Sullivan County School Department had uncompleted construction contracts of \$290,011 in the Special Purpose School Fund. Funding for these future expenditures is expected to be provided by a federal grant and by fund balance respectively.

**D. Interfund Receivables, Payables, and Transfers**

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

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 243,967
Highway/Public Works	General	362
Nonmajor governmental	General	1,655
"	Highway/Public Works	265
"	Nonmajor governmental	5,418
Internal Service	General	541,805
"	Highway/Public Works	64,524
"	Nonmajor governmental	65,242
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	333,038
Nonmajor governmental	General Purpose School	59,221

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

**Due to/from Primary Government and Component Unit:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:	Component Unit:	
General	School Department	\$ 38,475
Highway/Public Works	"	100
Nonmajor governmental	"	632
Internal Service	"	11,898
Component Unit:	Primary Government:	
School Department	General	982
"	Highway/Public Works	13

The amounts reflected as Due to Primary Government from the discretely presented School Department on the government-wide Statement of Net Position also includes \$38,696 for debt issued by the primary government, which is being retired by the School Department. Of that amount, \$19,333 is not expected to be received within one year.

**Interfund Transfers:**

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

**Primary Government**

<u>Transfers Out</u>	<u>Transfers In</u>	
	General Debt Service Fund	Internal Service Fund
General Fund	\$ 245,939	\$ 0
"	0	700,000
Total	<u>\$ 245,939</u>	<u>\$ 700,000</u>

**Discretely Presented Sullivan County School Department**

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 255,528
Nonmajor governmental funds	576,426	0
<b>Total</b>	<b>\$ 576,426</b>	<b>\$ 255,528</b>

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.

**E. Capital Leases**

On May 6, 2013, Sullivan County entered into a four-year lease-purchase agreement for Circuit, General Sessions, and Law Courts Office computers. The terms of the agreement require total lease payments of \$71,703 plus interest of six percent. Title to the equipment transfers to Sullivan County at the end of the lease period. The lease payments are made from the General Fund. 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.

On September 20, 2013, Sullivan County entered into a four-year lease-purchase agreement for Highway/Public Works Department equipment. The terms of the agreement require total lease payments of \$295,080 plus interest of 2.55 percent. Title to the equipment transfers to Sullivan County at the end of the lease period. The lease payments are made from the Highway/ Public Works Fund.

On January 15, 2014, Sullivan County entered into a four-year lease-purchase agreement for Clerk and Master Office computers. The terms of the agreement require total lease payments of \$20,679 plus interest of six percent. Title to the equipment transfers to Sullivan County at the end of the lease period. The lease payments are made from the General Fund. 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.

On September 15, 2014, Sullivan County entered into an eleven-year lease-purchase agreement for an 800Mhz P25 digital radio system. The terms

of the agreement required total lease payments of \$10,542,215 plus interest of 4.12 percent. Title to the equipment was to transfer to Sullivan County at the end of the lease period. The lease payments were scheduled to be made from the General fund; however, the lease was subsequently paid off with the issuance of refunding bonds on March 30, 2015 (see note IV.F.). The lease-purchase was refinanced before any payments were made under the agreement. The refinancing included the payment of an agreed upon premium of \$342,752 to terminate the lease-purchase agreement and obtain title to the leased equipment. The premium, along with \$221,636 of accrued interest on the lease were included in the amount refinanced by the general obligation bond issue.

On April 1, 2015, Sullivan County entered into a four-year lease-purchase agreement for Circuit, General Sessions, and Law Courts Office computer upgrades. The terms of the agreement require total lease payments of \$54,645 plus interest of six percent. Title to the equipment transfers to Sullivan County at the end of the lease period. The lease payments are made from the General Fund. 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.

On May 30, 2012, Sullivan County entered into a five-year lease-purchase agreement for the School Department for copiers. The terms of the agreement require total lease payments of \$88,602 plus interest of 8.95 percent. Title to the equipment transfers to the School Department at the end of the lease period. The lease payments are made from contributions from the General Purpose School Fund to the primary government's Education Debt Service Fund.

On June 28, 2012, Sullivan County entered into a three-year lease-purchase agreement for the School Department for computers. The terms of the agreement require total lease payments of \$118,528 plus interest of 3.21 percent. Title to the equipment transfers to the School Department at the end of the lease period. The School Federal Projects Fund is contributing the lease payments to the primary government's Education Debt Service Fund. 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.

On July 26, 2012, Sullivan 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 \$151,600 plus interest of 2.97 percent. Title to the equipment transfers to the School Department at the end of the lease period. The School Federal Projects Fund is contributing the lease payments to the primary government's Education Debt Service Fund. 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.

The assets acquired through capital leases outstanding at June 30, 2015, are as follows:

	<u>Governmental Activities</u>	
	<u>Primary Government</u>	<u>School Department</u>
Machinery and Equipment	\$ 295,080	\$ 88,602
Less: Accumulated Depreciation	(39,291)	(55,994)
Total Book Value	<u>\$ 255,789</u>	<u>\$ 32,608</u>

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

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2016	\$ 125,842
2017	119,002
2018	79,383
2019	7,996
Total Minimum Lease Payments	<u>\$ 332,223</u>
Less: Amount Representing Interest	<u>(20,316)</u>
Present Value of Minimum Lease Payments	<u>\$ 311,907</u>

**F. Long-term Obligations**

**Primary Government**

**General Obligation Bonds, Notes, and Other Loans**

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 21 years for bonds, up to 12 years for notes, and up to 17 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, notes, and other loans included in the long-term debt as of June 30, 2015, will be retired from the General Debt Service and Education Debt Service funds.

General obligation bonds, capital outlay notes, other loans, and 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	5.9 to 6.25 %	4-1-17	\$ 6,500,000	\$ 200,000
General Obligation Bonds - Refunding	1.12 to 2.84	4-1-28	38,100,000	38,100,000
Capital Outlay Notes	4.5 to 5.05	4-1-17	1,995,000	575,000
Other Loans - Qualified School Construction Bonds	0 to 1.515	8-1-27	20,553,000	14,670,918
Other Loans - Energy Efficient Schools Initiative	.75	4-16-20	5,054,635	4,447,393
Capital Leases	2.55 to 8.95	3-1-19	530,709	311,907

In 2009-10, Sullivan County entered into a loan agreement totaling \$15,480,000 with the Tennessee State School Bond Authority. Qualified School Construction Bonds were issued through the authority, and the proceeds were loaned to Sullivan County and other local governments across Tennessee. The county pays interest of 1.515 percent on its share of the bonds and also pays a monthly administrative fee of \$1,290 to the authority. The county and the other borrowers of the bond proceeds are required to comply with federal regulations established for the Qualified School Construction Bond program. Failure to comply with those requirements may result in the loss of the tax credit status on the bonds. This would result in further charges to the borrowers including the requirement to pay the tax-credit rate (5.86 percent) in addition to the 1.515 percent for a total rate of 7.375 percent.

During 2010-11, Sullivan County entered into a loan agreement with the Tennessee State School Bond Authority. Under this loan agreement, the authority loaned Sullivan County \$5,073,000 for Emmett Elementary and Holston Complex renovations. This loan is interest free after a rebate. The county pays an annual administrative fee of \$4,058.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 2,435,000	\$ 1,632,280	\$ 4,067,280
2017	3,875,000	1,555,863	5,430,863
2018	4,570,000	1,398,163	5,968,163
2019	4,790,000	1,202,762	5,992,762
2020	3,120,000	996,662	4,116,662
2021-2025	16,680,000	2,356,803	19,036,803
2026-2028	2,830,000	147,952	2,977,952
Total	<u>\$ 38,300,000</u>	<u>\$ 9,290,485</u>	<u>\$ 47,590,485</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 275,000	\$ 28,900	\$ 303,900
2017	300,000	15,150	315,150
Total	<u>\$ 575,000</u>	<u>\$ 44,050</u>	<u>\$ 619,050</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2016	\$ 1,691,111	\$ 512,417	\$ 19,538	\$ 2,223,066
2017	1,694,195	509,333	19,539	2,223,067
2018	1,697,291	506,237	19,538	2,223,066
2019	1,700,411	503,117	19,539	2,223,067
2020	1,703,555	499,973	19,538	2,223,066
2021-2025	8,565,775	2,451,865	97,693	11,115,333
2026-2028	2,065,973	770,635	28,480	2,865,088
Total	<u>\$ 19,118,311</u>	<u>\$ 5,753,577</u>	<u>\$ 223,865</u>	<u>\$ 25,095,753</u>

In previous years, the county issued Industrial Park bonds totaling \$6,500,000 and an additional \$1,995,000 in capital outlay notes for the benefit of the Sullivan County Economic Development Partnership (NETWORKS), a joint venture. During the current year the county issued refunding bonds totaling \$6,265,000 to refund all but \$200,000 of the outstanding Industrial Park bonds. The bonds and notes are general obligation debt of the county. The interlocal agreement, which established the partnership, requires NETWORKS to pay the county an amount equal to the annual principal and interest requirements on the debt issues. In the event revenues of NETWORKS are not sufficient to meet those requirements, the

other participating governments in NETWORKS have agreed to pay 49 percent of any such deficiency. The amount of the industrial park bonds and notes outstanding at June 30, 2015 were \$6,465,000 and \$575,000, respectively.

There is \$1,506,181 available in the debt service funds to service long-term debt. Debt per capita, including bonds, notes, other loans, and capital leases totaled \$413, for residents living outside the Bristol and Kingsport districts and \$327, for residents living inside these school districts based on the 2010 federal census.

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

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-15</u>
<u>Capital Leases</u>	
<u>Contributions from the General Purpose School Fund</u>	
Copy Machines 2012	\$ 38,696

During the year, the School Department contributed \$2,590,160 to the county debt service funds to be applied toward the retirement of other school related debt. As described in Note IV.G., the School Department has pledged a portion of its local option sales tax revenues toward the retirement of the refunding bonds issued in 2004, which are paid through the Education Debt Service Fund. During the current year, the county issued refunding bonds totaling \$6,965,000 to refund all of the outstanding 2004 School Department refunding bonds. At June 30, 2015, the total amount outstanding on these bonds totaled \$6,965,000.

Changes in Long-term Obligations

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

	Bonds	Notes	Other Loans
Balance, July 1, 2014	\$ 33,750,000	\$ 850,000	\$ 20,806,374
Additions	38,100,000	0	0
Reductions	<u>(33,550,000)</u>	<u>(275,000)</u>	<u>(1,688,063)</u>
Balance, June 30, 2015	<u>\$ 38,300,000</u>	<u>\$ 575,000</u>	<u>\$ 19,118,311</u>
Balance Due Within One Year	<u>\$ 2,435,000</u>	<u>\$ 275,000</u>	<u>\$ 1,691,111</u>

	Capital Leases	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2014	\$ 447,832	\$ 1,761,644	\$ 1,210,773
Additions	10,596,860	1,115,437	1,493,440
Reductions	<u>(10,732,785) (1)</u>	<u>(1,180,845)</u>	<u>(1,502,243)</u>
Balance, June 30, 2015	<u>\$ 311,907</u>	<u>\$ 1,696,236</u>	<u>\$ 1,201,970</u>
Balance Due Within One Year	<u>\$ 113,798</u>	<u>\$ 0</u>	<u>\$ 709,163</u>

(1) Includes \$39,455 of reductions which were erroneously omitted in prior years.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 61,203,424
Less: Balance Due Within One Year	(5,224,072)
Add: Unamortized Premium on Debt	<u>4,570,052</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 60,549,404</u>
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Compensated absences and other postemployment benefits will be paid from the employing funds.

Current Refunding

On March 30, 2015, Sullivan County current refunded three general obligation bond issues and a capital lease issue with two separate general obligation bond issues. The county issued \$31,835,000 of general obligation refunding bonds to provide resources to place funds with an escrow agent and redeem the refunded bonds at the May 1, 2015 call date and the refunded capital lease on April 1, 2015. As a result of the refunding, total debt service

payments over the next 11 years will be reduced by \$3,836,943, and an economic gain (difference between the present value of debt service payments of the refunded and refunding bonds) of \$3,540,913 was obtained.

The bonds refunded included \$4,310,000 of General Obligation Public Improvement Series 2005, which were called at par; \$13,115,000 of General Obligation School Refunding Bonds Series 2005, which were called at 102 percent, and \$7,230,000 of General Obligation County District School Refunding Bonds Series 2004 which were called at 102 percent. The refunded lease-purchase agreement is described in Note IV.E. A premium of \$342,752 was paid to terminate that agreement.

Advance Refunding

On March 30, 2015, Sullivan County advance refunded a general obligation bond issue (\$5,600,000 of the General Obligation Industrial Park Bonds, Series 2007) with a separate general obligation bond issue. The county issued \$6,265,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county’s long-term debt. The defeased bonds are callable on April 1, 2017 at par. As a result of the advance refunding, total debt service payments over the next 13 years will be reduced by \$836,958, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$694,683 was obtained.

**Discretely Presented Sullivan 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:

	Other Postemployment Benefits	Compensated Absences
	<u>                    </u>	<u>                    </u>
Balance, July 1, 2014	\$ 29,696,686	\$ 2,610,708
Additions	7,644,502	385,774
Reductions	<u>(2,461,509)</u>	<u>(574,356)</u>
Balance June 30, 2015	<u>\$ 34,879,679</u>	<u>\$ 2,422,126</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 532,868</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 37,301,805
Less: Balance Due Within One Year	<u>(532,868)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 36,768,937</u>

Compensated absences and other postemployment benefits will be paid from the employing funds.

**G. Pledges of Future Revenues – Discretely Presented Sullivan County School Department**

The Sullivan County School Department has pledged a portion of its share of local option sales tax revenues toward the retirement of refunding bonds issued by Sullivan County in 2015. Total principal and interest remaining on the debt is \$7,626,067 with annual requirements ranging from \$1,908,067 in the next fiscal year to \$1,913,600 in the final year of 2019.

**H. On-Behalf Payments**

**Primary Government**

The State of Tennessee pays health insurance premiums for retired employees on-behalf of the Sullivan 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 \$3,575. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

**Discretely Presented Sullivan County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Sullivan 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 are reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2015, were \$759,655 and \$112,562, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**I. Donor-restricted Endowments – Discretely Presented Sullivan County School Department**

The Sullivan County School Department accounts for an endowment totaling \$132,198 in the Endowment Fund. Interest earned by the fund for a calendar year or five percent of the value of the fund on December 31, whichever is greater, may be expended for scholarships awarded to students of Sullivan North High School. During the year ended June 30, 2015, expenditures totaled \$6,975.

**J. Short-term Debt**

**Primary Government**

Sullivan County issued tax anticipation notes in advance of property tax collections and other revenues and deposited the proceeds in the General Fund. These notes were necessary because funds were not available to meet obligations coming due before current tax and other revenue collections. Short-term debt activity for the year ended June 30, 2015, was as follows:

	Balance 7-1-14	Issued	Paid	Balance 6-30-15
Tax Anticipation Notes -				
General Fund	\$ 0	\$ 2,000,000	\$ (2,000,000)	\$ 0

**Discretely Presented Sullivan County School Department**

Sullivan County issued tax anticipation notes in advance of property tax collections and other revenues and deposited the proceeds in the General Purpose School Fund. These notes were necessary because funds were not available to meet obligations coming due before current tax and other revenue collections. Short-term debt activity for the year ended June 30, 2015, was as follows:

	Balance 7-1-14	Issued	Paid	Balance 6-30-15
Tax Anticipation Notes -				
General Purpose School Fund	\$ 0	\$ 2,500,000	\$ (2,500,000)	\$ 0

## V. OTHER INFORMATION

### A. Risk Management

Sullivan County maintains the Employee Insurance – General Fund (an internal service fund) for self-insured risks associated with the retirees’ supplemental health and employee dental plans for employees of the primary government.

The county established the Employee Insurance – Health Fund for risks associated with the employees’ health insurance. The Employee Insurance - Health Fund is accounted for as an Internal Service Fund where assets are set aside for claim settlements. The county has obtained excess risk insurance coverage with an aggregate individual stop loss limit of \$100,000 and a minimum attachment point of \$6,654,020. All full-time employees of the primary government are eligible to participate. A premium charge is allocated to each fund that accounts for full-time employees.

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

Sullivan County established a self-insurance fund for risks associated with general liability, property, casualty losses, and workers’ compensation. Both the primary government and the discretely presented Sullivan County School Department participate in this self-insurance fund for the risks listed above. The Self-Insurance Fund is accounted for as an internal service fund in which assets are set aside for claim settlements. Insurance claims are reimbursed from the Highway/Public Works and General Purpose School funds for claims associated with those departments. The county’s General Fund absorbs the costs of claims associated with other departments. The county retains the risk of loss to limits of \$50,000 to \$100,000 per individual claim for general liability, property, and casualty losses. The county is self-insured to a limit of \$300,000 for a single accident for workers’ compensation. Amounts exceeding these limits are covered by excess loss policies, subject to various policy limits. A fee is paid from this fund to a third-party agent who investigates claims and determines recommended action to be taken.

Liabilities of the self-insurance funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These funds establish claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claims liabilities include specific, incremental

claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability of unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

Self-Insurance Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2013-2014	\$ 319,152	\$ 1,124,291	\$ (1,105,588)	\$ 337,855
2014-2015	337,855	744,925	(837,245)	245,535

Employee Insurance - General Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end (prepaid)
2013-2014	\$ 0	\$ 609,174	\$ (609,174)	\$ 0
2014-2015	0	603,288	(610,588)	(7,300)

Employee Insurance - Health Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2013-2014	\$ 0	\$ 3,165,511	\$ (2,501,053)	\$ 664,458
2014-2015	664,458	6,777,797	(6,832,772)	609,483

**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 amounts of 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 Events**

On May 7, 2015, Sullivan County entered into a capital lease totaling \$1,266,430 for patrol cars. The patrol cars were received subsequent to June 30, 2015. Consequently, the lease proceeds and expenditures for vehicle purchases will be recognized in the fund financial statements during the 2015-16 year along with the capitalization of the vehicles on the government-wide statements.

On August 3, 2015, Sullivan County School Department appointed Interim Director of Schools Evelyn Rafalowski to the Office of Director of Schools.

On August 4, 2015, Sullivan County issued a \$5,217,330 tax anticipation note for the General Fund, a \$5,745,785 tax anticipation note for the General Purpose School Fund, and a \$557,759 tax anticipation note for the Central Cafeteria Fund for temporary operating funds.

On October 16, 2015, Sullivan County issued a \$1,500,000 capital outlay note for roof repairs at a county high school.

**D. Contingent Liabilities**

On February 20, 2014, Sullivan County issued \$2,975,000 of Airport Revenue and Tax Refunding Bonds for the Tri-Cities Airport (a joint venture described in Note V.F.). Sullivan County is contingently liable for 20 percent of the principal and interest on these bonds in the event revenues of the Airport Commission are not sufficient to cover the payments. The other governments participating in the joint venture are contingently liable for the remaining 80 percent of the principal and interest requirements.

There are several pending lawsuits in which the county is involved. Management has provided for potential claims and judgments in the financial statements of the self-insurance funds in this report. Based on letters from attorneys, management believes that potential claims not

already recorded in the self-insurance funds would not materially affect the financial statements of the county.

**E. Change in Administration**

On August 31, 2014, Steve Godsey left the Office of County Mayor and was succeeded by Richard Venable, Bobbie Manning left the Office of Highway Commissioner and was succeeded by Jim Belgeri, and Bart Long left the office of Register of Deeds and was succeeded by Sheena Tinsley.

On September 19, 2014, William Anderson left the Office of Director of Accounts and Budgets and was succeeded by Larry Bailey.

On June 2, 2015, Evelyn Rafalowski was appointed Interim Director of Schools to succeed Jubal Yennie who left the Office of Director of Schools.

**F. Joint Ventures**

**Primary Government**

The Tri-Cities Regional Airport is a joint venture in which Sullivan County participates, along with Washington County and the cities of Kingsport; Johnson City; Bristol, Tennessee; and Bristol, Virginia. The airport is governed by a 12-member board (the Tri-Cities Regional Airport Authority) comprising two members appointed by Sullivan County and ten members appointed by the other participating governments. Funding for the Airport Authority is provided primarily by revenues generated from airport services and by capital grants from the federal and state governments. Complete financial statements for the Tri-Cities Regional Airport can be requested at the following address:

Tri-Cities Regional Airport  
2525 Highway 75, Suite 301  
Blountville, TN 37617

The Sullivan County Economic Development Partnership (NETWORKS) is a joint venture in which Sullivan County participates, along with the cities of Kingsport, Bristol, and Bluff City. The partnership is governed by a 13-member voting board of directors comprising the four mayors, four members appointed by the Sullivan County mayor, three members appointed by the Kingsport mayor, and two members appointed by the Bristol mayor. Eleven other non-voting ex-officio members also serve on the board. Funding for the NETWORKS is provided primarily by contributions from Sullivan County and the member cities, revenues generated from capital projects and other business activities of the partnership. Complete financial statements for the NETWORKS can be requested at the following address:

Sullivan County Economic  
Development Partnership  
P.O. Box 426  
Blountville, TN 37617

The Second Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Second Judicial District, Sullivan County, and various cities within Sullivan County. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriff, and police chiefs of participating law enforcement agencies within each judicial district. Sullivan County made no contributions to the DTF for the year ended June 30, 2015, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

District Attorney General  
Second Judicial District  
P.O. Box 526  
Blountville, TN 37617

The Upper East Tennessee Juvenile Detention Center was formed through a cooperative agreement between Sullivan County and the counties of Carter, Greene, Hawkins, Johnson, Unicoi, and Washington for the operation of a program to divert youth from commitment to the 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. Sullivan County's participation cost percentage is 31.7 percent. The county also pays a daily fee for individuals from their counties using the facility. Complete financial statements for the Juvenile Detention Center can be obtained from its administrative office at the following address:

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

The Sullivan County, Bluff City, Kingsport Animal Control Center is a joint venture formed by an interlocal agreement between Sullivan County and the cities of Bluff City and Kingsport. The purpose of the Animal Control Center is to provide animal control, prevent cruelty to animals, and operate one or more animal shelters with Sullivan County, Bluff City, and Kingsport. The Animal Control Center is governed by a nine-member board comprising two

members appointed by Sullivan County, two members appointed by the City of Kingsport, one member by the City of Bluff City, one member by the Sullivan County Humane Society, and one member by the Animal Rescue Coalition, with the county mayor of Sullivan County and the city manager of the City of Kingsport as voting ex officio members. Funding for the Animal Control Center is provided by revenues generated from adoption fees and contributions from Sullivan County and the member cities. Sullivan County contributed \$344,517 to the Animal Control Center for the year ended June 30, 2015. Complete financial statements for the Animal Control Center can be obtained from its administrative office at the following address:

Sullivan County, Bluff City,  
Kingsport Animal Control Center  
P.O. Box 507  
Kingsport, TN 37662

**Discretely Presented 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 Sullivan 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

**G. Jointly Governed Organization**

**Primary Government**

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64 of *Tennessee Code Annotated (TCA)*, 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 of each county or the county mayor's designee and one nonvoting member representing 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 manager as an ex-officio member, is in charge of the daily operation of the center.

## **H. Retirement Commitments**

### **1. Tennessee Consolidated Retirement System (TCRS)**

#### **Primary Government**

##### **General Information About the Pension Plan**

*Plan Description.* Employees of Sullivan County and non-certified employees of the discretely presented Sullivan 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 67.57 percent and the non-certified employees of the discretely present School Department comprise 32.43 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://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 with five years of service credit are eligible to retire with an unreduced benefit at age 60 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 at age 55 and vested. 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	1,047
Inactive Employees Entitled to But Not Yet Receiving Benefits	825
Active Employees	1,073
Total	<u>2,945</u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. As of April 1, 2012, Sullivan County elected to discontinue the noncontributory provision for all future hires. This will require all new hires to contribute five percent of their earnable compensation to the plan. Employees who were employed prior to April 1, 2012, will continue to be eligible for the noncontributory provision. Sullivan 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 Sullivan County were \$5,284,269 based on a rate of 15.44 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Sullivan 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)

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

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

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

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

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

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income Real Estate	4.61	8
	0.98	29
	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 Sullivan 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	\$ 158,148,071	\$ 142,828,455	\$ 15,319,616
Changes for the year:			
Service Cost	\$ 2,831,605	\$ 0	\$ 2,831,605
Interest	11,770,957	0	11,770,957
Differences Between Expected and Actual Experience	(2,239,987)	0	(2,239,987)
Contributions-Employer	0	5,101,066	(5,101,066)
Contributions-Employees	0	181,889	(181,889)
Net Investment Income	0	23,440,229	(23,440,229)
Benefit Payments, Including Refunds of Employee Contributions	(8,067,161)	(8,067,161)	0
Administrative Expense	0	(46,764)	46,764
Other Changes	0	0	0
Net Changes	\$ 4,295,414	\$ 20,609,259	\$ (16,313,845)
Balance, June 30, 2014	\$ 162,443,485	\$ 163,437,714	\$ (994,229)

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government 67.57%	\$ 109,763,062	\$ 110,434,863	\$ (671,801)
School Department 32.43%	52,680,423	53,002,851	(322,428)
Total	\$ 162,443,485	\$ 163,437,714	\$ (994,229)

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Sullivan County calculated using the discount rate of 7.5 percent, as well as what 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:

Sullivan County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
-----------------	------------------------	-------------------------------------	------------------------

Net Pension Liability      \$ 19,170,765    \$ (994,229)    \$ (17,895,482)

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

*Pension Expense.* For the year ended June 30, 2015, Sullivan County recognized pension expense of \$846,616.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$            0	\$ 1,791,990
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	10,267,405
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	5,284,269	N/A
Total	\$ 5,284,269	\$ 12,059,395

- (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	\$ 4,013,017	\$ 8,148,534
School Department	<u>1,271,252</u>	<u>3,910,861</u>
Total	<u>\$ 5,284,269</u>	<u>\$ 12,059,395</u>

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

Year Ended June 30	Amount
2016	\$ (3,014,848)
2017	(3,014,848)
2018	(3,014,848)
2019	(3,014,848)
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, Sullivan County Schools reported a payable of \$79,631 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

**Discretely Presented Sullivan County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Sullivan County and non-certified employees of the discretely presented Sullivan 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 67.57 percent and the non-certified employees of the discretely present School Department comprise 32.43 percent of the plan based on census data.

### **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Sullivan County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://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 \$85,504, 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 Sullivan 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 Sullivan 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	\$ 85,504	N/A

The Sullivan County School Department’s employer contributions of \$85,504 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 ended June 30, 2016.

**Payable to the Pension Plan**

At June 30, 2015, Sullivan County Schools reported a payable of \$5,292 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 Sullivan 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](http://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 (COLAs) 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 Sullivan County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$3,295,803, 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 Sullivan County School Department reported an asset of \$163,095 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 Sullivan County School Department's proportion of the net pension asset was based on Sullivan County School's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year

ended June 30, 2014. At the June 30, 2014, measurement date, Sullivan County School's proportion was 1.003689 percent. The proportion as of June 30, 2013, was 1.052198 percent.

*Pension Income.* For the year ended June 30, 2015, the Sullivan County School Department recognized a pension income of \$253,915.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, the Sullivan 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
	<u>Resources</u>	<u>Resources</u>
Differences Between Expected and Actual Experience	\$ 395,954	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	13,437,973
Changes in Proportion of Net Pension Liability (Asset)	0	684,240
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	<u>3,295,803</u>	N/A
Total	<u>\$ 3,691,757</u>	<u>\$ 14,122,213</u>

The Sullivan County School Department's employer contributions of \$3,295,803 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 ended 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	\$ (3,407,541)
2017	(3,407,541)
2018	(3,407,541)
2019	(3,407,541)
2020	(48,048)
Thereafter	(48,048)

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 Sullivan

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 Sullivan County School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 27,507,779	\$ (163,095)	\$ (23,071,578)

*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, Sullivan County Schools reported a payable of \$239,383 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

**2. Deferred Compensation**

Teachers hired after July 1, 2014, by the discretely presented Sullivan County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the School Department contributed \$106,704 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

## I. Other Postemployment Benefits (OPEB)

### Primary Government

#### Plan Description

Sullivan County elected to establish a self-insured postemployment benefits plan administered by Cigna Health and Life Insurance Company, for health insurance benefits for its pre-65 retirees and self-insured Medicare supplement benefits for post-65 retirees. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by recommendation of an insurance committee and approved by the County Commission.

#### Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums.

The following policy exists for postemployment health care benefits for all employees hired before October 1, 2008. Sullivan County employees who meet retirement criteria of the Tennessee Consolidated Retirement System are also eligible for county provided postemployment health benefits until age 65. Spouses are eligible to continue medical coverage until the retiree is eligible for Medicare. Pre-65 retirees with 25 years of service and 55 years of age are not required to make a contribution, while those with less than 25 years of service must contribute 100 percent. Medicare supplement benefits are provided for post-65 retirees who meet requirements set by the insurance committee for years of service and age at retirement. The county contributes to the Medicare supplement cost for eligible retirees based on years of service and date of retirement.



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, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5 percent discount rate and an annual health care cost trend rate of nine percent initially reduced by decrements to an ultimate rate of five percent by 2020. The unfunded actuarial accrued liability is being amortized on a closed basis over a 30-year period beginning June 30, 2009, increasing at five percent per year (the payroll growth rate).

### **Discretely Presented Sullivan County School Department**

#### Plan Description

The School Department participates in the state-administered Local Education Group Insurance Plan and the Medicare Supplement Plan for health care benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees, and Section 8-27-701, *TCA*, for the Medicare Supplement. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for health care benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. Alternatively, the School Department offers a commercial Medicare Supplement Plan to retirees. The state 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 the state plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing

active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. For pre-65 teachers, the School Department pays the full premium for single coverage, with retirees being responsible for the extra cost of family coverage. For post-65 teachers participating in the state sponsored plan, the School Department pays the difference between the full premium (\$121) and the subsidy provided by the state (\$50 maximum). Support personnel may participate in the state sponsored Medicare Plan; however, the state does not provide a subsidy; the School Department pays the entire premium for these support personnel. For post-65 teachers and support personnel participating in the commercial plan, beginning on January 1, 2011, the School Department no longer pays the full premium (\$85). The commercial plan is a Medicare Advantage Plan. During the year ended June 30, 2015, the discretely presented School Department contributed \$2,461,509 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	State Medicare Supplement Plan	Commercial Medicare Supplement Plan
ARC	\$ 3,357,000	\$ 4,218,000	\$ 38,903
Interest on the NOPEBO	362,957	828,679	(3,768)
Adjustment to the ARC	(353,607)	(807,333)	3,671
Annual OPEB cost	\$ 3,366,350	\$ 4,239,346	\$ 38,806
Amount of contribution	(2,015,190)	(446,319)	0
Increase/decrease in NOPEBO	\$ 1,351,160	\$ 3,793,027	\$ 38,806
Net OPEB obligation, 7-1-14	9,073,905	20,716,979	(94,198)
Net OPEB obligation, 6-30-15	\$ 10,425,065	\$ 24,510,006	\$ (55,392)

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	\$ 4,118,355	52	% \$ 7,933,387
6-30-14	"	3,252,471	65	9,073,905
6-30-15	"	3,366,350	60	10,425,065
6-30-13	State Medicare Supplement	3,223,297	7	17,100,186
6-30-14	"	4,090,619	12	20,716,979
6-30-15	"	4,239,346	11	24,510,006
6-30-13	Commercial Medicare Supplement	35,200	0	(130,334)
6-30-14	"	36,136	0	(94,198)
6-30-15	"	38,806	0	(55,392)

### Funded Status and Funding Progress

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

	Local Education Group Plan	State Medicare Supplement Plan	Commercial Medicare Supplement Plan
Actuarial valuation date	7-1-13	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 32,795,000	\$ 44,523,000	\$ 0
Actuarial value of plan assets	\$ 0	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 32,795,000	\$ 44,523,000	\$ 0
Actuarial value of assets as a % of the AAL	0%	0%	0%
Covered payroll (active plan members)	\$ 49,613,686	\$ N/A	\$ N/A
UAAL as a % of covered payroll	66%	N/A	N/A

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

### Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local 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 health care cost trend rate of seven percent for fiscal year 2015. The trend rate will decrease to 6.5 percent in the fiscal year 2016, and then will be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. The annual health care cost trend rate for the state Medicare Supplement Plan was six percent for fiscal year 2015 and then will be reduced by decrements to an ultimate rate of 4.2 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The

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

**J. Office of Central Accounting**

Sullivan County operates under the provisions of Section 5-12-101, et seq., *Tennessee Code Annotated (TCA)*, and Section 5-13-101, et seq., *TCA*, which provide for accounting records of the funds under the supervision of the county mayor and highway commissioner to be maintained by personnel of the Central Accounting Office under the administration of the director of accounts and budgets. Records for funds administered by the director of schools were maintained by School Department personnel.

**K. Purchasing Laws**

The Office of Purchasing Agent was established by Chapter 261, Private Acts of 1947, as amended. This statute provides for the purchasing agent to make all purchases and to enter into all contracts for Sullivan County. This act also requires purchases exceeding \$5,000 to be made on a competitive bid basis. Section 54-7-113, *Tennessee Code Annotated (Uniform Road Law)* requires competitive bids on Highway Department purchases exceeding \$10,000.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

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

	<u>2014</u>
<b>Total Pension Liability (Asset)</b>	
Service Cost	\$ 2,831,605
Interest	11,770,957
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(2,239,987)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	(8,067,161)
Net Change in Total Pension Liability (Asset)	<u>\$ 4,295,414</u>
Total Pension Liability (Asset), Beginning	<u>158,148,071</u>
Total Pension Liability (Asset), Ending (a)	<u>\$ 162,443,485</u>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 5,101,066
Contributions - Employee	181,889
Net Investment Income	23,440,229
Benefit Payments, Including Refunds of Employee Contributions	(8,067,161)
Administrative Expense	(46,764)
Net Change in Plan Fiduciary Net Position	<u>\$ 20,609,259</u>
Plan Fiduciary Net Position, Beginning	<u>142,828,455</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 163,437,714</u>
Net Pension Liability (Asset), Ending (a - b)	<u>\$ (994,229)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.61%
Covered Employee Payroll	\$ 33,976,288
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	2.93%

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

Note: data presented includes primary government (67.57%) and non-certified employees of the discretely presented School Department (32.43%).

Exhibit F-2

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 5,101,066	\$ 5,284,269
Less Contributions in Relation to the Actuarially Determined Contribution	(5,101,066)	(5,284,269)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Employee Payroll	 \$ 33,976,288	 \$ 34,118,547
 Contributions as a Percentage of Covered Employee Payroll	 15.01%	 15.49%

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

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

Exhibit F-3

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 53,440
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(85,504)</u>
Contribution Deficiency (Excess)	<u><u>\$ (32,064)</u></u>
 Covered Employee Payroll	 \$ 2,137,613
 Contributions as a Percentage of Covered Employee Payroll	 4.00%

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

Exhibit F-4

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 3,498,250	\$ 3,295,803
Less Contributions in Relation to the Actuarially Determined Contribution	(3,498,250)	(3,295,803)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Employee Payroll	 \$ 39,394,454	 \$ 36,458,004
Contributions as a Percentage of Covered Employee Payroll	8.88%	9.04%

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

Exhibit F-5

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

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	1.003689%
School Department's Proportionate Share of the Net Pension Asset	\$ 163,095
Covered Employee Payroll	\$ 39,394,454
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

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

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

Exhibit F-6

Sullivan County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Sullivan 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)
<u>PRIMARY GOVERNMENT</u>							
Sullivan County - Commercial	7-1-11	\$ 0	\$ 16,605	\$ 16,605	0 %	\$ 25,450	65 %
"	7-1-12	0	16,722	16,722	0	26,723	63
Self-Insured	7-1-13	0	17,569	17,569	0	16,320	108
<u>DISCRETELY PRESENTED SULLIVAN COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-10	0	33,376	33,376	0	53,729	62
"	7-1-11	0	41,251	41,251	0	52,064	79
"	7-1-13	0	32,795	32,795	0	49,614	66
Medicare Supplement - State	7-1-10	0	31,946	31,946	0	N/A	N/A
"	7-1-11	0	33,682	33,682	0	N/A	N/A
"	7-1-13	0	44,523	44,523	0	N/A	N/A
Medicare Supplement - Commercial	7-1-10	0	8,589	8,589	0	N/A	N/A
"	7-1-11	0	0	0	0	N/A	N/A
"	7-1-13	0	0	0	0	N/A	N/A

\* The discretely presented Sullivan County School Department discontinued contributing toward premiums for this plan; therefore, an Actuarial Liability was not recognized in the 7-1-11 and 7-1-13 actuarial studies.

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

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	5 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%

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions relating to the county’s trash collection and waste disposal.

Ambulance Service Fund – The Ambulance Service Fund is used to account for transactions relating to emergency medical services.

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

Sports and Recreation Fund – The Sports and Recreation Fund is used to account for transactions relating to Observation Knob Park.

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.

# Debt Service Funds

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

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

# Capital Projects Funds

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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.

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Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for transactions related to industrial capital projects.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for financial resources from the issuance of bonds and capital outlay notes to be used for the acquisition or construction/renovation of major capital facilities.

Exhibit G-1

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

	Special Revenue Funds					Total
	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	
<u>ASSETS</u>						
Cash	\$ 250	\$ 0	\$ 0	\$ 200	\$ 182,262	\$ 182,712
Equity in Pooled Cash and Investments	991,062	169,206	99,205	251,372	0	1,510,845
Accounts Receivable	24,141	1,832,955	0	0	60,817	1,917,913
Due from Other Governments	13,521	0	0	0	0	13,521
Due from Other Funds	7,338	0	0	0	0	7,338
Due from Component Units	632	0	0	0	0	632
Property Taxes Receivable	767,925	0	0	0	0	767,925
Allowance for Uncollectible Property Taxes	(21,263)	0	0	0	0	(21,263)
Total Assets	\$ 1,783,606	\$ 2,002,161	\$ 99,205	\$ 251,572	\$ 243,079	\$ 4,379,623
<u>LIABILITIES</u>						
Accounts Payable	\$ 34,381	\$ 16,810	\$ 0	\$ 571	\$ 0	\$ 51,762
Accrued Payroll	14,291	72,707	0	1,446	0	88,444
Payroll Deductions Payable	42	1,299	0	0	0	1,341
Due to Other Funds	18,912	47,116	0	5,520	243,079	314,627
Total Liabilities	\$ 67,626	\$ 137,932	\$ 0	\$ 7,537	\$ 243,079	\$ 456,174
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 729,998	\$ 0	\$ 0	\$ 0	\$ 0	\$ 729,998
Deferred Delinquent Property Taxes	14,243	0	0	0	0	14,243
Other Deferred/Unavailable Revenue	0	1,537,382	0	0	0	1,537,382
Total Deferred Inflows of Resources	\$ 744,241	\$ 1,537,382	\$ 0	\$ 0	\$ 0	\$ 2,281,623

(Continued)

Exhibit G-1

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

	Special Revenue Funds					Total
	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 99,205	\$ 0	\$ 0	\$ 99,205
Restricted for Debt Service	0	0	0	0	0	0
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for Public Health and Welfare	971,739	326,847	0	0	0	1,298,586
Committed for Social, Cultural, and Recreational Services	0	0	0	244,035	0	244,035
Total Fund Balances	<u>\$ 971,739</u>	<u>\$ 326,847</u>	<u>\$ 99,205</u>	<u>\$ 244,035</u>	<u>\$ 0</u>	<u>\$ 1,641,826</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,783,606</u>	<u>\$ 2,002,161</u>	<u>\$ 99,205</u>	<u>\$ 251,572</u>	<u>\$ 243,079</u>	<u>\$ 4,379,623</u>

(Continued)

Exhibit G-1

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

	Debt Service	Capital Projects Funds			Total Nonmajor Governmental Funds
	Fund	Community Development/ Industrial Park	Other Capital Projects	Total	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	182,712
Equity in Pooled Cash and Investments	92,929	26,401	229,237	255,638	1,859,412
Accounts Receivable	0	0	0	0	1,917,913
Due from Other Governments	0	0	52,656	52,656	66,177
Due from Other Funds	0	0	0	0	7,338
Due from Component Units	0	0	0	0	632
Property Taxes Receivable	0	0	0	0	767,925
Allowance for Uncollectible Property Taxes	0	0	0	0	(21,263)
Total Assets	\$ 92,929	\$ 26,401	\$ 281,893	\$ 308,294	\$ 4,780,846
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	51,762
Accrued Payroll	0	0	0	0	88,444
Payroll Deductions Payable	0	0	0	0	1,341
Due to Other Funds	0	0	0	0	314,627
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 0	456,174
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	729,998
Deferred Delinquent Property Taxes	0	0	0	0	14,243
Other Deferred/Unavailable Revenue	0	0	0	0	1,537,382
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	2,281,623

(Continued)

Exhibit G-1

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

	Debt Service	Capital Projects Funds			Total Nonmajor Governmental Funds
	Fund	Community Development/ Industrial Park	Other Capital Projects	Total	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 0	\$ 99,205
Restricted for Debt Service	92,929	0	0	0	92,929
Restricted for Capital Projects	0	26,401	281,893	308,294	308,294
Committed:					
Committed for Public Health and Welfare	0	0	0	0	1,298,586
Committed for Social, Cultural, and Recreational Services	0	0	0	0	244,035
Total Fund Balances	<u>\$ 92,929</u>	<u>\$ 26,401</u>	<u>\$ 281,893</u>	<u>\$ 308,294</u>	<u>\$ 2,043,049</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 92,929</u>	<u>\$ 26,401</u>	<u>\$ 281,893</u>	<u>\$ 308,294</u>	<u>\$ 4,780,846</u>

Exhibit G-2

Sullivan 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					Total
	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	
<u>Revenues</u>						
Local Taxes	\$ 750,128	\$ 0	\$ 0	\$ 0	\$ 0	\$ 750,128
Fines, Forfeitures, and Penalties	0	0	57,797	0	0	57,797
Charges for Current Services	179,977	4,471,554	0	327,097	10,735	4,989,363
Other Local Revenues	136,909	5,741	0	119	0	142,769
State of Tennessee	138,928	0	0	0	0	138,928
Federal Government	0	0	27,680	0	0	27,680
Other Governments and Citizens Groups	94,988	47,285	0	0	0	142,273
<b>Total Revenues</b>	<b>\$ 1,300,930</b>	<b>\$ 4,524,580</b>	<b>\$ 85,477</b>	<b>\$ 327,216</b>	<b>\$ 10,735</b>	<b>\$ 6,248,938</b>
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,735	\$ 10,735
Finance	0	0	0	0	0	0
Public Safety	0	0	74,101	0	0	74,101
Public Health and Welfare	1,622,366	4,916,229	0	0	0	6,538,595
Social, Cultural, and Recreational Services	0	0	0	304,196	0	304,196
Other Operations	0	0	0	0	0	0
Debt Service:						
Principal on Debt	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 1,622,366</b>	<b>\$ 4,916,229</b>	<b>\$ 74,101</b>	<b>\$ 304,196</b>	<b>\$ 10,735</b>	<b>\$ 6,927,627</b>

(Continued)

Exhibit G-2

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

	Special Revenue Funds					Total
	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	
Excess (Deficiency) of Revenues Over Expenditures	\$ (321,436)	\$ (391,649)	\$ 11,376	\$ 23,020	\$ 0	\$ (678,689)
<u>Other Financing Sources (Uses)</u>						
Refunding Debt Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Premiums on Debt Issued	0	0	0	0	0	0
Payments to Refunded Debt Escrow Agent	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ (321,436)	\$ (391,649)	\$ 11,376	\$ 23,020	\$ 0	\$ (678,689)
Fund Balance, July 1, 2014	1,293,175	718,496	87,829	221,015	0	2,320,515
Fund Balance, June 30, 2015	\$ 971,739	\$ 326,847	\$ 99,205	\$ 244,035	\$ 0	\$ 1,641,826

(Continued)

Exhibit G-2

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

	Debt Service Fund		Capital Projects Funds			Total Nonmajor Governmental Funds
	Education Debt Service	Community Development/Industrial Park	Other Capital Projects	Total		
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	750,128
Fines, Forfeitures, and Penalties	0	0	0	0	0	57,797
Charges for Current Services	0	0	0	0	0	4,989,363
Other Local Revenues	0	0	0	0	0	142,769
State of Tennessee	0	0	0	0	0	138,928
Federal Government	0	0	88,763	88,763	88,763	116,443
Other Governments and Citizens Groups	2,075,505	0	0	0	0	2,217,778
<b>Total Revenues</b>	<b>\$ 2,075,505</b>	<b>\$ 0</b>	<b>\$ 88,763</b>	<b>\$ 88,763</b>	<b>\$ 88,763</b>	<b>\$ 8,413,206</b>
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,735
Finance	20,755	0	0	0	0	20,755
Public Safety	0	0	0	0	0	74,101
Public Health and Welfare	0	0	0	0	0	6,538,595
Social, Cultural, and Recreational Services	0	0	0	0	0	304,196
Other Operations	0	0	110,954	110,954	110,954	110,954
Debt Service:						
Principal on Debt	1,605,000	0	0	0	0	1,605,000
Interest on Debt	439,629	0	0	0	0	439,629
Other Debt Service	51,869	0	0	0	0	51,869
<b>Total Expenditures</b>	<b>\$ 2,117,253</b>	<b>\$ 0</b>	<b>\$ 110,954</b>	<b>\$ 110,954</b>	<b>\$ 110,954</b>	<b>\$ 9,155,834</b>

(Continued)

Exhibit G-2

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

	Debt Service Fund		Capital Projects Funds		Total Nonmajor Governmental Funds
	Education Debt Service	Community Development/Industrial Park	Other Capital Projects	Total	
Excess (Deficiency) of Revenues Over Expenditures	\$ (41,748)	\$ 0	\$ (22,191)	\$ (22,191)	\$ (742,628)
<u>Other Financing Sources (Uses)</u>					
Refunding Debt Issued	\$ 6,965,000	\$ 0	\$ 0	\$ 0	\$ 6,965,000
Premiums on Debt Issued	463,259	0	0	0	463,259
Payments to Refunded Debt Escrow Agent	(7,376,640)	0	0	0	(7,376,640)
Total Other Financing Sources (Uses)	\$ 51,619	\$ 0	\$ 0	\$ 0	\$ 51,619
Net Change in Fund Balances	\$ 9,871	\$ 0	\$ (22,191)	\$ (22,191)	\$ (691,009)
Fund Balance, July 1, 2014	83,058	26,401	304,084	330,485	2,734,058
Fund Balance, June 30, 2015	\$ 92,929	\$ 26,401	\$ 281,893	\$ 308,294	\$ 2,043,049

Exhibit G-3

Sullivan 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		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 750,128	\$ 0	\$ 0	\$ 750,128	\$ 746,360	\$ 746,360	\$ 3,768
Charges for Current Services	179,977	0	0	179,977	200,843	200,843	(20,866)
Other Local Revenues	136,909	0	0	136,909	157,026	157,026	(20,117)
State of Tennessee	138,928	0	0	138,928	7,128	124,528	14,400
Other Governments and Citizens Groups	94,988	0	0	94,988	91,402	91,402	3,586
Total Revenues	\$ 1,300,930	\$ 0	\$ 0	\$ 1,300,930	\$ 1,202,759	\$ 1,320,159	\$ (19,229)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 18,965	\$ (4,594)	\$ 5,394	\$ 19,765	\$ 26,000	\$ 26,000	\$ 6,235
Transfer Stations	1,603,401	(189,244)	78,455	1,492,612	1,696,000	1,844,765	352,153
Total Expenditures	\$ 1,622,366	\$ (193,838)	\$ 83,849	\$ 1,512,377	\$ 1,722,000	\$ 1,870,765	\$ 358,388
Excess (Deficiency) of Revenues Over Expenditures	\$ (321,436)	\$ 193,838	\$ (83,849)	\$ (211,447)	\$ (519,241)	\$ (550,606)	\$ 339,159
Net Change in Fund Balance	\$ (321,436)	\$ 193,838	\$ (83,849)	\$ (211,447)	\$ (519,241)	\$ (550,606)	\$ 339,159
Fund Balance, July 1, 2014	1,293,175	(193,838)	0	1,099,337	692,332	692,332	407,005
Fund Balance, June 30, 2015	\$ 971,739	\$ 0	\$ (83,849)	\$ 887,890	\$ 173,091	\$ 141,726	\$ 746,164

Exhibit G-4

Sullivan County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Ambulance Service 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		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 4,471,554	\$ 0	\$ 0	\$ 4,471,554	\$ 6,235,432	\$ 6,235,432	\$ (1,763,878)
Other Local Revenues	5,741	0	0	5,741	21,000	21,000	(15,259)
Other Governments and Citizens Groups	47,285	0	0	47,285	16,000	16,000	31,285
Total Revenues	<u>\$ 4,524,580</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,524,580</u>	<u>\$ 6,272,432</u>	<u>\$ 6,272,432</u>	<u>\$ (1,747,852)</u>
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 4,916,229	\$ (40,259)	\$ 89,116	\$ 4,965,086	\$ 6,096,455	\$ 6,269,030	\$ 1,303,944
Total Expenditures	<u>\$ 4,916,229</u>	<u>\$ (40,259)</u>	<u>\$ 89,116</u>	<u>\$ 4,965,086</u>	<u>\$ 6,096,455</u>	<u>\$ 6,269,030</u>	<u>\$ 1,303,944</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (391,649)	\$ 40,259	\$ (89,116)	\$ (440,506)	\$ 175,977	\$ 3,402	\$ (443,908)
Net Change in Fund Balance	\$ (391,649)	\$ 40,259	\$ (89,116)	\$ (440,506)	\$ 175,977	\$ 3,402	\$ (443,908)
Fund Balance, July 1, 2014	718,496	(40,259)	0	678,237	707,982	707,982	(29,745)
Fund Balance, June 30, 2015	<u>\$ 326,847</u>	<u>\$ 0</u>	<u>\$ (89,116)</u>	<u>\$ 237,731</u>	<u>\$ 883,959</u>	<u>\$ 711,384</u>	<u>\$ (473,653)</u>

Exhibit G-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 57,797	\$ 0	\$ 57,797	\$ 85,000	\$ 85,000	\$ (27,203)
Other Local Revenues	0	0	0	100	100	(100)
Federal Government	27,680	0	27,680	0	0	27,680
Total Revenues	<u>\$ 85,477</u>	<u>\$ 0</u>	<u>\$ 85,477</u>	<u>\$ 85,100</u>	<u>\$ 85,100</u>	<u>\$ 377</u>
<u>Expenditures</u>						
<u>Public Safety</u>						
Sheriff's Department	\$ 74,101	\$ 3,587	\$ 77,688	\$ 85,100	\$ 85,100	\$ 7,412
Total Expenditures	<u>\$ 74,101</u>	<u>\$ 3,587</u>	<u>\$ 77,688</u>	<u>\$ 85,100</u>	<u>\$ 85,100</u>	<u>\$ 7,412</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 11,376</u>	<u>\$ (3,587)</u>	<u>\$ 7,789</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,789</u>
Net Change in Fund Balance	\$ 11,376	\$ (3,587)	\$ 7,789	\$ 0	\$ 0	\$ 7,789
Fund Balance, July 1, 2014	<u>87,829</u>	<u>0</u>	<u>87,829</u>	<u>87,828</u>	<u>87,828</u>	<u>1</u>
Fund Balance, June 30, 2015	<u>\$ 99,205</u>	<u>\$ (3,587)</u>	<u>\$ 95,618</u>	<u>\$ 87,828</u>	<u>\$ 87,828</u>	<u>\$ 7,790</u>

Exhibit G-6

Sullivan County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Sports and Recreation 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		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 327,097	\$ 0	\$ 0	\$ 327,097	\$ 330,000	\$ 330,000	\$ (2,903)
Other Local Revenues	119	0	0	119	0	0	119
Total Revenues	\$ 327,216	\$ 0	\$ 0	\$ 327,216	\$ 330,000	\$ 330,000	\$ (2,784)
<u>Expenditures</u>							
<u>Social, Cultural, and Recreational Services</u>							
Parks and Fair Boards	\$ 304,196	\$ (8,348)	\$ 5,580	\$ 301,428	\$ 307,004	\$ 311,198	\$ 9,770
Total Expenditures	\$ 304,196	\$ (8,348)	\$ 5,580	\$ 301,428	\$ 307,004	\$ 311,198	\$ 9,770
Excess (Deficiency) of Revenues Over Expenditures	\$ 23,020	\$ 8,348	\$ (5,580)	\$ 25,788	\$ 22,996	\$ 18,802	\$ 6,986
Net Change in Fund Balance	\$ 23,020	\$ 8,348	\$ (5,580)	\$ 25,788	\$ 22,996	\$ 18,802	\$ 6,986
Fund Balance, July 1, 2014	221,015	(8,348)	0	212,667	211,985	211,985	682
Fund Balance, June 30, 2015	\$ 244,035	\$ 0	\$ (5,580)	\$ 238,455	\$ 234,981	\$ 230,787	\$ 7,668

Exhibit G-7

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 2,075,600	\$ 0	\$ 0
Other Governments and Citizens Groups	2,075,505	0	2,075,600	(95)
Total Revenues	<u>\$ 2,075,505</u>	<u>\$ 2,075,600</u>	<u>\$ 2,075,600</u>	<u>\$ (95)</u>
<u>Expenditures</u>				
<u>Finance</u>				
Other Finance	\$ 20,755	\$ 20,850	\$ 20,850	\$ 95
<u>Principal on Debt</u>				
Education	1,605,000	1,605,000	1,605,000	0
<u>Interest on Debt</u>				
Education	439,629	441,750	441,750	2,121
<u>Other Debt Service</u>				
Education	51,869	8,000	59,619	7,750
Total Expenditures	<u>\$ 2,117,253</u>	<u>\$ 2,075,600</u>	<u>\$ 2,127,219</u>	<u>\$ 9,966</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (41,748)</u>	<u>\$ 0</u>	<u>\$ (51,619)</u>	<u>\$ 9,871</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 6,965,000	\$ 0	\$ 6,965,000	\$ 0
Premiums on Debt Issued	463,259	0	463,259	0
Payments to Refunded Debt Escrow Agent	(7,376,640)	0	(7,376,640)	0
Total Other Financing Sources	<u>\$ 51,619</u>	<u>\$ 0</u>	<u>\$ 51,619</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 9,871	\$ 0	\$ 0	\$ 9,871
Fund Balance, July 1, 2014	83,058	132,637	132,637	(49,579)
Fund Balance, June 30, 2015	<u>\$ 92,929</u>	<u>\$ 132,637</u>	<u>\$ 132,637</u>	<u>\$ (39,708)</u>

# **Major Governmental Fund**

## **General Debt Service Fund**

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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.

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Exhibit H

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Local Taxes	\$ 4,175,118	\$ 4,152,128	\$ 4,152,128	\$ 22,990
Other Local Revenues	736,745	812,011	812,011	(75,266)
Other Governments and Citizens Groups	514,655	881,368	578,390	(63,735)
Total Revenues	\$ 5,426,518	\$ 5,845,507	\$ 5,542,529	\$ (116,011)
<b>Expenditures</b>				
<u>Finance</u>				
Other Finance	\$ 81,454	\$ 82,000	\$ 82,000	\$ 546
<u>Principal on Debt</u>				
General Government	1,965,000	1,327,000	1,967,000	2,000
Education	1,756,293	2,758,990	1,897,220	140,927
<u>Interest on Debt</u>				
General Government	1,269,793	672,729	1,273,676	3,883
Education	521,298	1,247,019	565,864	44,566
<u>Other Debt Service</u>				
General Government	382,464	5,000	383,371	907
Education	19,538	22,168	22,168	2,630
Total Expenditures	\$ 5,995,840	\$ 6,114,906	\$ 6,191,299	\$ 195,459
Excess (Deficiency) of Revenues Over Expenditures	\$ (569,322)	\$ (269,399)	\$ (648,770)	\$ 79,448
<b>Other Financing Sources (Uses)</b>				
Refunding Debt Issued	\$ 31,135,000	\$ 0	\$ 31,135,000	\$ 0
Premiums on Debt Issued	4,273,394	0	4,273,394	0
Transfers In	245,939	245,939	245,939	0
Payments to Refunded Debt Escrow Agent	(35,033,523)	0	(35,033,523)	0
Total Other Financing Sources	\$ 620,810	\$ 245,939	\$ 620,810	\$ 0
Net Change in Fund Balance	\$ 51,488	\$ (23,460)	\$ (27,960)	\$ 79,448
Fund Balance, July 1, 2014	1,361,764	686,013	686,013	675,751
Fund Balance, June 30, 2015	\$ 1,413,252	\$ 662,553	\$ 658,053	\$ 755,199

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# Proprietary Funds

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Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the county, or to other governments, on a cost-reimbursement basis.

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Self-Insurance Fund – The Self-Insurance Fund is used to account for the self-insured general liability, property, casualty, and workers’ compensation programs managed by the county for the primary government and the discretely presented School Department.

Employee Insurance - General Fund – The Employee Insurance - General Fund is used to account for the primary government’s self-insured retirees’ supplemental health and employee dental programs.

Employee Insurance - Health Fund – The Employee Insurance - Health Fund is used to account for the primary government’s employee health programs. Premiums charged to the various county funds and employee payroll deductions are placed in this fund for the payment of claims of county employees.

Exhibit I-1

Sullivan County, Tennessee  
Combining Statement of Net Position  
All Proprietary Funds  
June 30, 2015

	Internal Service Funds			Total
	Self- Insurance	Employee Insurance - General	Employee Insurance - Health	
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 28,613	\$ 0	\$ 213,520	\$ 242,133
Equity in Pooled Cash and Investments	208,144	119,309	985,279	1,312,732
Accounts Receivable	0	0	7,383	7,383
Due from Other Funds	208,150	418,839	44,582	671,571
Due from Component Units	11,898	0	0	11,898
Prepaid Items	0	7,300	0	7,300
Total Assets	<u>\$ 456,805</u>	<u>\$ 545,448</u>	<u>\$ 1,250,764</u>	<u>\$ 2,253,017</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 14,457	\$ 0	\$ 8,377	\$ 22,834
Claims and Judgments Payable	231,078	0	601,106	832,184
Total Liabilities	<u>\$ 245,535</u>	<u>\$ 0</u>	<u>\$ 609,483</u>	<u>\$ 855,018</u>
<u>NET POSITION</u>				
Unrestricted	<u>\$ 211,270</u>	<u>\$ 545,448</u>	<u>\$ 641,281</u>	<u>\$ 1,397,999</u>
Total Net Position	<u>\$ 211,270</u>	<u>\$ 545,448</u>	<u>\$ 641,281</u>	<u>\$ 1,397,999</u>

Exhibit I-2

Sullivan County, Tennessee  
Combining Statement of Revenues, Expenses, and  
Changes in Net Position  
All Proprietary Funds  
For the Year Ended June 30, 2015

	Internal Service Funds			
	Self- Insurance	Employee Insurance - General	Employee Insurance - Health	Total
<u>Operating Revenues</u>				
Self-Insurance Premiums	\$ 441,105	\$ 631,200	\$ 8,410,099	\$ 9,482,404
Retirees' Insurance Payments	0	0	232,548	232,548
Cobra Insurance Payments	0	2,704	19,694	22,398
Total Operating Revenues	<u>\$ 441,105</u>	<u>\$ 633,904</u>	<u>\$ 8,662,341</u>	<u>\$ 9,737,350</u>
<u>Operating Expenses</u>				
Handling Charges and Administrative Costs	\$ 63,750	\$ 19,916	\$ 1,239,885	\$ 1,323,551
Dental Insurance	0	279,659	0	279,659
Audit Services	3,000	0	0	3,000
Contracts with Private Agencies	31	0	0	31
Building and Contents Insurance	3,229	0	0	3,229
Liability Insurance	125,560	0	0	125,560
Medical Claims	0	323,629	6,777,797	7,101,426
Bank Charges	0	0	129	129
Other Fringe Benefits	0	0	3,249	3,249
Trustee's Commission	207	0	0	207
Vehicle and Equipment Insurance	57,741	0	0	57,741
Workers' Compensation Insurance	543,901	0	0	543,901
Other Self Insurance Claims	14,494	0	0	14,494
Total Operating Expenses	<u>\$ 811,913</u>	<u>\$ 623,204</u>	<u>\$ 8,021,060</u>	<u>\$ 9,456,177</u>
Operating Income (Loss)	<u>\$ (370,808)</u>	<u>\$ 10,700</u>	<u>\$ 641,281</u>	<u>\$ 281,173</u>
<u>Nonoperating Revenues (Expenses)</u>				
Investment Income	\$ 1,295	\$ 0	\$ 0	\$ 1,295
Sales of Supplies and Materials	1,900	0	0	1,900
Total Nonoperating Revenues (Expenses)	<u>\$ 3,195</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,195</u>
Income (Loss) before Transfers	\$ (367,613)	\$ 10,700	\$ 641,281	\$ 284,368
Transfers In	600,000	100,000	0	700,000
Change in Net Position	\$ 232,387	\$ 110,700	\$ 641,281	\$ 984,368
Net Position, July 1, 2014	(21,117)	434,748	0	413,631
Net Position, June 30, 2015	<u>\$ 211,270</u>	<u>\$ 545,448</u>	<u>\$ 641,281</u>	<u>\$ 1,397,999</u>

Exhibit I-3

Sullivan County, Tennessee  
Combining Statement of Cash Flows  
All Proprietary Funds  
For the Year Ended June 30, 2015

	<u>Internal Service Funds</u>			<u>Total</u>
	<u>Self- Insurance</u>	<u>Employee Insurance - General</u>	<u>Employee Insurance - Health</u>	
<u>Cash Flows from Operating Activities</u>				
Receipts for Self-Insurance Premiums	\$ 443,689	\$ 551,875	\$ 9,221,435	\$ 10,216,999
Payments to Insurers and Claims Payments	(837,245)	(610,588)	(6,832,772)	(8,280,605)
Payments for Administrative Costs	(66,988)	(19,916)	(1,243,263)	(1,330,167)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (460,544)</u>	<u>\$ (78,629)</u>	<u>\$ 1,145,400</u>	<u>\$ 606,227</u>
<u>Cash Flows from Investing Activities</u>				
Interest on Investments	\$ 1,295	\$ 0	\$ 0	\$ 1,295
Net Cash Provided By (Used In) Investing Activities	<u>\$ 1,295</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,295</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Sales of Materials and Supplies	\$ 1,900	\$ 0	\$ 0	\$ 1,900
Other State Revenues	3,849	0	0	3,849
Transfers In	400,000	100,000	0	500,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 405,749</u>	<u>\$ 100,000</u>	<u>\$ 0</u>	<u>\$ 505,749</u>
Increase (Decrease) in Cash	\$ (53,500)	\$ 21,371	\$ 1,145,400	\$ 1,113,271
Cash, July 1, 2014	290,257	97,938	53,399	441,594
Cash, June 30, 2015	<u>\$ 236,757</u>	<u>\$ 119,309</u>	<u>\$ 1,198,799</u>	<u>\$ 1,554,865</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>				
Operating Income (Loss)	\$ (370,808)	\$ 10,700	\$ 641,281	\$ 281,173
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Changes in Assets and Liabilities:				
(Increase) Decrease in Operating Receivables	2,584	(82,029)	559,094	479,649
(Increase) Decrease in Prepaid Expenses	0	(7,300)	0	(7,300)
Increase (Decrease) in Other Current Liabilities	(92,320)	0	(54,975)	(147,295)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (460,544)</u>	<u>\$ (78,629)</u>	<u>\$ 1,145,400</u>	<u>\$ 606,227</u>
<u>Reconciliation of Cash With the Statement of Net Position</u>				
Cash Per Net Position	\$ 28,613	\$ 0	\$ 213,520	\$ 242,133
Equity in Pooled Cash and Investments Per Net Position	208,144	119,309	985,279	1,312,732
Cash, June 30, 2015	<u>\$ 236,757</u>	<u>\$ 119,309</u>	<u>\$ 1,198,799</u>	<u>\$ 1,554,865</u>

# Fiduciary Funds

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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.

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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.

City School ADA - Bristol Fund and City School ADA - Kingsport Fund – These two funds are used to account for the city school systems' shares of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school systems 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.

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

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

Exhibit J-1

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

	Agency Funds						Total
	Cities - Sales Tax	City School ADA - Bristol	City School ADA - Kingsport	Constitu- tional Officers - Agency	Judicial District Drug	District Attorney General	
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 0	\$ 7,716,473	\$ 0	\$ 0	\$ 7,716,473
Equity in Pooled Cash and Investments	0	482,253	771,311	0	120,134	31,343	1,405,041
Accounts Receivable	0	242	387	7,658	55	65	8,407
Due from Other Governments	3,715,780	830,389	1,346,086	0	3,641	0	5,895,896
Taxes Receivable	0	10,889,894	17,397,337	0	0	0	28,287,231
Allowance for Uncollectible Taxes	0	(301,539)	(481,731)	0	0	0	(783,270)
Total Assets	<u>\$ 3,715,780</u>	<u>\$ 11,901,239</u>	<u>\$ 19,033,390</u>	<u>\$ 7,724,131</u>	<u>\$ 123,830</u>	<u>\$ 31,408</u>	<u>\$ 42,529,778</u>
<u>LIABILITIES</u>							
Due to Other Taxing Units	\$ 3,715,780	\$ 11,901,239	\$ 19,033,390	\$ 0	\$ 0	\$ 0	\$ 34,650,409
Due to Litigants, Heirs, and Others	0	0	0	7,724,131	0	31,408	7,755,539
Due to Joint Ventures	0	0	0	0	123,830	0	123,830
Total Liabilities	<u>\$ 3,715,780</u>	<u>\$ 11,901,239</u>	<u>\$ 19,033,390</u>	<u>\$ 7,724,131</u>	<u>\$ 123,830</u>	<u>\$ 31,408</u>	<u>\$ 42,529,778</u>

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 21,958,023	\$ 21,958,023	\$ 0
Due from Other Governments	3,513,959	3,715,780	3,513,959	3,715,780
<b>Total Assets</b>	<b>\$ 3,513,959</b>	<b>\$ 25,673,803</b>	<b>\$ 25,471,982</b>	<b>\$ 3,715,780</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 3,513,959	\$ 25,673,803	\$ 25,471,982	\$ 3,715,780
<b>Total Liabilities</b>	<b>\$ 3,513,959</b>	<b>\$ 25,673,803</b>	<b>\$ 25,471,982</b>	<b>\$ 3,715,780</b>
<u>City School ADA - Bristol Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 454,099	\$ 15,590,405	\$ 15,562,251	\$ 482,253
Accounts Receivable	263	242	263	242
Due from Other Governments	771,049	830,389	771,049	830,389
Taxes Receivable	10,414,831	10,889,894	10,414,831	10,889,894
Allowance for Uncollectible Taxes	(307,874)	(301,539)	(307,874)	(301,539)
<b>Total Assets</b>	<b>\$ 11,332,368</b>	<b>\$ 27,009,391</b>	<b>\$ 26,440,520</b>	<b>\$ 11,901,239</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 11,332,368	\$ 27,009,391	\$ 26,440,520	\$ 11,901,239
<b>Total Liabilities</b>	<b>\$ 11,332,368</b>	<b>\$ 27,009,391</b>	<b>\$ 26,440,520</b>	<b>\$ 11,901,239</b>
<u>City School ADA - Kingsport Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 748,912	\$ 24,921,794	\$ 24,899,395	\$ 771,311
Accounts Receivable	433	387	433	387
Due from Other Governments	1,254,974	1,346,086	1,254,974	1,346,086
Taxes Receivable	17,119,448	17,397,337	17,119,448	17,397,337
Allowance for Uncollectible Taxes	(506,070)	(481,731)	(506,070)	(481,731)
<b>Total Assets</b>	<b>\$ 18,617,697</b>	<b>\$ 43,183,873</b>	<b>\$ 42,768,180</b>	<b>\$ 19,033,390</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 18,617,697	\$ 43,183,873	\$ 42,768,180	\$ 19,033,390
<b>Total Liabilities</b>	<b>\$ 18,617,697</b>	<b>\$ 43,183,873</b>	<b>\$ 42,768,180</b>	<b>\$ 19,033,390</b>

(Continued)

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 7,234,466	\$ 25,065,983	\$ 24,583,976	\$ 7,716,473
Accounts Receivable	4,218	7,658	4,218	7,658
Total Assets	<u>\$ 7,238,684</u>	<u>\$ 25,073,641</u>	<u>\$ 24,588,194</u>	<u>\$ 7,724,131</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 7,238,684	\$ 25,073,641	\$ 24,588,194	\$ 7,724,131
Total Liabilities	<u>\$ 7,238,684</u>	<u>\$ 25,073,641</u>	<u>\$ 24,588,194</u>	<u>\$ 7,724,131</u>
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 77,234	\$ 178,763	\$ 135,863	\$ 120,134
Accounts Receivable	17	55	17	55
Due from Other Governments	8,161	3,641	8,161	3,641
Total Assets	<u>\$ 85,412</u>	<u>\$ 182,459</u>	<u>\$ 144,041</u>	<u>\$ 123,830</u>
<u>Liabilities</u>				
Due to Joint Ventures	\$ 85,412	\$ 182,459	\$ 144,041	\$ 123,830
Total Liabilities	<u>\$ 85,412</u>	<u>\$ 182,459</u>	<u>\$ 144,041</u>	<u>\$ 123,830</u>
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 25,799	\$ 18,289	\$ 12,745	\$ 31,343
Accounts Receivable	0	65	0	65
Total Assets	<u>\$ 25,799</u>	<u>\$ 18,354</u>	<u>\$ 12,745</u>	<u>\$ 31,408</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 25,799	\$ 18,354	\$ 12,745	\$ 31,408
Total Liabilities	<u>\$ 25,799</u>	<u>\$ 18,354</u>	<u>\$ 12,745</u>	<u>\$ 31,408</u>

(Continued)

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 7,234,466	\$ 25,065,983	\$ 24,583,976	\$ 7,716,473
Equity in Pooled Cash and Investments	1,306,044	62,667,274	62,568,277	1,405,041
Accounts Receivable	4,931	8,407	4,931	8,407
Due from Other Governments	5,548,143	5,895,896	5,548,143	5,895,896
Taxes Receivable	27,534,279	28,287,231	27,534,279	28,287,231
Allowance for Uncollectible Taxes	(813,944)	(783,270)	(813,944)	(783,270)
Total Assets	\$ 40,813,919	\$ 121,141,521	\$ 119,425,662	\$ 42,529,778
<u>Liabilities</u>				
Due to Joint Ventures	\$ 85,412	\$ 182,459	\$ 144,041	\$ 123,830
Due to Other Taxing Units	33,464,024	95,867,067	94,680,682	34,650,409
Due to Litigants, Heirs, and Others	7,264,483	25,091,995	24,600,939	7,755,539
Total Liabilities	\$ 40,813,919	\$ 121,141,521	\$ 119,425,662	\$ 42,529,778

# Sullivan County School Department

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

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

Special Purpose Fund – The Special Purpose Fund is used to account for the transactions involving school maintenance and building improvements.

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 No. 1 – This fund is used to account for the operations of the Stem Platform School funded with federal grants and by the Sullivan County School Department.

Other Education Special Revenue Fund No. 2 – This fund is used to account for the operations of the prepaid pre-kindergarten childcare program.

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

Endowment Fund – The Endowment Fund is used to account for an endowment received by the School Department for which the principal amount and interest earned is to be expended for the benefit of scholarships for Sullivan County students.

Exhibit K-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 59,346,538	\$ 91,709	\$ 5,130,502	\$ 7,276,211	\$ (46,848,116)
Support Services	28,978,865	338,263	877,435	0	(27,763,167)
Operation of Non-instructional Services	5,137,886	1,241,020	3,510,032	0	(386,834)
Interest on Long-term Debt	8,642	0	0	0	(8,642)
<b>Total Governmental Activities</b>	<b>\$ 93,471,932</b>	<b>\$ 1,670,992</b>	<b>\$ 9,517,969</b>	<b>\$ 7,276,211</b>	<b>\$ (75,006,760)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$	26,340,313
Local Option Sales Tax					12,281,604
Other Local Taxes					5,704
Grants and Contributions Not Restricted for Specific Programs					42,476,255
Unrestricted Investment Income					18
Other					536,497
Pension Income					253,915
<b>Total General Revenues</b>				<b>\$</b>	<b>81,894,306</b>
Change in Net Position				\$	6,887,546
Net Position, July 1, 2014					41,480,186
Restatement - Pension Liability (See note I.D.9.)					(17,130,955)
<b>Net Position, June 30, 2015</b>				<b>\$</b>	<b>31,236,777</b>

## Exhibit K-2

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

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 2,718	\$ 16,646	\$ 19,364
Equity in Pooled Cash and Investments	6,978,510	1,378,897	8,357,407
Inventories	169,451	42,059	211,510
Accounts Receivable	8,149	1,099	9,248
Due from Other Governments	2,320,254	317,835	2,638,089
Due from Other Funds	333,038	59,221	392,259
Due from Primary Government	995	0	995
Property Taxes Receivable	25,658,865	1,248,502	26,907,367
Allowance for Uncollectible Property Taxes	(710,492)	(34,571)	(745,063)
Prepaid Items	3,534	0	3,534
Total Assets	<u>\$ 34,765,022</u>	<u>\$ 3,029,688</u>	<u>\$ 37,794,710</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 126,372	\$ 39,276	\$ 165,648
Payroll Deductions Payable	795,032	34,696	829,728
Contracts Payable	0	22,494	22,494
Due to Other Funds	59,221	333,038	392,259
Due to Primary Government	51,105	0	51,105
Other Current Liabilities	20,440	46,224	66,664
Total Liabilities	<u>\$ 1,052,170</u>	<u>\$ 475,728</u>	<u>\$ 1,527,898</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 24,391,586	\$ 1,186,839	\$ 25,578,425
Deferred Delinquent Property Taxes	475,897	23,156	499,053
Other Deferred/Unavailable Revenue	1,053,170	0	1,053,170
Total Deferred Inflows of Resources	<u>\$ 25,920,653</u>	<u>\$ 1,209,995</u>	<u>\$ 27,130,648</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 169,451	\$ 42,059	\$ 211,510
Prepaid Items	3,534	0	3,534
Restricted:			
Restricted for Education	173,014	901,906	1,074,920
Committed:			
Committed for Education	797,914	400,000	1,197,914
Assigned:			
Assigned for Education	2,535,458	0	2,535,458
Unassigned	\$ 4,112,828	\$ 0	\$ 4,112,828
Total Fund Balances	<u>\$ 7,792,199</u>	<u>\$ 1,343,965</u>	<u>\$ 9,136,164</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 34,765,022</u>	<u>\$ 3,029,688</u>	<u>\$ 37,794,710</u>

Sullivan County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
Discretely Presented Sullivan 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 K-2)		\$	9,136,164
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,111,748	
Add: construction in progress		30,000	
Add: buildings and improvements net of accumulated depreciation		66,922,073	
Add: other capital assets net of accumulated depreciation		<u>2,324,108</u>	70,387,929
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			1,552,223
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: principal on capital leases to be contributed on primary government debt	\$	(38,696)	
Less: compensated absences payable		(2,422,126)	
Less: other postemployment benefits liability		<u>(34,879,679)</u>	(37,340,501)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	5,048,513	
Less: deferred inflows of resources related to pensions		<u>(18,033,074)</u>	(12,984,561)
(5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: agent plan net pension assets	\$	322,428	
Add: cost-share plan net pension assets		<u>163,095</u>	485,523
Net position of governmental activities (Exhibit A)			<u>\$ 31,236,777</u>

Exhibit K-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 37,355,969	\$ 1,220,008	\$ 38,575,977
Licenses and Permits	4,680	0	4,680
Charges for Current Services	316,634	1,341,048	1,657,682
Other Local Revenues	548,185	1,640	549,825
State of Tennessee	42,438,335	71,892	42,510,227
Federal Government	282,674	9,129,936	9,412,610
Other Governments and Citizens Groups	35,809	55,034	90,843
Total Revenues	<u>\$ 80,982,286</u>	<u>\$ 11,819,558</u>	<u>\$ 92,801,844</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 48,542,645	\$ 4,466,097	\$ 53,008,742
Support Services	28,815,056	1,373,834	30,188,890
Operation of Non-instructional Services	623,431	4,538,469	5,161,900
Capital Outlay	25,835	670,361	696,196
Debt Service:			
Interest on Debt	8,642	0	8,642
Other Debt Service	2,538,141	52,019	2,590,160
Total Expenditures	<u>\$ 80,553,750</u>	<u>\$ 11,100,780</u>	<u>\$ 91,654,530</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 428,536</u>	<u>\$ 718,778</u>	<u>\$ 1,147,314</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 576,426	\$ 255,528	\$ 831,954
Transfers Out	(255,528)	(576,426)	(831,954)
Total Other Financing Sources (Uses)	<u>\$ 320,898</u>	<u>\$ (320,898)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 749,434	\$ 397,880	\$ 1,147,314
Fund Balance, July 1, 2014	7,042,765	946,085	7,988,850
Fund Balance, June 30, 2015	<u>\$ 7,792,199</u>	<u>\$ 1,343,965</u>	<u>\$ 9,136,164</u>

Exhibit K-5

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

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

Net change in fund balances - total governmental funds (Exhibit K-4)		\$ 1,147,314
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 687,596	
Less: current-year depreciation expense	<u>(3,339,344)</u>	(2,651,748)
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.</p>		
Less: book value of assets disposed		(261,930)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Less: deferred delinquent property taxes/other deferred June 30, 2014	\$ (1,478,504)	
Add: deferred delinquent property taxes/other deferred June 30, 2015	<u>1,552,223</u>	73,719
<p>(4) The contribution of long-term debt (e.g., bonds, capital leases) by the primary government provides current financial resources to governmental funds, while the contribution by the School Department of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Add: principal contributions on bonds for primary government	\$ 1,605,000	
Add: principal contributions on capital leases for primary government	107,685	
Add: contribution from primary government for bonds refunded	<u>7,230,000</u>	8,942,685
<p>(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.</p>		
Change in compensated absences payable	\$ 188,582	
Change in other postemployment benefits liability	(5,182,993)	
Change in pension/liability asset	17,616,478	
Change in deferred outflows related to pensions	5,048,513	
Change in deferred inflows related to pensions	<u>(18,033,074)</u>	(362,494)
Change in net position of governmental activities (Exhibit B)		<u>\$ 6,887,546</u>

Exhibit K-6

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

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Special Purpose	School Federal Projects	Central Cafeteria	Other Education Special Revenue No. 1	Other Education Special Revenue No. 2	
<u>ASSETS</u>						
Cash	\$ 0	\$ 1,197	\$ 135	\$ 0	\$ 15,314	\$ 16,646
Equity in Pooled Cash and Investments	807,238	73,430	398,789	89,217	10,223	1,378,897
Inventories	0	0	42,059	0	0	42,059
Accounts Receivable	0	599	0	0	500	1,099
Due from Other Governments	0	317,073	0	0	762	317,835
Due from Other Funds	0	1,783	46,655	10,783	0	59,221
Property Taxes Receivable	1,248,502	0	0	0	0	1,248,502
Allowance for Uncollectible Property Taxes	(34,571)	0	0	0	0	(34,571)
<b>Total Assets</b>	<b>\$ 2,021,169</b>	<b>\$ 394,082</b>	<b>\$ 487,638</b>	<b>\$ 100,000</b>	<b>\$ 26,799</b>	<b>\$ 3,029,688</b>
<u>LIABILITIES</u>						
Accounts Payable	\$ 39,276	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,276
Payroll Deductions Payable	0	33,426	0	0	1,270	34,696
Contracts Payable	22,494	0	0	0	0	22,494
Due to Other Funds	0	138,869	85,157	100,000	9,012	333,038
Other Current Liabilities	0	0	46,224	0	0	46,224
<b>Total Liabilities</b>	<b>\$ 61,770</b>	<b>\$ 172,295</b>	<b>\$ 131,381</b>	<b>\$ 100,000</b>	<b>\$ 10,282</b>	<b>\$ 475,728</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 1,186,839	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,186,839
Deferred Delinquent Property Taxes	23,156	0	0	0	0	23,156
<b>Total Deferred Inflows of Resources</b>	<b>\$ 1,209,995</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,209,995</b>

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Special Purpose	School Federal Projects	Central Cafeteria	Other Education Special Revenue No. 1	Other Education Special Revenue No. 2	
<u>FUND BALANCES</u>						
Nonspendable:						
Inventory	\$ 0	\$ 0	\$ 42,059	\$ 0	\$ 0	\$ 42,059
Restricted:						
Restricted for Education	749,404	21,787	114,198	0	16,517	901,906
Committed:						
Committed for Education	0	200,000	200,000	0	0	400,000
Total Fund Balances	\$ 749,404	\$ 221,787	\$ 356,257	\$ 0	\$ 16,517	\$ 1,343,965
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,021,169	\$ 394,082	\$ 487,638	\$ 100,000	\$ 26,799	\$ 3,029,688

Exhibit K-7

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

	Special Revenue Funds					Total
	Special Purpose	School Federal Projects	Central Cafeteria	Other Education Special Revenue No. 1	Other Education Special Revenue No. 2	
<u>Revenues</u>						
Local Taxes	\$ 1,220,008	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,220,008
Charges for Current Services	0	0	1,249,339	0	91,709	1,341,048
Other Local Revenues	0	0	1,622	0	18	1,640
State of Tennessee	0	0	47,340	0	24,552	71,892
Federal Government	0	5,672,413	3,196,629	260,894	0	9,129,936
Other Governments and Citizens Groups	0	0	55,034	0	0	55,034
<b>Total Revenues</b>	<b>\$ 1,220,008</b>	<b>\$ 5,672,413</b>	<b>\$ 4,549,964</b>	<b>\$ 260,894</b>	<b>\$ 116,279</b>	<b>\$ 11,819,558</b>
<u>Expenditures</u>						
Current:						
Instruction	\$ 0	\$ 4,240,235	\$ 0	\$ 225,862	\$ 0	\$ 4,466,097
Support Services	24,223	1,304,051	0	45,560	0	1,373,834
Operation of Non-instructional Services	0	0	4,429,054	0	109,415	4,538,469
Capital Outlay	670,361	0	0	0	0	670,361
Debt Service:						
Other Debt Service	0	52,019	0	0	0	52,019
<b>Total Expenditures</b>	<b>\$ 694,584</b>	<b>\$ 5,596,305</b>	<b>\$ 4,429,054</b>	<b>\$ 271,422</b>	<b>\$ 109,415</b>	<b>\$ 11,100,780</b>
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 525,424	\$ 76,108	\$ 120,910	\$ (10,528)	\$ 6,864	\$ 718,778

(Continued)

Exhibit K-7

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

	Special Revenue Funds					Total
	Special Purpose	School Federal Projects	Central Cafeteria	Other Education Special Revenue No. 1	Other Education Special Revenue No. 2	
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 235,347	\$ 10,528	\$ 9,653	\$ 255,528
Transfers Out	(412,000)	(44,350)	0	(100,000)	0	(556,350)
Total Other Financing Sources (Uses)	\$ (412,000)	\$ (44,350)	\$ 235,347	\$ (89,472)	\$ 9,653	\$ (300,822)
Net Change in Fund Balances	\$ 113,424	\$ 31,758	\$ 356,257	\$ (100,000)	\$ 16,517	\$ 417,956
Fund Balance, July 1, 2014	635,980	190,029	0	100,000	0	926,009
Fund Balance, June 30, 2015	\$ 749,404	\$ 221,787	\$ 356,257	\$ 0	\$ 16,517	\$ 1,343,965

(Continued)

Exhibit K-7

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

	<u>Capital</u>	
	<u>Projects Fund</u>	
	Education Capital Projects	Total Nonmajor Governmental Funds
<u>Revenues</u>		
Local Taxes	\$ 0	\$ 1,220,008
Charges for Current Services	0	1,341,048
Other Local Revenues	0	1,640
State of Tennessee	0	71,892
Federal Government	0	9,129,936
Other Governments and Citizens Groups	0	55,034
Total Revenues	<u>\$ 0</u>	<u>\$ 11,819,558</u>
<u>Expenditures</u>		
Current:		
Instruction	\$ 0	\$ 4,466,097
Support Services	0	1,373,834
Operation of Non-instructional Services	0	4,538,469
Capital Outlay	0	670,361
Debt Service:		
Other Debt Service	0	52,019
Total Expenditures	<u>\$ 0</u>	<u>\$ 11,100,780</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	<u>\$ 718,778</u>

(Continued)

Exhibit K-7

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

	<u>Capital</u> <u>Projects Fund</u>	Total Nonmajor Governmental Funds
	Education Capital Projects	
<u>Other Financing Sources (Uses)</u>		
Transfers In	\$ 0	\$ 255,528
Transfers Out	(20,076)	(576,426)
Total Other Financing Sources (Uses)	<u>\$ (20,076)</u>	<u>\$ (320,898)</u>
Net Change in Fund Balances	\$ (20,076)	\$ 397,880
Fund Balance, July 1, 2014	20,076	946,085
Fund Balance, June 30, 2015	<u>\$ 0</u>	<u>\$ 1,343,965</u>

Exhibit K-8

Sullivan County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Sullivan 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		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 37,355,969	\$ 0	\$ 0	\$ 37,355,969	\$ 36,688,275	\$ 36,688,275	\$ 667,694
Licenses and Permits	4,680	0	0	4,680	6,000	6,000	(1,320)
Charges for Current Services	316,634	0	0	316,634	318,600	318,600	(1,966)
Other Local Revenues	548,185	0	0	548,185	524,500	524,500	23,685
State of Tennessee	42,438,335	0	0	42,438,335	41,324,578	42,281,795	156,540
Federal Government	282,674	0	0	282,674	307,500	307,500	(24,826)
Other Governments and Citizens Groups	35,809	0	0	35,809	20,000	48,000	(12,191)
<b>Total Revenues</b>	<b>\$ 80,982,286</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 80,982,286</b>	<b>\$ 79,189,453</b>	<b>\$ 80,174,670</b>	<b>\$ 807,616</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 40,655,035	\$ (147,179)	\$ 31,153	\$ 40,539,009	\$ 41,301,536	\$ 41,266,536	\$ 727,527
Special Education Program	5,157,402	0	0	5,157,402	5,407,346	5,407,346	249,944
Vocational Education Program	2,730,208	(14,188)	2,136	2,718,156	2,803,699	2,802,199	84,043
<u>Support Services</u>							
Health Services	108,139	(7,766)	18,646	119,019	129,433	129,433	10,414
Other Student Support	1,898,051	0	0	1,898,051	1,904,492	1,929,492	31,441
Regular Instruction Program	2,740,602	(1,044)	1,510	2,741,068	2,940,710	2,959,748	218,680
Special Education Program	200,662	(611)	0	200,051	229,086	229,086	29,035
Vocational Education Program	145,715	(80)	0	145,635	146,999	148,499	2,864
Other Programs	872,217	0	0	872,217	0	872,217	0
Board of Education	1,577,771	(132,500)	0	1,445,271	1,729,264	1,729,264	283,993
Director of Schools	982,201	0	6,793	988,994	1,134,792	1,121,710	132,716
Office of the Principal	5,756,223	0	0	5,756,223	5,967,946	5,967,946	211,723
Fiscal Services	425,580	(8,983)	101	416,698	479,030	479,030	62,332
Human Services/Personnel	316,573	(357)	10	316,226	330,540	330,540	14,314
Operation of Plant	6,044,327	(4,189)	56	6,040,194	6,241,564	6,234,064	193,870
Maintenance of Plant	3,107,051	(3,573)	26,511	3,129,989	3,231,865	3,231,865	101,876
Transportation	4,639,944	(56,737)	120,710	4,703,917	4,976,458	4,786,458	82,541

(Continued)

Exhibit K-8

Sullivan County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Sullivan 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		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 5,531	\$ (5,531)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Community Services	80,206	0	0	80,206	12,319	104,819	24,613
Early Childhood Education	537,694	(7,986)	9,578	539,286	568,434	568,434	29,148
<u>Capital Outlay</u>							
Regular Capital Outlay	25,835	(1,350)	0	24,485	46,000	496,000	471,515
<u>Interest on Debt</u>							
Education	8,642	0	0	8,642	10,000	10,000	1,358
<u>Other Debt Service</u>							
Education	2,538,141	0	0	2,538,141	0	2,542,592	4,451
Total Expenditures	\$ 80,553,750	\$ (392,074)	\$ 217,204	\$ 80,378,880	\$ 79,591,513	\$ 83,347,278	\$ 2,968,398
Excess (Deficiency) of Revenues Over Expenditures	\$ 428,536	\$ 392,074	\$ (217,204)	\$ 603,406	\$ (402,060)	\$ (3,172,608)	\$ 3,776,014
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 576,426	\$ 0	\$ 0	\$ 576,426	\$ 477,427	\$ 477,427	\$ 98,999
Transfers Out	(255,528)	0	0	(255,528)	(2,565,548)	(255,529)	1
Total Other Financing Sources	\$ 320,898	\$ 0	\$ 0	\$ 320,898	\$ (2,088,121)	\$ 221,898	\$ 99,000
Net Change in Fund Balance	\$ 749,434	\$ 392,074	\$ (217,204)	\$ 924,304	\$ (2,490,181)	\$ (2,950,710)	\$ 3,875,014
Fund Balance, July 1, 2014	7,042,765	(392,074)	0	6,650,691	5,319,135	5,319,135	1,331,556
Fund Balance, June 30, 2015	\$ 7,792,199	\$ 0	\$ (217,204)	\$ 7,574,995	\$ 2,828,954	\$ 2,368,425	\$ 5,206,570

Exhibit K-9

Sullivan County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Sullivan County School Department  
Special Purpose 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		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,220,008	\$ 0	\$ 0	\$ 1,220,008	\$ 1,213,500	\$ 1,213,500	\$ 6,508
Total Revenues	\$ 1,220,008	\$ 0	\$ 0	\$ 1,220,008	\$ 1,213,500	\$ 1,213,500	\$ 6,508
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 24,223	\$ 0	\$ 0	\$ 24,223	\$ 25,000	\$ 25,000	\$ 777
<u>Capital Outlay</u>							
Regular Capital Outlay	670,361	(386,688)	290,011	573,684	851,500	881,500	307,816
Total Expenditures	\$ 694,584	\$ (386,688)	\$ 290,011	\$ 597,907	\$ 876,500	\$ 906,500	\$ 308,593
Excess (Deficiency) of Revenues Over Expenditures	\$ 525,424	\$ 386,688	\$ (290,011)	\$ 622,101	\$ 337,000	\$ 307,000	\$ 315,101
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (412,000)	\$ 0	\$ 0	\$ (412,000)	\$ (412,000)	\$ (412,000)	\$ 0
Total Other Financing Sources	\$ (412,000)	\$ 0	\$ 0	\$ (412,000)	\$ (412,000)	\$ (412,000)	\$ 0
Net Change in Fund Balance	\$ 113,424	\$ 386,688	\$ (290,011)	\$ 210,101	\$ (75,000)	\$ (105,000)	\$ 315,101
Fund Balance, July 1, 2014	635,980	(386,688)	0	249,292	191,055	191,055	58,237
Fund Balance, June 30, 2015	\$ 749,404	\$ 0	\$ (290,011)	\$ 459,393	\$ 116,055	\$ 86,055	\$ 373,338

Exhibit K-10

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 5,672,413	\$ 0	\$ 5,672,413	\$ 5,793,933	\$ 6,917,264	\$ (1,244,851)
Total Revenues	\$ 5,672,413	\$ 0	\$ 5,672,413	\$ 5,793,933	\$ 6,917,264	\$ (1,244,851)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 2,067,591	\$ 0	\$ 2,067,591	\$ 2,046,557	\$ 2,436,920	\$ 369,329
Special Education Program	2,058,770	0	2,058,770	2,174,225	2,403,019	344,249
Vocational Education Program	113,874	15,618	129,492	129,492	129,492	0
<u>Support Services</u>						
Other Student Support	220,204	0	220,204	222,492	256,878	36,674
Regular Instruction Program	721,999	0	721,999	682,107	1,037,951	315,952
Special Education Program	361,681	0	361,681	490,711	550,711	189,030
Vocational Education Program	167	0	167	2,800	167	0
<u>Other Debt Service</u>						
Education	52,019	0	52,019	0	52,019	0
Total Expenditures	\$ 5,596,305	\$ 15,618	\$ 5,611,923	\$ 5,748,384	\$ 6,867,157	\$ 1,255,234
Excess (Deficiency) of Revenues Over Expenditures	\$ 76,108	\$ (15,618)	\$ 60,490	\$ 45,549	\$ 50,107	\$ 10,383
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (44,350)	\$ 0	\$ (44,350)	\$ (45,549)	\$ (50,107)	\$ 5,757
Total Other Financing Sources	\$ (44,350)	\$ 0	\$ (44,350)	\$ (45,549)	\$ (50,107)	\$ 5,757
Net Change in Fund Balance	\$ 31,758	\$ (15,618)	\$ 16,140	\$ 0	\$ 0	\$ 16,140
Fund Balance, July 1, 2014	190,029	0	190,029	0	0	190,029
Fund Balance, June 30, 2015	\$ 221,787	\$ (15,618)	\$ 206,169	\$ 0	\$ 0	\$ 206,169

Exhibit K-11

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,249,339	\$ 1,520,027	\$ 1,520,027	\$ (270,688)
Other Local Revenues	1,622	46,500	46,500	(44,878)
State of Tennessee	47,340	83,100	83,100	(35,760)
Federal Government	3,196,629	3,343,499	3,343,499	(146,870)
Other Governments and Citizens Groups	55,034	0	0	55,034
Total Revenues	<u>\$ 4,549,964</u>	<u>\$ 4,993,126</u>	<u>\$ 4,993,126</u>	<u>\$ (443,162)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 4,429,054	\$ 4,993,126	\$ 4,993,126	\$ 564,072
Total Expenditures	<u>\$ 4,429,054</u>	<u>\$ 4,993,126</u>	<u>\$ 4,993,126</u>	<u>\$ 564,072</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 120,910</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 120,910</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 235,347	\$ 35,000	\$ 35,000	\$ 200,347
Total Other Financing Sources	<u>\$ 235,347</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 200,347</u>
Net Change in Fund Balance	\$ 356,257	\$ 35,000	\$ 35,000	\$ 321,257
Fund Balance, July 1, 2014	0	0	0	0
Fund Balance, June 30, 2015	<u>\$ 356,257</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 321,257</u>

Exhibit K-12

Sullivan County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Sullivan County School Department  
Other Education Special Revenue No. 1 Fund  
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 260,894	\$ 0	\$ 260,894	\$ 245,301	\$ 263,778	\$ (2,884)
Total Revenues	\$ 260,894	\$ 0	\$ 260,894	\$ 245,301	\$ 263,778	\$ (2,884)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 225,862	\$ (1,462)	\$ 224,400	\$ 151,301	\$ 226,426	\$ 2,026
<u>Support Services</u>						
Regular Instruction Program	22,854	0	22,854	70,000	28,000	5,146
Transportation	22,706	0	22,706	24,000	22,790	84
Total Expenditures	\$ 271,422	\$ (1,462)	\$ 269,960	\$ 245,301	\$ 277,216	\$ 7,256
Excess (Deficiency) of Revenues Over Expenditures	\$ (10,528)	\$ 1,462	\$ (9,066)	\$ 0	\$ (13,438)	\$ 4,372
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 10,528	\$ 0	\$ 10,528	\$ 0	\$ 0	\$ 10,528
Transfers Out	(100,000)	0	(100,000)	0	(100,000)	0
Total Other Financing Sources	\$ (89,472)	\$ 0	\$ (89,472)	\$ 0	\$ (100,000)	\$ 10,528
Net Change in Fund Balance	\$ (100,000)	\$ 1,462	\$ (98,538)	\$ 0	\$ (113,438)	\$ 14,900
Fund Balance, July 1, 2014	100,000	(1,462)	98,538	0	113,438	(14,900)
Fund Balance, June 30, 2015	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Exhibit K-13

Sullivan County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Sullivan County School Department  
Other Education Special Revenue No. 2 Fund  
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 91,709	\$ 192,027	\$ 192,027	\$ (100,318)
Other Local Revenues	18	0	0	18
State of Tennessee	24,552	30,000	30,000	(5,448)
Total Revenues	<u>\$ 116,279</u>	<u>\$ 222,027</u>	<u>\$ 222,027</u>	<u>\$ (105,748)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Early Childhood Education	\$ 109,415	\$ 231,027	\$ 231,027	\$ 121,612
Total Expenditures	<u>\$ 109,415</u>	<u>\$ 231,027</u>	<u>\$ 231,027</u>	<u>\$ 121,612</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 6,864</u>	<u>\$ (9,000)</u>	<u>\$ (9,000)</u>	<u>\$ 15,864</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 9,653	\$ 9,000	\$ 9,000	\$ 653
Total Other Financing Sources	<u>\$ 9,653</u>	<u>\$ 9,000</u>	<u>\$ 9,000</u>	<u>\$ 653</u>
Net Change in Fund Balance	\$ 16,517	\$ 0	\$ 0	\$ 16,517
Fund Balance, July 1, 2014	0	0	0	0
Fund Balance, June 30, 2015	<u>\$ 16,517</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16,517</u>

Exhibit K-14

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

	Private- Purpose Trust Fund
	<u>Endowment Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 139,173
Total Assets	<u>\$ 139,173</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 6,975
Total Liabilities	<u>\$ 6,975</u>
<u>NET POSITION</u>	
Funds Held in Trust for Scholarships	<u>\$ 132,198</u>
Total Net Position	<u><u>\$ 132,198</u></u>

Exhibit K-15

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

	Private- Purpose Trust Fund
	<u>Endowment Fund</u>
<u>ADDITIONS</u>	
Investment Income	\$ 518
Total Additions	<u>\$ 518</u>
<u>DEDUCTIONS</u>	
Education:	
Scholarships:	\$ 6,975
Total Deductions	<u>\$ 6,975</u>
Change in Net Position	\$ (6,457)
Net Position, July 1, 2014	<u>138,655</u>
Net Position, June 30, 2015	<u><u>\$ 132,198</u></u>

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## MISCELLANEOUS SCHEDULES

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Exhibit L-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Matured During Period	Debt Refunded	Outstanding 6-30-15
<b>NOTES PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
Industrial Park	\$ 1,995,000	4.5 to 5.05 %	6-1-05	4-1-17	\$ 850,000	\$ 0	\$ 275,000	\$ 0	\$ 575,000
Total Notes Payable					\$ 850,000	\$ 0	\$ 275,000	\$ 0	\$ 575,000
<b>OTHER LOANS PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
Qualified School Construction Bonds, Series 2009 (1)	15,480,000	1.515	12-17-09	7-1-26	\$ 11,777,276	\$ 0	\$ 965,928	\$ 0	\$ 10,811,348
Qualified School Construction Bonds, Series 2010 (1)	5,073,000	0	10-7-10	8-1-27	4,176,117	0	316,547	0	3,859,570
Energy Efficient Schools Initiative	5,054,635	.75	5-16-11	4-16-20	4,852,981	0	405,588	0	4,447,393
Total Other Loans Payable					\$ 20,806,374	\$ 0	\$ 1,688,063	\$ 0	\$ 19,118,311
<b>CAPITAL LEASES PAYABLE</b>									
<u>Payable through General Fund</u>									
Circuit Computers	71,703	6	5-6-13	3-6-17	\$ 50,609	\$ 0	\$ 17,447	\$ 0	\$ 33,162
Clerk and Master Computers	20,679	6	1-15-14	11-15-17	17,787	0	4,835	0	12,952
800 Mhz P25 Digital Radio System	10,542,215	4.12	9-15-14	10-1-25	0	10,542,215	0	10,542,215	0
Circuit Computer Upgrades	54,645	6	4-1-15	3-1-19	0	54,645	4,521	0	50,124
Total Payable through General Fund					\$ 68,396	\$ 10,596,860	\$ 26,803	\$ 10,542,215	\$ 96,238
<u>Payable through Highway/Public Works Fund</u>									
Dump Trucks	295,080	2.55	9-20-13	9-20-17	\$ 233,055	\$ 0	\$ 56,082	\$ 0	\$ 176,973
Total Payable through Highway/Public Works Fund					\$ 233,055	\$ 0	\$ 56,082	\$ 0	\$ 176,973
<u>Contributed by the School Department through the General Purpose School Fund</u>									
Copy Machines 2012	88,602	8.95	5-30-12	5-30-17	\$ 56,407	\$ 0	\$ 17,711	\$ 0	\$ 38,696
Total Contributed by the School Department through the General Purpose School Fund					\$ 56,407	\$ 0	\$ 17,711	\$ 0	\$ 38,696
<u>Contributed by the School Department through the School Federal Projects Fund</u>									
Computers (2)	118,528	3.21	6-28-12	6-28-15	\$ 39,455	\$ 0	\$ 39,455	\$ 0	\$ 0
Apple Ipad	151,600	2.97	7-26-12	7-26-14	50,519	0	50,519	0	0
Total Contributed by the School Department through the School Federal Projects Fund					\$ 89,974	\$ 0	\$ 89,974	\$ 0	\$ 0
Total Capital Leases Payable					\$ 447,832	\$ 10,596,860	\$ 190,570	\$ 10,542,215	\$ 311,907
<b>BONDS PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
General Obligation Public Improvement Bonds, Series 2002	4,465,000	2.5 to 3.5	10-1-02	8-1-14	\$ 440,000	\$ 0	\$ 440,000	\$ 0	\$ 0
General Obligation Public Improvement Bonds, Series 2005	6,000,000	3.25 to 4.1	6-1-05	5-1-25	4,530,000	0	220,000	4,310,000	0
Schools Refunding	16,320,000	4.75 to 5	9-1-05	4-1-24	14,045,000	0	930,000	13,115,000	0
Industrial Park Series 2007	6,500,000	5.9 to 6.25	6-21-07	4-1-28	5,900,000	0	100,000	5,600,000	200,000
General Obligation Refunding Bonds, Series 2015A	24,870,000	1.99	3-30-15	4-1-26	0	24,870,000	0	0	24,870,000
General Obligation Refunding Bonds, Series 2015C	6,265,000	2.84	3-30-15	4-1-28	0	6,265,000	0	0	6,265,000
Total Payable through General Debt Service Fund					\$ 24,915,000	\$ 31,135,000	\$ 1,690,000	\$ 23,025,000	\$ 31,335,000
<u>Payable through Education Debt Service Fund</u>									
General Obligation Refunding Bonds, Series 2015B	6,965,000	1.12	3-30-15	5-1-19	\$ 0	\$ 6,965,000	\$ 0	\$ 0	\$ 6,965,000
Total Payable through Education Debt Service Fund					\$ 0	\$ 6,965,000	\$ 0	\$ 0	\$ 6,965,000

(Continued)

Exhibit L-1

Sullivan County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds (Cont.)

<u>Description of Indebtedness</u>	<u>Original Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Last Maturity Date</u>	<u>Outstanding 7-1-14</u>	<u>Issued During Period</u>	<u>Matured During Period</u>	<u>Debt Refunded</u>	<u>Outstanding 6-30-15</u>
<b>BONDS PAYABLE (Cont.)</b>									
<u>Contributed by the School Department through the Education Debt Service Fund</u>									
Schools Refunding	\$ 13,220,000	5 %	11-1-04	5-1-19	\$ 8,835,000	\$ 0	\$ 1,605,000	\$ 7,230,000	\$ 0
Total Contributed by the School Department through the Education Debt Service Fund					\$ 8,835,000	\$ 0	\$ 1,605,000	\$ 7,230,000	\$ 0
Total Bonds Payable					\$ 33,750,000	\$ 38,100,000	\$ 3,295,000	\$ 30,255,000	\$ 38,300,000

(1) Interest rate is offset by a federal rate subsidy.

(2) Amount reflected as matured during period is a prior year payment previously not recognized.

Exhibit L-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 275,000	\$ 28,900	\$ 303,900
2017	300,000	15,150	315,150
Total	\$ 575,000	\$ 44,050	\$ 619,050

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2016	\$ 1,691,111	\$ 512,417	\$ 19,538	\$ 2,223,066
2017	1,694,195	509,333	19,539	2,223,067
2018	1,697,291	506,237	19,538	2,223,066
2019	1,700,411	503,117	19,539	2,223,067
2020	1,703,555	499,973	19,538	2,223,066
2021	1,706,723	496,805	19,539	2,223,067
2022	1,709,915	493,613	19,538	2,223,066
2023	1,713,131	490,397	19,539	2,223,067
2024	1,716,371	487,157	19,538	2,223,066
2025	1,719,635	483,893	19,539	2,223,067
2026	1,597,364	480,931	19,538	2,097,833
2027	438,768	265,483	7,928	712,179
2028	29,841	24,221	1,014	55,076
Total	\$ 19,118,311	\$ 5,753,577	\$ 223,865	\$ 25,095,753

(Continued)

Exhibit L-2

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

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2016	\$ 113,799	\$ 12,043	\$ 125,842
2017	112,484	6,518	119,002
2018	77,805	1,578	79,383
2019	7,819	177	7,996
Total	\$ 311,907	\$ 20,316	\$ 332,223

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 2,435,000	\$ 1,632,280	\$ 4,067,280
2017	3,875,000	1,555,863	5,430,863
2018	4,570,000	1,398,163	5,968,163
2019	4,790,000	1,202,762	5,992,762
2020	3,120,000	996,662	4,116,662
2021	3,315,000	856,113	4,171,113
2022	3,545,000	410,237	3,955,237
2023	3,745,000	541,723	4,286,723
2024	3,975,000	367,552	4,342,552
2025	2,100,000	181,178	2,281,178
2026	1,625,000	88,217	1,713,217
2027	600,000	39,468	639,468
2028	605,000	20,267	625,267
Total	\$ 38,300,000	\$ 9,290,485	\$ 47,590,485

Exhibit L-3

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	Debt retirement	\$ 245,939
"	Self-Insurance	Operations	600,000
"	Employee Insurance - General	Operations	<u>100,000</u>
Total Transfers Primary Government			<u>\$ 945,939</u>
<u>DISCRETELY PRESENTED SULLIVAN COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Central Cafeteria Fund	Cash flow	\$ 200,000
"	"	Operations	35,347
"	Other Education Special Revenue No. 1	Operations	10,528
"	Other Education Special Revenue No. 2	Reallocate program operations	9,653
School Federal Projects	General Purpose School	Indirect cost	44,350
Special Purpose	"	Debt retirement	412,000
Other Education Special Revenue No. 1	"	Repay cash flow funds	100,000
Education Capital Projects	"	Close fund operations	<u>20,076</u>
Total Transfers Discretely Presented Sullivan County School Department			<u>\$ 831,954</u>

Exhibit L-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Steve Godsey (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	\$ 18,216	\$ 50,000	Cincinnati Insurance Company
Richard Venable (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	91,079	100,000	"
Highway Commissioner:				
Bobbie Manning (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	17,348	100,000	Ironshore Indemnity Inc.
Jim Belgeri (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	86,742	100,000	Cincinnati Insurance Company
Director of Schools:				
Jubal Yennie (7-1-14 through 6-30-15)	State Board of Education and County Board of Education	158,971 (1)	100,000	"
Evelyn Rafalowski (6-2-15 through 6-30-15)	State Board of Education and County Board of Education	10,100 (2)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	88,413	5,200,598	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	88,413	50,000	"
Director of Accounts and Budgets:				
William Anderson (7-1-14 through 9-19-14)	County Commission	22,077 (5)	25,000	"
Larry Bailey (9-20-14 through 6-30-15)	County Commission	69,994	100,000	"
Purchasing Agent	Section 261, Private Acts of 1947, as amended	59,711	10,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	88,413	100,000	"
Circuit, General Sessions, and Law Courts Clerk	Section 8-24-102, <i>TCA</i>	88,413	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	88,413 (3)	150,000	Western Surety Company
Register of Deeds:				
Bart Long (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	14,735	25,000	Cincinnati Insurance Company
Sheena Tinsley (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	73,678	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	104,690 (4)	100,000	"
Employee Blanket Bonds - All County Employees:				
Public Employee Dishonesty (self-insured to \$25,000 through county Self-Insurance Fund)			250,000	Princeton Excess and Surplus Lines Insurance Company

- (1) Includes a chief executive officer training supplements of \$2,000, a vehicle allowance of \$9,600, and unused vacation pay of \$15,643.
- (2) Evelyn Rafalowski was appointed as interim director on June 2, 2015, overlapping Jubal Yennie's term as director, which expired on June 30, 2015. The salary shown includes salary paid as board appointed interim director of schools and vehicle allowance of \$600.
- (3) Does not include special commissioner fees of \$9,910. Of this amount, \$9,510 was paid to the current clerk and master, Katherine Priester, and \$400 was paid to the former clerk and master, Sarah Housewright.
- (4) Includes a \$6,835 supplement as workhouse superintendent and a \$600 law enforcement training supplement.
- (5) Includes \$2,697 accumulated vacation pay at time of separation.

Exhibit L-5

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

	<u>Special Revenue Funds</u>				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 23,382,049	\$ 706,908	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	503,635	15,227	0	0	0
Circuit/Clerk and Master Collections - Prior Years	289,650	8,748	0	0	0
Interest and Penalty	218,259	6,595	0	0	0
Pickup Taxes	388,477	11,745	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	5,905	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	659,178	0	0	0	0
Payments in-Lieu-of Taxes - Other	439	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	510,973	0	0	0	0
Litigation Tax - General	289,564	0	0	0	0
Litigation Tax - Office of Public Defender	164,643	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Litigation Tax - Courthouse Security	382,349	0	0	0	0
Business Tax	2,199,584	0	0	0	0
Mixed Drink Tax	18,772	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	29,926	905	0	0	0
Wholesale Beer Tax	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 29,043,403</b>	<b>\$ 750,128</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

(Continued)

Exhibit L-5

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

	<u>Special Revenue Funds</u>				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 362,410	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>					
Beer Permits	1,188	0	0	0	0
Building Permits	93,018	0	0	0	0
Total Licenses and Permits	<u>\$ 456,616</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 5,395	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	143,166	0	0	0	0
Jail Fees	2,339	0	0	0	0
Data Entry Fee - Circuit Court	56,894	0	0	0	0
<u>Criminal Court</u>					
DUI Treatment Fines	76,337	0	0	0	0
<u>General Sessions Court</u>					
Fines	149,728	0	0	0	0
Fines for Littering	166	0	0	0	0
Officers Costs	74,282	0	0	0	0
Game and Fish Fines	552	0	0	0	0
Drug Control Fines	0	0	0	26,737	0
Drug Court Fees	27,388	0	0	0	0
Courtroom Security Fee	16,623	0	0	0	0
Victims Assistance Assessments	42,602	0	0	0	0
<u>Juvenile Court</u>					
Jail Fees	195	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Chancery Court</u>					
Officers Costs	\$ 4,358	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - Chancery Court	6,189	0	0	0	0
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	0	13,220	0
Courtroom Security Fee	59	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	17,840	0
Other Fines, Forfeitures, and Penalties	3,585	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 609,858	\$ 0	\$ 0	\$ 57,797	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 179,977	\$ 0	\$ 0	0
Patient Charges	369,852	0	4,471,554	0	0
Zoning Studies	4,588	0	0	0	0
Work Release Charges for Board	7,785	0	0	0	0
Health Department Collections	458,585	0	0	0	0
Service Charges	97,243	0	0	0	0
Backflow Charges	114	0	0	0	0
<u>Fees</u>					
Recreation Fees	0	0	0	0	327,097
Copy Fees	10,341	0	0	0	0
Library Fees	5,653	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0
Telephone Commissions	147,890	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Constitutional Officers' Fees and Commissions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0
Data Processing Fee - Register	43,486	0	0	0	0
Data Processing Fee - Sheriff	1,176	0	0	0	0
Sexual Offender Registration Fee - Sheriff	11,877	0	0	0	0
Data Processing Fee - County Clerk	15,585	0	0	0	0
<u>Other Charges for Services</u>					
Other Charges for Services	738	0	0	0	0
Total Charges for Current Services	\$ 1,174,963	\$ 179,977	\$ 4,471,554	\$ 0	\$ 327,097
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	55,181	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0
Commissary Sales	27,421	0	0	0	0
Sale of Maps	80	0	0	0	0
Sale of Recycled Materials	0	136,871	546	0	119
Miscellaneous Refunds	43,571	38	1,587	0	0
<u>Nonrecurring Items</u>					
Revenue from Joint Ventures	0	0	0	0	0
Sale of Equipment	4,790	0	3,608	0	0
Sale of Property	900	0	0	0	0
Damages Recovered from Individuals	2,122	0	0	0	0
Contributions and Gifts	17,695	0	0	0	0

(Continued)

Exhibit L-5

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

	<u>Special Revenue Funds</u>				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation
<u>Other Local Revenues (Cont.)</u>					
<u>Other Local Revenues</u>					
Other Local Revenues	\$ 4,559	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 156,319	\$ 136,909	\$ 5,741	\$ 0	\$ 119
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 1,498,055	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	564,761	0	0	0	0
General Sessions Court Clerk	902,452	0	0	0	0
Clerk and Master	572,652	0	0	0	0
Register	594,020	0	0	0	0
Sheriff	2,585	0	0	0	0
Trustee	2,462,665	0	0	0	0
Total Fees Received from County Officials	\$ 6,597,190	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 62,234	\$ 0	\$ 0	\$ 0	\$ 0
On-behalf Contributions for OPEB	3,575	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	66,600	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	537,312	0	0	0	0
<u>Public Works Grants</u>					
Litter Program	54,000	17,900	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Income Tax	\$ 434,048	\$ 0	\$ 0	\$ 0	\$ 0
Beer Tax	18,055	0	0	0	0
Vehicle Certificate of Title Fees	29,047	0	0	0	0
Alcoholic Beverage Tax	201,209	0	0	0	0
Emergency Hospital - Prisoners	4,385	0	0	0	0
Prisoner Transportation	28,008	0	0	0	0
Contracted Prisoner Boarding	1,965,958	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	786,932	0	0	0	0
Other State Revenues	315,512	121,028	0	0	0
Total State of Tennessee	\$ 4,522,039	\$ 138,928	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 351,756	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	62,500	0	0	0	0
Disaster Relief	6,018	0	0	0	0
Homeland Security Grants	109,084	0	0	0	0
Other Federal through State	1,986,724	0	0	0	0
<u>Direct Federal Revenue</u>					
Forest Service	62,320	0	0	0	0
Asset Forfeiture Funds	0	0	0	27,680	0
Tax Credit Bond Rebate	228,108	0	0	0	0

(Continued)

Exhibit L-5

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

	<u>Special Revenue Funds</u>				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue (Cont.)</u>					
Other Direct Federal Revenue	\$ 198,423	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	<u>\$ 3,004,933</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,680</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	18,000	0	0	0	0
Contracted Services	1,000,186	94,988	0	0	0
<u>Citizens Groups</u>					
Donations	50	0	47,285	0	0
Total Other Governments and Citizens Groups	<u>\$ 1,018,236</u>	<u>\$ 94,988</u>	<u>\$ 47,285</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 46,583,557</u>	<u>\$ 1,300,930</u>	<u>\$ 4,524,580</u>	<u>\$ 85,477</u>	<u>\$ 327,216</u>

(Continued)

Exhibit L-5

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

	Special Revenue Funds (Cont.)		Debt Service Funds		Capital Projects Fund		Total
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	Other Capital Projects		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 0	\$ 2,781,810	\$ 3,806,874	\$ 0	\$ 0	\$ 30,677,641	
Trustee's Collections - Prior Year	0	59,918	81,998	0	0	660,778	
Circuit/Clerk and Master Collections - Prior Years	0	34,474	47,163	0	0	380,035	
Interest and Penalty	0	25,972	35,537	0	0	286,363	
Pickup Taxes	0	46,218	63,249	0	0	509,689	
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	5,905	
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	659,178	
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	439	
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	2,600,000	0	0	0	3,110,973	
Litigation Tax - General	0	0	0	0	0	289,564	
Litigation Tax - Office of Public Defender	0	0	0	0	0	164,643	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	135,425	0	0	135,425	
Litigation Tax - Courthouse Security	0	0	0	0	0	382,349	
Business Tax	0	0	0	0	0	2,199,584	
Mixed Drink Tax	0	0	0	0	0	18,772	
Mineral Severance Tax	0	146,787	0	0	0	146,787	
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	3,560	4,872	0	0	39,263	
Wholesale Beer Tax	0	375,064	0	0	0	375,064	
Interstate Telecommunications Tax	0	11,718	0	0	0	11,718	
Total Local Taxes	\$ 0	\$ 6,085,521	\$ 4,175,118	\$ 0	\$ 0	\$ 40,054,170	

(Continued)

Exhibit L-5

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Debt Service Funds</u>		<u>Capital</u>	<u>Total</u>
	<u>Constitu - tional Officers - Fees</u>	<u>Highway / Public Works</u>	<u>General Debt Service</u>	<u>Education Debt Service</u>	<u>Other Capital Projects</u>	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 250,000	\$ 0	\$ 0	\$ 0	612,410
<u>Permits</u>						
Beer Permits	0	0	0	0	0	1,188
Building Permits	0	0	0	0	0	93,018
Total Licenses and Permits	\$ 0	\$ 250,000	\$ 0	\$ 0	\$ 0	706,616
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	5,395
Officers Costs	0	0	0	0	0	143,166
Jail Fees	0	0	0	0	0	2,339
Data Entry Fee - Circuit Court	0	0	0	0	0	56,894
<u>Criminal Court</u>						
DUI Treatment Fines	0	0	0	0	0	76,337
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	149,728
Fines for Littering	0	0	0	0	0	166
Officers Costs	0	0	0	0	0	74,282
Game and Fish Fines	0	0	0	0	0	552
Drug Control Fines	0	0	0	0	0	26,737
Drug Court Fees	0	0	0	0	0	27,388
Courtroom Security Fee	0	0	0	0	0	16,623
Victims Assistance Assessments	0	0	0	0	0	42,602
<u>Juvenile Court</u>						
Jail Fees	0	0	0	0	0	195

(Continued)

Exhibit L-5

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

	Special Revenue Funds (Cont.)		Debt Service Funds		Capital	Total
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,358
Data Entry Fee - Chancery Court	0	0	0	0	0	6,189
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	13,220
Courtroom Security Fee	0	0	0	0	0	59
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	17,840
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	3,585
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	667,655
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	179,977
Patient Charges	0	0	0	0	0	4,841,406
Zoning Studies	0	0	0	0	0	4,588
Work Release Charges for Board	0	0	0	0	0	7,785
Health Department Collections	0	0	0	0	0	458,585
Service Charges	0	0	0	0	0	97,243
Backflow Charges	0	0	0	0	0	114
<u>Fees</u>						
Recreation Fees	0	0	0	0	0	327,097
Copy Fees	0	0	0	0	0	10,341
Library Fees	0	0	0	0	0	5,653
Greenbelt Late Application Fee	0	0	0	0	0	50
Telephone Commissions	0	0	0	0	0	147,890

(Continued)

Exhibit L-5

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Debt Service Funds</u>		<u>Capital</u>	<u>Total</u>
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	Other Capital Projects	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Constitutional Officers' Fees and Commissions	\$ 825	\$ 0	\$ 0	\$ 0	\$ 0	\$ 825
Special Commissioner Fees/Special Master Fees	9,910	0	0	0	0	9,910
Data Processing Fee - Register	0	0	0	0	0	43,486
Data Processing Fee - Sheriff	0	0	0	0	0	1,176
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	11,877
Data Processing Fee - County Clerk	0	0	0	0	0	15,585
<u>Other Charges for Services</u>						
Other Charges for Services	0	0	0	0	0	738
Total Charges for Current Services	\$ 10,735	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,164,326
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 80,268	\$ 203,224	\$ 0	\$ 0	\$ 283,492
Lease/Rentals	0	0	0	0	0	55,181
Sale of Materials and Supplies	0	7,572	0	0	0	7,572
Commissary Sales	0	0	0	0	0	27,421
Sale of Maps	0	0	0	0	0	80
Sale of Recycled Materials	0	1,856	0	0	0	139,392
Miscellaneous Refunds	0	37	0	0	0	45,233
<u>Nonrecurring Items</u>						
Revenue from Joint Ventures	0	0	533,521	0	0	533,521
Sale of Equipment	0	0	0	0	0	8,398
Sale of Property	0	0	0	0	0	900
Damages Recovered from Individuals	0	1,530	0	0	0	3,652
Contributions and Gifts	0	0	0	0	0	17,695

(Continued)

Exhibit L-5

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Debt Service Funds</u>		<u>Capital Projects Fund</u>		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	Other Capital Projects		Total
<u>Other Local Revenues (Cont.)</u>							
<u>Other Local Revenues</u>							
Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,559
Total Other Local Revenues	\$ 0	\$ 91,263	\$ 736,745	\$ 0	\$ 0	\$ 0	1,127,096
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,498,055
Circuit Court Clerk	0	0	0	0	0	0	564,761
General Sessions Court Clerk	0	0	0	0	0	0	902,452
Clerk and Master	0	0	0	0	0	0	572,652
Register	0	0	0	0	0	0	594,020
Sheriff	0	0	0	0	0	0	2,585
Trustee	0	0	0	0	0	0	2,462,665
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,597,190
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	62,234
On-behalf Contributions for OPEB	0	0	0	0	0	0	3,575
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	0	66,600
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	0	0	537,312
<u>Public Works Grants</u>							
Litter Program	0	0	0	0	0	0	71,900

(Continued)

Exhibit L-5

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

	Special Revenue Funds (Cont.)		Debt Service Funds		Capital	Total
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	434,048
Beer Tax	0	0	0	0	0	18,055
Vehicle Certificate of Title Fees	0	0	0	0	0	29,047
Alcoholic Beverage Tax	0	0	0	0	0	201,209
Emergency Hospital - Prisoners	0	0	0	0	0	4,385
Prisoner Transportation	0	0	0	0	0	28,008
Contracted Prisoner Boarding	0	0	0	0	0	1,965,958
Gasoline and Motor Fuel Tax	0	2,629,049	0	0	0	2,629,049
Petroleum Special Tax	0	113,155	0	0	0	113,155
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	786,932
Other State Revenues	0	0	0	0	0	436,540
Total State of Tennessee	\$ 0	\$ 2,742,204	\$ 0	\$ 0	\$ 0	7,403,171
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	351,756
Civil Defense Reimbursement	0	0	0	0	0	62,500
Disaster Relief	0	0	0	0	0	6,018
Homeland Security Grants	0	0	0	0	0	109,084
Other Federal through State	0	0	0	0	88,763	2,075,487
<u>Direct Federal Revenue</u>						
Forest Service	0	10,400	0	0	0	72,720
Asset Forfeiture Funds	0	0	0	0	0	27,680
Tax Credit Bond Rebate	0	0	0	0	0	228,108

(Continued)

Exhibit L-5

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Debt Service Funds</u>		<u>Capital Projects Fund</u>		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	Other Capital Projects		Total
<u>Federal Government (Cont.)</u>							
<u>Direct Federal Revenue (Cont.)</u>							
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	198,423
Total Federal Government	\$ 0	\$ 10,400	\$ 0	\$ 0	\$ 88,763	\$	3,131,776
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Paving and Maintenance	\$ 0	\$ 11,347	\$ 0	\$ 0	\$ 0	\$	11,347
Contributions	0	0	514,655	2,075,505	0		2,608,160
Contracted Services	0	1,516	0	0	0		1,096,690
<u>Citizens Groups</u>							
Donations	0	0	0	0	0		47,335
Total Other Governments and Citizens Groups	\$ 0	\$ 12,863	\$ 514,655	\$ 2,075,505	\$ 0	\$	3,763,532
Total	\$ 10,735	\$ 9,192,251	\$ 5,426,518	\$ 2,075,505	\$ 88,763	\$	69,615,532

Exhibit L-6

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

	Special Revenue Fund		Special Revenue Funds			
	Special Purpose	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue No. 1	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,149,639	\$ 23,627,062	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	24,842	510,555	0	0	0	0
Circuit/Clerk and Master Collections - Prior Years	14,199	291,835	0	0	0	0
Interest and Penalty	10,733	220,591	0	0	0	0
Pickup Taxes	19,098	392,490	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	12,276,965	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	1,497	30,767	0	0	0	0
Interstate Telecommunications Tax	0	5,704	0	0	0	0
Total Local Taxes	<u>\$ 1,220,008</u>	<u>\$ 37,355,969</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 4,680	\$ 0	\$ 0	\$ 0	0
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 4,680</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Lunch Payments - Children	0	0	0	639,336	0	0
Lunch Payments - Adults	0	0	0	65,507	0	0
Income from Breakfast	0	0	0	51,799	0	0
A la carte Sales	0	0	0	484,378	0	0

(Continued)

Exhibit L-6

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

	Special Revenue Fund		Special Revenue Funds			
	Special Purpose	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue No. 1	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Receipts from Individual Schools	\$ 0	\$ 13,820	\$ 0	\$ 2,700	\$ 0	0
TBI Criminal Background Fee	0	2,814	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	0	300,000	0	5,619	0	0
Total Charges for Current Services	\$ 0	\$ 316,634	\$ 0	\$ 1,249,339	\$ 0	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Sale of Materials and Supplies	0	5,556	0	0	0	0
Sale of Recycled Materials	0	7,300	0	0	0	0
E-Rate Funding	0	105,721	0	0	0	0
Retirees' Insurance Payments	0	417,259	0	0	0	0
Cobra Insurance Payments	0	4,805	0	0	0	0
Commodity Rebates	0	34	0	1,622	0	0
Miscellaneous Refunds	0	4,075	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	0	454	0	0	0	0
Damages Recovered from Individuals	0	2,041	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	0	940	0	0	0	0
Total Other Local Revenues	\$ 0	\$ 548,185	\$ 0	\$ 1,622	\$ 0	0

(Continued)

Exhibit L-6

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

	Special Revenue Fund		Special Revenue Funds			
	Special Purpose	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue No. 1	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 0	\$ 872,217	\$ 0	\$ 0	\$ 0	0
<u>State Education Funds</u>						
Basic Education Program	0	38,318,000	0	0	0	0
Early Childhood Education	0	519,808	0	0	0	0
School Food Service	0	0	0	47,340	0	0
Energy Efficient School Initiative	0	46,211	0	0	0	0
Other State Education Funds	0	458,704	0	0	0	0
Career Ladder Program	0	311,436	0	0	0	0
Career Ladder - Extended Contract	0	101,770	0	0	0	0
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	0	1,804,161	0	0	0	0
Other State Grants	0	6,028	0	0	0	0
Other State Revenues	0	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 42,438,335	\$ 0	\$ 47,340	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 0	2,217,658	\$ 0	0
USDA - Commodities	0	0	0	266,749	0	0
Breakfast	0	0	0	696,466	0	0
USDA - Other	0	0	0	15,756	0	0
Vocational Education - Basic Grants to States	0	0	173,481	0	0	0
Title I Grants to Local Education Agencies	0	0	2,317,150	0	0	0
Special Education - Grants to States	0	79,787	2,321,947	0	0	0

(Continued)

Exhibit L-6

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

	Special Revenue Fund		Special Revenue Funds			
	Special Purpose	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue No. 1	
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Special Education Preschool Grants	\$ 0	\$ 0	\$ 124,312	\$ 0	\$ 0	\$ 0
Education for Homeless Children and Youth	0	0	31,561	0	0	0
Eisenhower Professional Development State Grants	0	0	410,173	0	0	0
Race to the Top - ARRA	0	0	293,789	0	0	260,894
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	0	181,887	0	0	0	0
Forest Service	0	21,000	0	0	0	0
Total Federal Government	\$ 0	\$ 282,674	\$ 5,672,413	\$ 3,196,629	\$ 260,894	
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contracted Services	\$ 0	\$ 0	\$ 0	\$ 54,974	\$ 0	\$ 0
<u>Citizens Groups</u>						
Donations	0	35,809	0	60	0	0
Total Other Governments and Citizens Groups	\$ 0	\$ 35,809	\$ 0	\$ 55,034	\$ 0	\$ 0
Total	\$ 1,220,008	\$ 80,982,286	\$ 5,672,413	\$ 4,549,964	\$ 260,894	

(Continued)

Exhibit L-6

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

	Special Revenue <u>Fund (Cont.)</u> Other Education Special Revenue No. 2	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 24,776,701
Trustee's Collections - Prior Year	0	535,397
Circuit/Clerk and Master Collections - Prior Years	0	306,034
Interest and Penalty	0	231,324
Pickup Taxes	0	411,588
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	12,276,965
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	32,264
Interstate Telecommunications Tax	0	5,704
Total Local Taxes	<u>\$ 0</u>	<u>\$ 38,575,977</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Marriage Licenses	\$ 0	\$ 4,680
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 4,680</u>
<u>Charges for Current Services</u>		
<u>Education Charges</u>		
Tuition - Other	\$ 91,709	\$ 91,709
Lunch Payments - Children	0	639,336
Lunch Payments - Adults	0	65,507
Income from Breakfast	0	51,799
A la carte Sales	0	484,378

(Continued)

Exhibit L-6

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

	Special Revenue Fund (Cont.) Other Education Special Revenue No. 2	Total
<u>Charges for Current Services (Cont.)</u>		
<u>Education Charges (Cont.)</u>		
Receipts from Individual Schools	\$ 0	\$ 16,520
TBI Criminal Background Fee	0	2,814
<u>Other Charges for Services</u>		
Other Charges for Services	0	305,619
Total Charges for Current Services	<u>\$ 91,709</u>	<u>\$ 1,657,682</u>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 18	\$ 18
Sale of Materials and Supplies	0	5,556
Sale of Recycled Materials	0	7,300
E-Rate Funding	0	105,721
Retirees' Insurance Payments	0	417,259
Cobra Insurance Payments	0	4,805
Commodity Rebates	0	1,656
Miscellaneous Refunds	0	4,075
<u>Nonrecurring Items</u>		
Sale of Equipment	0	454
Damages Recovered from Individuals	0	2,041
<u>Other Local Revenues</u>		
Other Local Revenues	0	940
Total Other Local Revenues	<u>\$ 18</u>	<u>\$ 549,825</u>

(Continued)

Exhibit L-6

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

	Special Revenue Fund (Cont.) Other Education Special Revenue No. 2	Total
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
On-behalf Contributions for OPEB	\$ 0	\$ 872,217
<u>State Education Funds</u>		
Basic Education Program	0	38,318,000
Early Childhood Education	0	519,808
School Food Service	0	47,340
Energy Efficient School Initiative	0	46,211
Other State Education Funds	0	458,704
Career Ladder Program	0	311,436
Career Ladder - Extended Contract	0	101,770
<u>Other State Revenues</u>		
State Revenue Sharing - T.V.A.	0	1,804,161
Other State Grants	0	6,028
Other State Revenues	24,552	24,552
Total State of Tennessee	<u>\$ 24,552</u>	<u>\$ 42,510,227</u>
<u>Federal Government</u>		
<u>Federal Through State</u>		
USDA School Lunch Program	\$ 0	\$ 2,217,658
USDA - Commodities	0	266,749
Breakfast	0	696,466
USDA - Other	0	15,756
Vocational Education - Basic Grants to States	0	173,481
Title I Grants to Local Education Agencies	0	2,317,150
Special Education - Grants to States	0	2,401,734

(Continued)

Exhibit L-6

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

	Special Revenue Fund (Cont.) Other Education Special Revenue No. 2	Total
<u>Federal Government (Cont.)</u>		
<u>Federal Through State (Cont.)</u>		
Special Education Preschool Grants	\$ 0	\$ 124,312
Education for Homeless Children and Youth	0	31,561
Eisenhower Professional Development State Grants	0	410,173
Race to the Top - ARRA	0	554,683
<u>Direct Federal Revenue</u>		
ROTC Reimbursement	0	181,887
Forest Service	0	21,000
Total Federal Government	<u>\$ 0</u>	<u>\$ 9,412,610</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contracted Services	\$ 0	\$ 54,974
<u>Citizens Groups</u>		
Donations	0	35,869
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 90,843</u>
Total	<u>\$ 116,279</u>	<u>\$ 92,801,844</u>

Exhibit L-7

Sullivan 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	\$	182,684	
Social Security		11,327	
Employer Medicare		2,651	
Contracts with Government Agencies		106,655	
Dues and Memberships		8,316	
Freight Expenses		88	
Legal Services		50	
Legal Notices, Recording, and Court Costs		1,376	
Maintenance and Repair Services - Office Equipment		2,706	
Postal Charges		925	
Printing, Stationery, and Forms		720	
Travel		4,054	
Tuition		650	
Data Processing Supplies		299	
Food Preparation Supplies		24	
Food Supplies		398	
Office Supplies		1,397	
Road Signs		300	
Other Supplies and Materials		253	
Total County Commission			\$ 324,873

County Mayor/Executive

County Official/Administrative Officer	\$	109,295	
Secretary(ies)		33,698	
Social Security		8,769	
Pensions		22,284	
Life Insurance		98	
Medical Insurance		12,987	
Dental Insurance		766	
Employer Medicare		2,051	
Bank Charges		12	
Communication		2,460	
Data Processing Services		1,135	
Dues and Memberships		3,510	
Licenses		67	
Maintenance and Repair Services - Office Equipment		248	
Postal Charges		150	
Printing, Stationery, and Forms		466	
Travel		1,780	
Tuition		515	
Data Processing Supplies		3,278	
Food Supplies		90	
Gasoline		83	
Office Supplies		180	
Periodicals		607	
Total County Mayor/Executive			204,529

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	114,760	
Secretary(ies)		28,075	
Social Security		8,540	
Pensions		22,169	
Life Insurance		106	
Medical Insurance		37,698	
Dental Insurance		897	
Employer Medicare		1,997	
Communication		1,928	
Data Processing Services		3,339	
Dues and Memberships		1,280	
Licenses		67	
Maintenance and Repair Services - Office Equipment		430	
Postal Charges		344	
Printing, Stationery, and Forms		89	
Travel		1,083	
Tuition		50	
Data Processing Supplies		75	
Office Supplies		503	
Periodicals		4,139	
Total County Attorney			\$ 227,569

Election Commission

County Official/Administrative Officer	\$	79,572	
Clerical Personnel		117,470	
Temporary Personnel		120,171	
Election Commission		18,000	
Election Workers		92,801	
Social Security		20,317	
Pensions		30,551	
Life Insurance		268	
Medical Insurance		36,576	
Dental Insurance		1,848	
Unemployment Compensation		110	
Employer Medicare		4,752	
Communication		11,133	
Data Processing Services		33,001	
Legal Notices, Recording, and Court Costs		5,971	
Maintenance and Repair Services - Equipment		3,375	
Maintenance and Repair Services - Office Equipment		925	
Postal Charges		6,978	
Printing, Stationery, and Forms		760	
Travel		3,389	
Tuition		2,280	
Data Processing Supplies		3,399	
Food Supplies		950	
Office Supplies		6,400	
Other Charges		18,601	
Total Election Commission			619,598

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	88,413	
Clerical Personnel		167,852	
Social Security		15,339	
Pensions		39,780	
Life Insurance		280	
Medical Insurance		53,299	
Dental Insurance		1,718	
Employer Medicare		3,587	
Communication		4,052	
Data Processing Services		28,603	
Dues and Memberships		859	
Maintenance and Repair Services - Office Equipment		2,456	
Postal Charges		1,526	
Printing, Stationery, and Forms		564	
Travel		1,465	
Tuition		475	
Data Processing Supplies		1,456	
Food Supplies		156	
Gasoline		1,342	
Office Supplies		8,621	
Total Register of Deeds			\$ 421,843

Planning

Supervisor/Director	\$	52,051	
Clerical Personnel		25,525	
Other Salaries and Wages		119,437	
Board and Committee Members Fees		2,550	
Social Security		11,888	
Pensions		30,439	
Life Insurance		269	
Medical Insurance		50,893	
Dental Insurance		1,791	
Employer Medicare		2,781	
Communication		4,427	
Data Processing Services		4,049	
Dues and Memberships		1,516	
Engineering Services		5,500	
Legal Notices, Recording, and Court Costs		946	
Licenses		67	
Maintenance and Repair Services - Office Equipment		6,937	
Maintenance and Repair Services - Vehicles		40	
Postal Charges		635	
Printing, Stationery, and Forms		42	
Travel		3,173	
Tuition		1,360	
Permits		3,460	
Data Processing Supplies		1,887	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Food Supplies	\$	217	
Gasoline		5,451	
Office Supplies		1,493	
Periodicals		1,621	
Tires and Tubes		546	
Uniforms		44	
Vehicle Parts		540	
Judgments		7,000	
Total Planning			\$ 348,575

Geographical Information Systems

Data Processing Services	\$	3,750	
Other Contracted Services		23,940	
Data Processing Supplies		194	
Office Supplies		82	
Total Geographical Information Systems			27,966

County Buildings

Supervisor/Director	\$	44,562	
Mechanic(s)		61,667	
Clerical Personnel		33,575	
Custodial Personnel		83,805	
Maintenance Personnel		260,551	
Social Security		28,575	
Pensions		58,585	
Employee and Dependent Insurance		2,237	
Life Insurance		633	
Medical Insurance		168,146	
Dental Insurance		4,932	
Employer Medicare		6,683	
Communication		8,598	
Contracts with Government Agencies		1,516	
Data Processing Services		1,573	
Legal Services		248	
Legal Notices, Recording, and Court Costs		50	
Licenses		418	
Maintenance Agreements		380	
Maintenance and Repair Services - Buildings		1,530	
Maintenance and Repair Services - Equipment		60,053	
Maintenance and Repair Services - Vehicles		917	
Printing, Stationery, and Forms		174	
Rentals		271	
Disposal Fees		8,805	
Permits		690	
Custodial Supplies		18,450	
Data Processing Supplies		2,569	
Drugs and Medical Supplies		192	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Electricity	\$	297,831	
Equipment and Machinery Parts		7,936	
Garage Supplies		1,893	
Gasoline		10,692	
General Construction Materials		26,352	
Natural Gas		13,781	
Office Supplies		1,836	
Salt		1,316	
Sand		1	
Small Tools		1,529	
Tires and Tubes		2,347	
Uniforms		5,744	
Vehicle Parts		651	
Water and Sewer		14,067	
Gravel and Chert		55	
Other Supplies and Materials		3,909	
Heating and Air Conditioning Equipment		79,716	
Other Equipment		67,754	
Total County Buildings			\$ 1,397,795

Other Facilities

Contracts with Government Agencies	\$	211,746	
Total Other Facilities			211,746

Preservation of Records

Supervisor/Director	\$	38,229	
Part-time Personnel		10,931	
Social Security		2,979	
Pensions		5,918	
Life Insurance		54	
Medical Insurance		6,283	
Dental Insurance		448	
Employer Medicare		697	
Communication		3,487	
Maintenance and Repair Services - Office Equipment		782	
Postal Charges		203	
Printing, Stationery, and Forms		20	
Rentals		58	
Travel		104	
Other Contracted Services		2,050	
Food Supplies		692	
Office Supplies		1,560	
Other Charges		8,137	
Total Preservation of Records			82,632

Risk Management

Clerical Personnel	\$	27,696	
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(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Risk Management (Cont.)

Social Security	\$	1,506	
Pensions		3,861	
Employee and Dependent Insurance		2,557	
Life Insurance		37	
Medical Insurance		5,220	
Dental Insurance		167	
Employer Medicare		352	
Advertising		19	
Communication		1,228	
Data Processing Services		250	
Licenses		50	
Maintenance and Repair Services - Office Equipment		4,225	
Postal Charges		2	
Data Processing Supplies		100	
Instructional Supplies and Materials		212	
Office Supplies		1,189	
Boiler Insurance		22,435	
Building and Contents Insurance		210,530	
Liability Insurance		296,915	
Premiums on Corporate Surety Bonds		27,595	
Workers' Compensation Insurance		86,824	
Total Risk Management			\$ 692,970

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	92,071
Supervisor/Director		115,219
Clerical Personnel		214,244
Social Security		25,549
Pensions		52,284
Life Insurance		475
Medical Insurance		63,766
Dental Insurance		2,574
Unemployment Compensation		3,332
Employer Medicare		5,975
Communication		7,469
Dues and Memberships		98
Freight Expenses		20
Licenses		514
Maintenance Agreements		1,197
Maintenance and Repair Services - Office Equipment		3,431
Postal Charges		9,453
Printing, Stationery, and Forms		1,944
Travel		467
Tuition		1,010
Disposal Fees		852
Other Contracted Services		1,060

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Data Processing Supplies	\$	2,745	
Food Supplies		332	
Office Supplies		8,910	
Total Accounting and Budgeting			\$ 614,991

Purchasing

County Official/Administrative Officer	\$	59,711	
Assistant(s)		45,177	
Purchasing Personnel		118,807	
Equipment Operators		37,772	
Clerical Personnel		46,795	
Social Security		18,532	
Pensions		47,749	
Employee and Dependent Insurance		7,926	
Life Insurance		483	
Medical Insurance		61,322	
Dental Insurance		2,254	
Employer Medicare		4,334	
Communication		7,734	
Dues and Memberships		810	
Freight Expenses		3	
Legal Notices, Recording, and Court Costs		2,440	
Licenses		101	
Maintenance and Repair Services - Equipment		500	
Maintenance and Repair Services - Office Equipment		3,379	
Postal Charges		754	
Rentals		7,716	
Travel		447	
Tuition		755	
Disposal Fees		298	
Custodial Supplies		195	
Data Processing Supplies		10,665	
Equipment and Machinery Parts		729	
Food Supplies		234	
Gasoline		2,882	
General Construction Materials		8	
Office Supplies		3,219	
Periodicals		92	
Propane Gas		56	
Tires and Tubes		178	
Uniforms		423	
Vehicle Parts		571	
Total Purchasing			495,051

Property Assessor's Office

County Official/Administrative Officer	\$	88,413	
Assistant(s)		64,559	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Supervisor/Director	\$	48,452	
Deputy(ies)		244,100	
Internal Audit Personnel		51,913	
Clerical Personnel		459,350	
Board and Committee Members Fees		1,350	
Social Security		57,006	
Pensions		148,172	
Employee and Dependent Insurance		1,608	
Life Insurance		1,390	
Medical Insurance		258,462	
Dental Insurance		7,722	
Employer Medicare		13,332	
Audit Services		26,770	
Communication		14,668	
Data Processing Services		37,875	
Dues and Memberships		2,630	
Freight Expenses		81	
Legal Notices, Recording, and Court Costs		81	
Licenses		34	
Maintenance Agreements		15,966	
Maintenance and Repair Services - Office Equipment		5,588	
Maintenance and Repair Services - Vehicles		566	
Postal Charges		5,543	
Printing, Stationery, and Forms		998	
Travel		8,246	
Tuition		150	
Data Processing Supplies		6,473	
Food Supplies		361	
Gasoline		10,192	
Lubricants		597	
Office Supplies		7,537	
Periodicals		191	
Tires and Tubes		973	
Vehicle Parts		889	
Other Supplies and Materials		679	
Other Charges		18,508	
Building Improvements		7,484	
Motor Vehicles		19,697	
Total Property Assessor's Office			\$ 1,638,606

County Trustee's Office

County Official/Administrative Officer	\$	88,413
Assistant(s)		44,226
Deputy(ies)		199,565
Part-time Personnel		10,904
Social Security		20,307
Pensions		42,740

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Life Insurance	\$	421	
Medical Insurance		107,783	
Dental Insurance		3,287	
Employer Medicare		4,749	
Communication		9,166	
Data Processing Services		3,761	
Dues and Memberships		1,026	
Maintenance and Repair Services - Office Equipment		3,254	
Postal Charges		51,065	
Printing, Stationery, and Forms		4,385	
Rentals		104	
Travel		1,257	
Data Processing Supplies		11,176	
Office Supplies		2,209	
Total County Trustee's Office			\$ 609,798

County Clerk's Office

County Official/Administrative Officer	\$	88,413	
Deputy(ies)		649,002	
Part-time Personnel		41,002	
Board and Committee Members Fees		480	
Social Security		46,007	
Pensions		114,223	
Employee and Dependent Insurance		13,039	
Life Insurance		1,183	
Medical Insurance		244,583	
Dental Insurance		8,063	
Employer Medicare		10,760	
Communication		9,622	
Data Processing Services		41,602	
Dues and Memberships		1,066	
Legal Notices, Recording, and Court Costs		411	
Maintenance and Repair Services - Equipment		242	
Maintenance and Repair Services - Office Equipment		2,182	
Postal Charges		41,575	
Printing, Stationery, and Forms		3,100	
Travel		1,026	
Tuition		200	
Other Contracted Services		500	
Custodial Supplies		32	
Data Processing Supplies		12,682	
Food Supplies		214	
Office Supplies		12,909	
Total County Clerk's Office			1,344,118

Data Processing

Data Processing Services	\$	9,209	
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(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Licenses	\$	1,290	
Maintenance Agreements		3,577	
Maintenance and Repair Services - Office Equipment		9,181	
Data Processing Supplies		3,159	
Office Supplies		1,302	
Total Data Processing			\$ 27,718

Other Finance

Trustee's Commission	\$	555,911	
Total Other Finance			555,911

Administration of Justice

Circuit Court Judge

Communication	\$	8,252	
Postal Charges		99	
Printing, Stationery, and Forms		256	
Data Processing Supplies		1,389	
Office Supplies		1,736	
Total Circuit Court Judge			11,732

Circuit Court Clerk

County Official/Administrative Officer	\$	88,413	
Clerical Personnel		812,523	
Part-time Personnel		38,469	
Social Security		56,701	
Pensions		141,891	
Employee and Dependent Insurance		5,369	
Life Insurance		1,470	
Medical Insurance		261,454	
Dental Insurance		8,129	
Employer Medicare		13,261	
Bank Charges		62	
Communication		16,824	
Contracts with Government Agencies		209	
Contracts with Other Public Agencies		9,568	
Data Processing Services		135,072	
Dues and Memberships		941	
Legal Notices, Recording, and Court Costs		16	
Maintenance and Repair Services - Equipment		285	
Maintenance and Repair Services - Office Equipment		6,702	
Postal Charges		16,346	
Printing, Stationery, and Forms		2,995	
Travel		1,338	
Other Contracted Services		475	
Data Processing Supplies		15,480	
Equipment Parts - Light		160	
Food Supplies		204	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court Clerk (Cont.)

Office Supplies	\$	32,496	
Periodicals		643	
Data Processing Equipment		54,645	
Total Circuit Court Clerk			\$ 1,722,141

General Sessions Court

Judge(s)	\$	317,578	
Secretary(ies)		69,027	
Social Security		18,740	
Pensions		60,037	
Life Insurance		202	
Medical Insurance		42,913	
Dental Insurance		1,494	
Employer Medicare		5,514	
Communication		4,398	
Dues and Memberships		1,330	
Licenses		580	
Maintenance Agreements		562	
Maintenance and Repair Services - Office Equipment		323	
Postal Charges		971	
Printing, Stationery, and Forms		835	
Travel		5,781	
Tuition		1,290	
Food Supplies		66	
Library Books/Media		422	
Office Supplies		665	
Periodicals		3,632	
Office Equipment		1,095	
Total General Sessions Court			537,455

General Sessions Judge

Judge(s)	\$	317,578
Assistant(s)		66,273
Secretary(ies)		33,158
Social Security		22,609
Pensions		64,748
Employee and Dependent Insurance		4,794
Life Insurance		247
Medical Insurance		40,147
Dental Insurance		1,626
Employer Medicare		5,988
Communication		3,934
Dues and Memberships		1,600
Maintenance Agreements		1,685
Maintenance and Repair Services - Office Equipment		950
Postal Charges		684
Printing, Stationery, and Forms		539

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge (Cont.)

Travel	\$	7,184	
Tuition		1,445	
Data Processing Supplies		55	
Library Books/Media		83	
Office Supplies		1,425	
Periodicals		2,684	
Total General Sessions Judge			\$ 579,436

Drug Court

Travel	\$	4,792	
Tuition		4,360	
Total Drug Court			9,152

Chancery Court

County Official/Administrative Officer	\$	88,413	
Clerical Personnel		247,852	
Part-time Personnel		12,399	
Social Security		20,584	
Pensions		52,110	
Employee and Dependent Insurance		6,977	
Life Insurance		475	
Medical Insurance		108,391	
Dental Insurance		2,986	
Employer Medicare		4,814	
Communication		6,689	
Contracts with Government Agencies		60	
Contracts with Other Public Agencies		2,250	
Data Processing Services		10,626	
Dues and Memberships		1,615	
Freight Expenses		244	
Legal Notices, Recording, and Court Costs		113	
Licenses		67	
Maintenance and Repair Services - Office Equipment		5,429	
Postal Charges		4,232	
Printing, Stationery, and Forms		2,022	
Rentals		140	
Travel		746	
Library Books/Media		1,132	
Office Supplies		5,378	
Periodicals		339	
Total Chancery Court			586,083

Juvenile Court

Probation Officer(s)	\$	27,500	
Guidance Personnel		293,193	
Secretary(ies)		54,234	
Clerical Personnel		33,158	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Social Security	\$	25,074	
Pensions		61,000	
Employee and Dependent Insurance		7,606	
Life Insurance		538	
Medical Insurance		101,735	
Dental Insurance		3,470	
Employer Medicare		5,864	
Bank Charges		1	
Communication		2,678	
Data Processing Services		63	
Dues and Memberships		525	
Legal Services		18,796	
Maintenance and Repair Services - Office Equipment		1,512	
Maintenance and Repair Services - Vehicles		2,852	
Printing, Stationery, and Forms		98	
Travel		7,425	
Tuition		6,120	
Other Contracted Services		53,709	
Data Processing Supplies		3,519	
Drugs and Medical Supplies		2,630	
Food Supplies		207	
Gasoline		431	
Office Supplies		1,755	
Periodicals		479	
Total Juvenile Court			\$ 716,172

Juvenile Court Judge

Other Contracted Services	\$	3,000	
Total Juvenile Court Judge			3,000

District Attorney General

Assistant(s)	\$	164,428	
Salary Supplements		4,256	
Secretary(ies)		18,344	
Part-time Personnel		6,838	
Social Security		11,639	
Pensions		28,349	
Life Insurance		195	
Medical Insurance		40,322	
Dental Insurance		1,250	
Employer Medicare		2,722	
Data Processing Services		200	
Maintenance and Repair Services - Equipment		130	
Travel		4,749	
Tuition		35	
Total District Attorney General			283,457

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Office of Public Defender

Paraprofessionals	\$	139,974	
Social Security		8,391	
Pensions		21,698	
Life Insurance		108	
Medical Insurance		35,992	
Dental Insurance		653	
Employer Medicare		1,963	
Licenses		800	
Travel		858	
Tuition		200	
Total Office of Public Defender	\$		210,637

Other Administration of Justice

Paraprofessionals	\$	400	
Board and Committee Members Fees		526	
Jury and Witness Expense		63,039	
Other Per Diem and Fees		26,646	
Legal Services		756	
Total Other Administration of Justice			91,367

Courtroom Security

Deputy(ies)	\$	171,721	
Part-time Personnel		59,664	
Social Security		13,869	
Pensions		26,591	
Life Insurance		318	
Medical Insurance		54,344	
Dental Insurance		1,895	
Employer Medicare		3,243	
Maintenance and Repair Services - Buildings		2,495	
Medical and Dental Services		59	
Tuition		700	
Law Enforcement Supplies		1,136	
Office Supplies		133	
Uniforms		7,111	
Other Supplies and Materials		542	
Law Enforcement Equipment		35,000	
Total Courtroom Security			378,821

Victim Assistance Programs

Remittance of Revenue Collected	\$	37,497	
Total Victim Assistance Programs			37,497

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	104,690	
Assistant(s)		243,127	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Deputy(ies)	\$	1,779,724
Captain(s)		318,623
Lieutenant(s)		623,701
Sergeant(s)		1,192,822
Mechanic(s)		85,381
Dispatchers/Radio Operators		491,901
Secretary(ies)		360,406
School Resource Officer		143,895
Social Security		319,243
Pensions		830,288
Employee and Dependent Insurance		62,568
Life Insurance		7,005
Medical Insurance		1,422,257
Dental Insurance		43,753
Employer Medicare		74,653
Communication		62,633
Data Processing Services		75,665
Dues and Memberships		9,425
Evaluation and Testing		1,560
Freight Expenses		1,348
Licenses		2,980
Maintenance and Repair Services - Buildings		2,713
Maintenance and Repair Services - Equipment		43,314
Maintenance and Repair Services - Office Equipment		17,264
Maintenance and Repair Services - Vehicles		3,519
Medical and Dental Services		2,572
Pest Control		1,353
Postal Charges		2,197
Printing, Stationery, and Forms		4,918
Rentals		705
Towing Services		2,185
Transportation - Other than Students		1,165
Travel		43,365
Tuition		27,342
Veterinary Services		1,877
Disposal Fees		2,617
Permits		55
Other Contracted Services		6,247
Animal Food and Supplies		3,305
Custodial Supplies		8,264
Data Processing Supplies		13,543
Electricity		16,026
Equipment and Machinery Parts		3,172
Food Preparation Supplies		13
Food Supplies		1,032
Garage Supplies		665
Gasoline		306,259

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

General Construction Materials	\$	4,417	
Instructional Supplies and Materials		8,224	
Law Enforcement Supplies		93,229	
Lubricants		6,528	
Office Supplies		22,412	
Periodicals		835	
Propane Gas		153	
Small Tools		113	
Tires and Tubes		27,221	
Uniforms		87,419	
Vehicle Parts		71,794	
Water and Sewer		2,041	
Other Supplies and Materials		9,761	
Other Charges		75	
Data Processing Equipment		3,166	
Heating and Air Conditioning Equipment		8,170	
Law Enforcement Equipment		37,132	
Motor Vehicles		247,548	
Total Sheriff's Department			\$ 9,403,573

Administration of the Sexual Offender Registry

Communication	\$	634	
Travel		1,695	
Other Contracted Services		3,550	
Data Processing Supplies		4,102	
Gasoline		83	
Office Supplies		84	
Total Administration of the Sexual Offender Registry			10,148

Jail

Assistant(s)	\$	72,561	
Deputy(ies)		2,437,050	
Captain(s)		102,389	
Lieutenant(s)		362,085	
Sergeant(s)		243,216	
Medical Personnel		366,063	
Secretary(ies)		29,373	
Cafeteria Personnel		148,666	
Board and Committee Members Fees		6,354	
Social Security		223,609	
Pensions		583,182	
Life Insurance		5,358	
Medical Insurance		1,058,460	
Dental Insurance		34,754	
Unemployment Compensation		3,881	
Employer Medicare		52,295	
Advertising		695	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Communication	\$	14,343
Data Processing Services		31,046
Dues and Memberships		250
Engineering Services		9,763
Evaluation and Testing		435
Freight Expenses		59
Licenses		2,328
Maintenance and Repair Services - Buildings		6,189
Maintenance and Repair Services - Equipment		92,098
Maintenance and Repair Services - Office Equipment		9,183
Maintenance and Repair Services - Vehicles		2,556
Medical and Dental Services		684,434
Pest Control		675
Postal Charges		196
Printing, Stationery, and Forms		19,413
Rentals		1,400
Transportation - Other than Students		36,763
Travel		7,674
Tuition		34,893
Remittance of Revenue Collected		1,576
Disposal Fees		24,771
Permits		700
Other Contracted Services		4,236
Animal Food and Supplies		440
Custodial Supplies		50,958
Data Processing Supplies		13,462
Diesel Fuel		533
Drugs and Medical Supplies		54,239
Electricity		276,431
Equipment Parts - Light		1,232
Equipment and Machinery Parts		41,619
Food Preparation Supplies		31,173
Food Supplies		619,897
Gasoline		41,094
General Construction Materials		25,333
Instructional Supplies and Materials		1,867
Law Enforcement Supplies		32,525
Lubricants		242
Natural Gas		51,594
Office Supplies		14,229
Prisoners Clothing		49,050
Small Tools		1,822
Uniforms		40,878
Vehicle Parts		10,514
Water and Sewer		137,712
Gravel and Chert		434
Other Supplies and Materials		7,087

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Food Service Equipment	\$	10,779	
Heating and Air Conditioning Equipment		27,911	
Maintenance Equipment		4,448	
Motor Vehicles		42,289	
Total Jail			\$ 8,304,764

Workhouse

Deputy(ies)	\$	59,931	
Social Security		3,603	
Pensions		9,341	
Life Insurance		108	
Medical Insurance		19,478	
Dental Insurance		672	
Employer Medicare		843	
Communication		14	
Disposal Fees		2,220	
Custodial Supplies		1,636	
Total Workhouse			97,846

Juvenile Services

Contracts with Government Agencies	\$	246,763	
Contributions		292,552	
Total Juvenile Services			539,315

Fire Prevention and Control

Contributions	\$	1,318,837	
Total Fire Prevention and Control			1,318,837

Civil Defense

Supervisor/Director	\$	54,765	
Medical Personnel		186,143	
Paraprofessionals		43,206	
Secretary(ies)		28,563	
Part-time Personnel		61,410	
Social Security		21,987	
Pensions		48,390	
Employee and Dependent Insurance		2,557	
Life Insurance		436	
Medical Insurance		115,817	
Dental Insurance		2,930	
Employer Medicare		5,142	
Advertising		25	
Communication		5,017	
Dues and Memberships		110	
Maintenance and Repair Services - Office Equipment		442	
Medical and Dental Services		93	
Postal Charges		18	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Printing, Stationery, and Forms	\$	264	
Travel		376	
Tuition		320	
Data Processing Supplies		2,208	
Food Preparation Supplies		1,930	
Food Supplies		58	
Gasoline		2,918	
General Construction Materials		136	
Instructional Supplies and Materials		3,022	
Office Supplies		1,845	
Tires and Tubes		719	
Uniforms		1,587	
Vehicle Parts		1,438	
Other Supplies and Materials		195	
Total Civil Defense			\$ 594,067

Rescue Squad

Contributions	\$	294,823	
Total Rescue Squad			294,823

Disaster Relief

Tuition	\$	2,500	
Contracts for Development Costs		550	
Other Supplies and Materials		106,598	
Other Equipment		900	
Total Disaster Relief			110,548

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	33,819	
Communication		289	
Contributions		255,417	
Maintenance and Repair Services - Vehicles		969	
Other Contracted Services		49,000	
Drugs and Medical Supplies		7,285	
Gasoline		3,772	
Vehicle Parts		3,089	
Other Charges		3,600	
Total County Coroner/Medical Examiner			357,240

Other Public Safety

Communication	\$	1,916	
Maintenance and Repair Services - Buildings		429	
Maintenance and Repair Services - Equipment		116,437	
Travel		1,198	
Crushed Stone		2,000	
Data Processing Supplies		3,885	
Electricity		17,643	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety (Cont.)

Food Supplies	\$	122	
Natural Gas		619	
Propane Gas		43	
Water and Sewer		249	
Communication Equipment		10,542,215	
Data Processing Equipment		28,147	
Total Other Public Safety			\$ 10,714,903

Public Health and Welfare

Local Health Center

County Official/Administrative Officer	\$	74,634
Assistant(s)		154,881
Supervisor/Director		321,182
Teachers		260,417
Medical Personnel		2,115,152
Education Media Personnel		22,842
Clerical Personnel		588,810
Custodial Personnel		31,383
Part-time Personnel		51,234
Social Security		217,156
Pensions		453,688
Employee and Dependent Insurance		5,369
Life Insurance		3,874
Medical Insurance		696,822
Dental Insurance		22,312
Employer Medicare		51,100
Advertising		128,572
Bank Charges		3,127
Communication		53,543
Contracts with Government Agencies		21,380
Contracts with Private Agencies		9,620
Data Processing Services		2,290
Freight Expenses		63
Licenses		350
Maintenance and Repair Services - Equipment		29,263
Maintenance and Repair Services - Office Equipment		20,825
Maintenance and Repair Services - Vehicles		588
Medical and Dental Services		77,767
Pest Control		1,265
Postal Charges		6,347
Printing, Stationery, and Forms		12,880
Rentals		767
Travel		67,976
Tuition		8,667
Disposal Fees		6,033
Other Contracted Services		7,907
Custodial Supplies		3,150

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Data Processing Supplies	\$	88,035	
Drugs and Medical Supplies		298,518	
Electricity		89,950	
Equipment and Machinery Parts		5,750	
Food Supplies		8,253	
Gasoline		3,645	
General Construction Materials		9,891	
Instructional Supplies and Materials		155,312	
Natural Gas		5,928	
Office Supplies		48,434	
Periodicals		2,742	
Uniforms		2,934	
Vehicle Parts		830	
Water and Sewer		15,202	
Other Supplies and Materials		25,940	
Total Local Health Center			\$ 6,294,600

Rabies and Animal Control

Truck Drivers	\$	90,187	
Social Security		5,285	
Pensions		14,015	
Life Insurance		161	
Medical Insurance		36,716	
Dental Insurance		1,120	
Employer Medicare		1,236	
Contributions		195,797	
Total Rabies and Animal Control			344,517

Other Local Health Services

Contributions	\$	24,000	
Total Other Local Health Services			24,000

Regional Mental Health Center

Contracts with Government Agencies	\$	10,800	
Contributions		69,359	
Total Regional Mental Health Center			80,159

Aid to Dependent Children

Contributions	\$	28,850	
Total Aid to Dependent Children			28,850

Other Local Welfare Services

Pauper Burials	\$	5,920	
Total Other Local Welfare Services			5,920

Other Public Health and Welfare

Contributions	\$	10,000	
Total Other Public Health and Welfare			10,000

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Libraries

Supervisor/Director	\$	61,621	
Clerical Personnel		270,130	
Custodial Personnel		71,781	
Part-time Personnel		17,138	
Social Security		25,367	
Pensions		51,261	
Life Insurance		486	
Medical Insurance		67,393	
Dental Insurance		2,477	
Unemployment Compensation		7,037	
Employer Medicare		5,932	
Advertising		450	
Communication		8,179	
Contributions		30,000	
Data Processing Services		15,637	
Dues and Memberships		1,315	
Janitorial Services		926	
Licenses		134	
Maintenance and Repair Services - Equipment		27	
Maintenance and Repair Services - Office Equipment		945	
Matching Share		17,283	
Postal Charges		448	
Printing, Stationery, and Forms		100	
Rentals		104	
Travel		747	
Tuition		320	
Disposal Fees		824	
Custodial Supplies		669	
Data Processing Supplies		217	
Electricity		19,238	
Food Supplies		182	
General Construction Materials		35	
Instructional Supplies and Materials		36,003	
Library Books/Media		53,432	
Natural Gas		3,280	
Office Supplies		11,701	
Other Road Materials		78	
Periodicals		3,135	
Water and Sewer		1,291	
Other Charges		18,980	
Data Processing Equipment		3,000	
Total Libraries			\$ 809,303

Parks and Fair Boards

Contributions	\$	32,500	
Payments to Schools - Other		300,000	
Total Parks and Fair Boards			332,500

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Communication	\$	2,910	
Contributions		2,500	
Data Processing Services		1,079	
Matching Share		107,909	
Other Contracted Services		341	
Total Agricultural Extension Service			\$ 114,739

Forest Service

Contributions	\$	1,000	
Total Forest Service			1,000

Soil Conservation

Secretary(ies)	\$	23,633	
Social Security		1,343	
Pensions		3,363	
Life Insurance		33	
Medical Insurance		7,322	
Dental Insurance		299	
Employer Medicare		314	
Contributions		13,100	
Total Soil Conservation			49,407

Other Operations

Industrial Development

Contracts with Private Agencies	\$	5,130	
Contributions		353,940	
Other Contracted Services		810	
Electricity		491	
Road Signs		1,100	
Other Capital Outlay		65,416	
Total Industrial Development			426,887

Housing and Urban Development

Remittance of Revenue Collected	\$	71,440	
Total Housing and Urban Development			71,440

Other Economic and Community Development

Contributions	\$	152,747	
Other Capital Outlay		346,203	
Total Other Economic and Community Development			498,950

Veterans' Services

Rentals	\$	11,900	
Total Veterans' Services			11,900

Other Charges

On-behalf Payments to OPEB	\$	3,575	
Total Other Charges			3,575

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits

Supervisor/Director	\$	29,220	
Social Security		1,923	
Handling Charges and Administrative Costs		105	
Pensions		3,750	
Employee and Dependent Insurance		241,805	
Life Insurance		21	
Medical Insurance		43,852	
Dental Insurance		187	
Employer Medicare		421	
Other Fringe Benefits		257,185	
Communication		157	
Printing, Stationery, and Forms		255	
Travel		255	
Data Processing Supplies		147	
Equipment and Machinery Parts		200	
Instructional Supplies and Materials		189	
Office Supplies		278	
Other Supplies and Materials		106	
Data Processing Equipment		940	
Office Equipment		1,574	
Other Capital Outlay		3,543	
Total Employee Benefits			\$ 586,113

Miscellaneous

Dues and Memberships	\$	32,870	
Other Charges		19,389	
Total Miscellaneous			52,259

Instruction

Vocational Education Program

Contributions	\$	10,239	
Total Vocational Education Program			10,239

Other

Consultants	\$	135,000	
Contracts with Other Public Agencies		200,000	
Total Other			335,000

Principal on Debt

General Government

Principal on Capital Leases	\$	26,803	
Total General Government			26,803

Interest on Debt

General Government

Interest on Notes	\$	14,989	
Interest on Capital Leases		4,308	
Total General Government			19,297

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Other Debt Service

General Government

Other Debt Issuance Charges	\$	250	
Other Debt Service		201	
Total General Government			\$ 451

Capital Projects - Donated

Capital Projects Donated to Other Entities

Other Equipment	\$	26,006	
Total Capital Projects Donated to Other Entities			26,006

Total General Fund \$ 56,923,218

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Communication	\$	1,563	
Freight Expenses		120	
Other Contracted Services		6,817	
Custodial Supplies		906	
Instructional Supplies and Materials		9,559	
Total Sanitation Education/Information			\$ 18,965

Transfer Stations

Supervisor/Director	\$	59,501	
Mechanic(s)		30,379	
Truck Drivers		163,290	
Clerical Personnel		26,806	
Maintenance Personnel		202,429	
Part-time Personnel		33,917	
Social Security		30,661	
Pensions		71,360	
Employee and Dependent Insurance		25,705	
Life Insurance		788	
Medical Insurance		141,360	
Dental Insurance		4,506	
Unemployment Compensation		47	
Employer Medicare		7,171	
Communication		9,278	
Dues and Memberships		3,505	
Evaluation and Testing		23,101	
Freight Expenses		122	
Licenses		18	
Maintenance and Repair Services - Equipment		15,373	
Maintenance and Repair Services - Office Equipment		1,159	
Maintenance and Repair Services - Vehicles		34,157	
Medical and Dental Services		62	
Postal Charges		90	
Printing, Stationery, and Forms		2,140	

(Continued)

Exhibit L-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Transfer Stations (Cont.)

Rentals	\$	1,920	
Towing Services		275	
Travel		2,618	
Tuition		75	
Disposal Fees		172,775	
Other Contracted Services		1,985	
Crushed Stone		348	
Custodial Supplies		1,396	
Data Processing Supplies		1,029	
Electricity		20,080	
Equipment Parts - Light		12,283	
Equipment and Machinery Parts		235	
Fuel Oil		2,095	
Garage Supplies		6,625	
Gasoline		8,913	
General Construction Materials		6,162	
Instructional Supplies and Materials		629	
Lubricants		78,615	
Office Supplies		917	
Propane Gas		3,475	
Road Signs		2,576	
Structural Steel		9,383	
Tires and Tubes		26,862	
Uniforms		878	
Vehicle Parts		22,628	
Water and Sewer		3,973	
Gravel and Chert		1,104	
Other Supplies and Materials		10,892	
Trustee's Commission		19,339	
Workers' Compensation Insurance		23,367	
Building Construction		18,573	
Solid Waste Equipment		43,082	
Other Capital Outlay		211,369	
Total Transfer Stations			\$ 1,603,401

Total Solid Waste/Sanitation Fund \$ 1,622,366

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Captain(s)	\$	199,492
Lieutenant(s)		91,574
Medical Personnel		2,128,573
Clerical Personnel		62,643
Part-time Personnel		203,694
Social Security		159,797
Pensions		381,497

(Continued)

Exhibit L-7

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Employee and Dependent Insurance	\$	13,066	
Life Insurance		3,085	
Medical Insurance		778,418	
Dental Insurance		21,173	
Unemployment Compensation		7,123	
Employer Medicare		37,372	
Bank Charges		1,302	
Communication		25,049	
Consultants		150	
Contracts with Private Agencies		140	
Data Processing Services		155	
Licenses		5,250	
Maintenance Agreements		240	
Maintenance and Repair Services - Buildings		1,960	
Maintenance and Repair Services - Equipment		690	
Maintenance and Repair Services - Vehicles		242	
Medical and Dental Services		2,090	
Pest Control		350	
Postal Charges		273	
Rentals		17,220	
Towing Services		1,225	
Travel		743	
Tuition		398	
Disposal Fees		7,702	
Other Contracted Services		204,503	
Custodial Supplies		2,803	
Data Processing Supplies		8,548	
Diesel Fuel		130,117	
Drugs and Medical Supplies		114,342	
Electricity		29,222	
Equipment Parts - Light		23,388	
Food Preparation Supplies		132	
Food Supplies		143	
Gasoline		4,069	
General Construction Materials		246	
Instructional Supplies and Materials		687	
Lubricants		3,218	
Natural Gas		6,020	
Office Supplies		1,477	
Textbooks		1,746	
Tires and Tubes		15,432	
Uniforms		32,744	
Utilities		451	
Vehicle Parts		60,409	
Water and Sewer		1,307	
Other Supplies and Materials		7,659	
Trustee's Commission		45,078	
Motor Vehicles		69,802	
Total Ambulance/Emergency Medical Services			\$ 4,916,229

Total Ambulance Service Fund

\$ 4,916,229

(Continued)

Exhibit L-7

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

Drug Control Fund

Public Safety

Sheriff's Department

Communication	\$	9,182	
Data Processing Services		3,099	
Freight Expenses		42	
Licenses		40	
Matching Share		9,800	
Printing, Stationery, and Forms		62	
Rentals		1,519	
Towing Services		245	
Travel		363	
Tuition		1,462	
Law Enforcement Supplies		6,248	
Office Supplies		477	
Uniforms		333	
Vehicle Parts		2,229	
Trustee's Commission		595	
Law Enforcement Equipment		23,405	
Motor Vehicles		15,000	
Total Sheriff's Department			\$ 74,101

Total Drug Control Fund

\$ 74,101

Sports and Recreation Fund

Social, Cultural, and Recreational Services

Parks and Fair Boards

Supervisor/Director	\$	32,606
Laborers		24,912
Temporary Personnel		60,905
Social Security		7,246
Pensions		8,922
Life Insurance		99
Medical Insurance		23,623
Dental Insurance		673
Unemployment Compensation		1,937
Employer Medicare		1,695
Bank Charges		3,462
Communication		1,423
Contracts with Private Agencies		400
Licenses		230
Maintenance and Repair Services - Equipment		2,890
Postal Charges		157
Printing, Stationery, and Forms		308
Disposal Fees		7,288
Custodial Supplies		1,819
Diesel Fuel		500
Electricity		55,696
Equipment Parts - Heavy		840
Equipment Parts - Light		2,269

(Continued)

Exhibit L-7

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

Sports and Recreation Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Equipment and Machinery Parts	\$	59	
Garage Supplies		68	
Gasoline		3,560	
General Construction Materials		15,373	
Ice		3,444	
Office Supplies		144	
Propane Gas		772	
Small Tools		200	
Uniforms		1,243	
Vehicle Parts		1,929	
Water and Sewer		29,824	
Trustee's Commission		3,180	
Other Equipment		4,500	
Total Parks and Fair Boards			\$ 304,196

Total Sports and Recreation Fund \$ 304,196

Constitutional Officers - Fees Fund

General Government

Other General Administration

Special Commissioner Fees/Special Master Fees	\$	9,910	
Other Charges		825	
Total Other General Administration			\$ 10,735

Total Constitutional Officers - Fees Fund 10,735

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	104,090	
Social Security		6,438	
Pensions		16,176	
Life Insurance		44	
Medical Insurance		1,342	
Dental Insurance		75	
Unemployment Compensation		6,039	
Employer Medicare		1,506	
Communication		12,837	
Consultants		600	
Contracts with Private Agencies		8,495	
Dues and Memberships		4,165	
Engineering Services		4,135	
Evaluation and Testing		1,653	
Licenses		527	
Maintenance Agreements		1,679	
Maintenance and Repair Services - Buildings		932	
Maintenance and Repair Services - Office Equipment		3,221	

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Postal Charges	\$	299	
Printing, Stationery, and Forms		308	
Rentals		1,350	
Travel		624	
Tuition		295	
Other Contracted Services		420	
Data Processing Supplies		13,493	
Electricity		30,430	
Equipment and Machinery Parts		350	
Food Supplies		340	
General Construction Materials		386	
Library Books/Media		234	
Natural Gas		6,573	
Office Supplies		2,434	
Water and Sewer		2,534	
Wood Products		459	
Trustee's Commission		120,560	
Total Administration			\$ 355,043

Highway and Bridge Maintenance

Assistant(s)	\$	123,224
Supervisor/Director		121,873
Paraprofessionals		62,132
Foremen		346,877
Mechanic(s)		192,631
Equipment Operators		992,260
Equipment Operators - Heavy		449,204
Truck Drivers		584,636
Dispatchers/Radio Operators		34,613
Laborers		246,299
Part-time Personnel		17,460
Social Security		186,707
Pensions		472,266
Employee and Dependent Insurance		148,204
Life Insurance		5,112
Medical Insurance		1,100,130
Dental Insurance		33,641
Unemployment Compensation		10,923
Employer Medicare		43,665
Evaluation and Testing		1,475
Licenses		2,511
Maintenance and Repair Services - Buildings		237
Postal Charges		26
Travel		410
Contracts for Landfill Facilities		265
Other Contracted Services		34,324
Concrete		5,235

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Crushed Stone	\$	39,652	
Data Processing Supplies		10,212	
Drugs and Medical Supplies		46	
Equipment Parts - Light		2,866	
Fertilizer, Lime, and Seed		1,000	
Food Supplies		370	
General Construction Materials		28,733	
Instructional Supplies and Materials		135	
Office Supplies		485	
Other Road Materials		6,496	
Pipe		1,192	
Pipe - Metal		50,727	
Road Signs		2,100	
Salt		257,201	
Small Tools		2,825	
Structural Steel		6,640	
T&I Construction Materials		2,297	
Uniforms		20,185	
Wood Products		285	
Testing		184	
Chemicals		3,755	
Other Supplies and Materials		629	
Total Highway and Bridge Maintenance			\$ 5,654,355

Operation and Maintenance of Equipment

Data Processing Services	\$	153
Evaluation and Testing		527
Freight Expenses		15
Maintenance and Repair Services - Buildings		433
Maintenance and Repair Services - Equipment		11,121
Maintenance and Repair Services - Vehicles		12,795
Printing, Stationery, and Forms		380
Disposal Fees		3,717
Concrete		3,990
Custodial Supplies		3,120
Data Processing Supplies		1,045
Diesel Fuel		187,021
Drugs and Medical Supplies		166
Equipment Parts - Heavy		82,464
Equipment Parts - Light		12,780
Equipment and Machinery Parts		4,065
Food Supplies		469
Fuel Oil		4,881
Garage Supplies		18,574
Gasoline		119,133
General Construction Materials		1,524
Lubricants		21,426

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Office Supplies	\$	4,780	
Small Tools		1,565	
Structural Steel		2,808	
Tires and Tubes		65,046	
Uniforms		8,374	
Vehicle Parts		47,148	
Wood Products		203	
Other Supplies and Materials		5,355	
Total Operation and Maintenance of Equipment			\$ 625,078

Asphalt Plant Operations

Licenses	\$	544	
Asphalt		727,217	
Asphalt - Hot Mix		18,894	
Crushed Stone		285,139	
Electricity		21,038	
Equipment Parts - Heavy		2,933	
Equipment Parts - Light		108	
Garage Supplies		99	
Lubricants		1,483	
Natural Gas		34,850	
Water and Sewer		2,097	
Wire		445	
Chemicals		1,724	
Total Asphalt Plant Operations			1,096,571

Traffic Control

General Construction Materials	\$	356	
Other Road Materials		36,703	
Road Signs		2,890	
Total Traffic Control			39,949

Other Charges

Liability Insurance	\$	79,372	
Workers' Compensation Insurance		140,330	
Total Other Charges			219,702

Capital Outlay

Highway Equipment	\$	181,835	
Maintenance Equipment		21,666	
Motor Vehicles		112,503	
Total Capital Outlay			316,004

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$	56,082	
Total Highways and Streets			56,082

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$ 5,943	
Total Highways and Streets		\$ 5,943

Capital Projects

Highway and Street Capital Projects

Bridge Construction	\$ 15,300	
State Aid Projects	302,377	
Total Highway and Street Capital Projects		<u>317,677</u>

Total Highway/Public Works Fund \$ 8,686,404

General Debt Service Fund

Finance

Other Finance

Trustee's Commission	\$ 81,454	
Total Other Finance		\$ 81,454

Principal on Debt

General Government

Principal on Bonds	\$ 1,690,000	
Principal on Notes	275,000	
Total General Government		1,965,000

Education

Principal on Capital Leases	\$ 68,230	
Principal on Other Loans	1,688,063	
Total Education		1,756,293

Interest on Debt

General Government

Interest on Bonds	\$ 1,227,143	
Interest on Notes	42,650	
Total General Government		1,269,793

Education

Interest on Capital Leases	\$ 5,833	
Interest on Other Loans	515,465	
Total Education		521,298

Other Debt Service

General Government

Bank Charges	\$ 843	
Underwriter's Discount	201,714	
Other Debt Issuance Charges	173,157	
Other Debt Service	6,750	
Total General Government		382,464

(Continued)

Exhibit L-7

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

<u>General Debt Service Fund (Cont.)</u>			
<u>Other Debt Service (Cont.)</u>			
<u>Education</u>			
Other Debt Service	\$	19,538	
Total Education			\$ 19,538
Total General Debt Service Fund			\$ 5,995,840
<u>Education Debt Service Fund</u>			
<u>Finance</u>			
<u>Other Finance</u>			
Trustee's Commission	\$	20,755	
Total Other Finance			\$ 20,755
<u>Principal on Debt</u>			
<u>Education</u>			
Principal on Bonds	\$	1,605,000	
Total Education			1,605,000
<u>Interest on Debt</u>			
<u>Education</u>			
Interest on Bonds	\$	439,629	
Total Education			439,629
<u>Other Debt Service</u>			
<u>Education</u>			
Underwriter's Discount	\$	17,413	
Other Debt Issuance Charges		34,206	
Other Debt Service		250	
Total Education			51,869
Total Education Debt Service Fund			2,117,253
<u>Other Capital Projects Fund</u>			
<u>Other Operations</u>			
<u>Miscellaneous</u>			
Other Capital Outlay	\$	110,954	
Total Miscellaneous			\$ 110,954
Total Other Capital Projects Fund			110,954
Total Governmental Funds - Primary Government			\$ 80,761,296

Exhibit L-8

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

Special Purpose Fund

Support Services

Board of Education

Trustee's Commission	\$ 24,223	
Total Board of Education		\$ 24,223

Capital Outlay

Regular Capital Outlay

Architects	\$ 3,740	
Building Improvements	666,621	
Total Regular Capital Outlay		670,361

Total Special Purpose Fund \$ 694,584

General Purpose School Fund

Instruction

Regular Instruction Program

ADA Coordinator	\$ 153,275	
Teachers	25,245,113	
Career Ladder Program	179,183	
Career Ladder Extended Contracts	90,168	
Homebound Teachers	67,486	
Salary Supplements	786,503	
Educational Assistants	720,441	
Other Salaries and Wages	399,251	
Certified Substitute Teachers	180,845	
Non-certified Substitute Teachers	178,380	
Social Security	1,615,616	
Handling Charges and Administrative Costs	82,752	
Pensions	2,463,006	
Life Insurance	31,129	
Medical Insurance	5,375,428	
Dental Insurance	83,566	
Employer Medicare	382,976	
Contracts with Government Agencies	689,764	
Evaluation and Testing	155,276	
Travel	4,467	
Other Contracted Services	1,476	
Equipment and Machinery Parts	16,264	
Instructional Supplies and Materials	316,570	
Textbooks	804,937	
Other Supplies and Materials	295	
Medical Claims	345,359	
Other Charges	145,104	
Data Processing Equipment	47,510	
Regular Instruction Equipment	92,895	
Total Regular Instruction Program		\$ 40,655,035

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	2,367,210	
Career Ladder Program		22,600	
Career Ladder Extended Contracts		2,400	
Homebound Teachers		19,910	
Medical Personnel		19,345	
Educational Assistants		488,848	
Speech Pathologist		378,008	
Other Salaries and Wages		270,470	
Certified Substitute Teachers		24,015	
Non-certified Substitute Teachers		36,787	
Social Security		209,725	
Pensions		336,828	
Life Insurance		4,883	
Medical Insurance		824,784	
Dental Insurance		12,334	
Employer Medicare		49,399	
Contracts with Private Agencies		594	
Evaluation and Testing		1,743	
Maintenance and Repair Services - Equipment		1,930	
Other Contracted Services		28,090	
Instructional Supplies and Materials		43,769	
Other Supplies and Materials		4,840	
Special Education Equipment		8,890	
Total Special Education Program	\$		5,157,402

Vocational Education Program

Teachers	\$	1,843,612	
Career Ladder Program		8,000	
Certified Substitute Teachers		16,090	
Non-certified Substitute Teachers		10,750	
Social Security		108,619	
Pensions		167,425	
Life Insurance		2,038	
Medical Insurance		365,353	
Dental Insurance		6,020	
Employer Medicare		25,445	
Maintenance and Repair Services - Equipment		582	
Travel		195	
Other Contracted Services		3,297	
Equipment and Machinery Parts		815	
General Construction Materials		1,695	
Instructional Supplies and Materials		115,428	
Vocational Instruction Equipment		54,844	
Total Vocational Education Program			2,730,208

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services

Health Services

Secretary(ies)	\$	19,793	
Other Salaries and Wages		42,134	
Social Security		3,820	
Pensions		6,885	
Life Insurance		100	
Medical Insurance		8,452	
Dental Insurance		168	
Employer Medicare		893	
Communication		346	
Travel		2,159	
Other Contracted Services		50	
Other Supplies and Materials		23,339	
Total Health Services			\$ 108,139

Other Student Support

Career Ladder Program	\$	5,000	
Guidance Personnel		1,309,770	
Secretary(ies)		79,916	
Social Security		81,006	
Pensions		129,957	
Life Insurance		1,593	
Medical Insurance		267,304	
Dental Insurance		4,494	
Employer Medicare		19,011	
Total Other Student Support			1,898,051

Regular Instruction Program

Supervisor/Director	\$	218,092	
Career Ladder Program		10,500	
Librarians		1,052,198	
Truck Drivers		20,909	
Secretary(ies)		129,434	
Other Salaries and Wages		174,409	
Social Security		92,832	
Pensions		156,289	
Life Insurance		1,731	
Medical Insurance		288,560	
Dental Insurance		4,536	
Employer Medicare		21,999	
Communication		3,519	
Dues and Memberships		14,950	
Maintenance Agreements		187,411	
Maintenance and Repair Services - Equipment		15,600	
Printing, Stationery, and Forms		1,563	
Travel		18,303	
Other Contracted Services		1,705	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Equipment and Machinery Parts	\$	2,496	
Gasoline		15,940	
Instructional Supplies and Materials		87,489	
Library Books/Media		85,935	
Office Supplies		9,820	
Periodicals		16,889	
Propane Gas		188	
Other Supplies and Materials		1,486	
In Service/Staff Development		79,841	
Administration Equipment		2,128	
Data Processing Equipment		1,344	
Motor Vehicles		22,506	
Total Regular Instruction Program			\$ 2,740,602

Special Education Program

Supervisor/Director	\$	79,278	
Career Ladder Program		1,000	
Secretary(ies)		31,611	
Social Security		6,558	
Pensions		12,170	
Life Insurance		100	
Medical Insurance		13,658	
Dental Insurance		336	
Employer Medicare		1,534	
Operating Lease Payments		816	
Maintenance and Repair Services - Equipment		849	
Travel		34,496	
Office Supplies		424	
In Service/Staff Development		17,139	
Administration Equipment		693	
Total Special Education Program			200,662

Vocational Education Program

Supervisor/Director	\$	68,990	
Secretary(ies)		31,611	
Social Security		6,031	
Pensions		11,149	
Life Insurance		100	
Medical Insurance		18,283	
Dental Insurance		168	
Employer Medicare		1,410	
Communication		592	
Dues and Memberships		20	
Printing, Stationery, and Forms		250	
Travel		4,615	
Office Supplies		299	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Propane Gas	\$	1,600	
In Service/Staff Development		597	
Total Vocational Education Program			\$ 145,715

Other Programs

On-behalf Payments to OPEB	\$	872,217	
Total Other Programs			872,217

Board of Education

Board and Committee Members Fees	\$	53,123	
Social Security		2,326	
Medical Insurance		1,340	
Dental Insurance		504	
Unemployment Compensation		69,212	
Employer Medicare		760	
Advertising		1,197	
Audit Services		73,550	
Dues and Memberships		14,328	
Legal Services		48,035	
Maintenance Agreements		4,000	
Travel		14,031	
Other Contracted Services		132,500	
Other Supplies and Materials		1,763	
Building and Contents Insurance		2,685	
Liability Insurance		156,521	
Trustee's Commission		694,058	
Workers' Compensation Insurance		276,995	
Other Charges		25,000	
Data Processing Equipment		5,843	
Total Board of Education			1,577,771

Director of Schools

County Official/Administrative Officer	\$	169,071	
Assistant(s)		38,981	
Secretary(ies)		37,983	
Social Security		12,279	
Pensions		23,296	
Life Insurance		121	
Medical Insurance		39,621	
Dental Insurance		364	
Employer Medicare		3,145	
Communication		165,732	
Data Processing Services		352,043	
Dues and Memberships		7,957	
Freight Expenses		41	
Maintenance Agreements		56,601	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Maintenance and Repair Services - Equipment	\$	689	
Postal Charges		16,334	
Travel		4,715	
Other Contracted Services		44,098	
Equipment and Machinery Parts		1,178	
Office Supplies		4,980	
Data Processing Equipment		2,972	
Total Director of Schools			\$ 982,201

Office of the Principal

Principals	\$	1,562,593	
Career Ladder Program		30,485	
Accountants/Bookkeepers		454,276	
Assistant Principals		1,233,771	
Secretary(ies)		652,311	
Other Salaries and Wages		33,000	
Social Security		229,253	
Pensions		425,911	
Life Insurance		4,468	
Medical Insurance		821,205	
Dental Insurance		11,606	
Employer Medicare		53,808	
Travel		2,040	
Other Contracted Services		204,641	
Office Supplies		11,880	
Data Processing Equipment		24,975	
Total Office of the Principal			5,756,223

Fiscal Services

Supervisor/Director	\$	70,212	
Accountants/Bookkeepers		195,452	
Social Security		15,673	
Pensions		36,720	
Life Insurance		337	
Medical Insurance		57,535	
Dental Insurance		1,008	
Employer Medicare		3,666	
Bank Charges		3,126	
Dues and Memberships		35	
Maintenance and Repair Services - Equipment		717	
Printing, Stationery, and Forms		4,127	
Travel		1,434	
Other Contracted Services		12,980	
Data Processing Supplies		200	
Office Supplies		4,678	
In Service/Staff Development		60	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Other Charges	\$	14,241	
Administration Equipment		3,379	
Total Fiscal Services			\$ 425,580

Human Services/Personnel

Supervisor/Director	\$	86,494	
Career Ladder Program		1,000	
Secretary(ies)		31,612	
Clerical Personnel		99,132	
Social Security		13,003	
Pensions		28,227	
Life Insurance		200	
Medical Insurance		22,970	
Dental Insurance		504	
Employer Medicare		3,041	
Dues and Memberships		50	
Maintenance and Repair Services - Equipment		599	
Travel		1,501	
Other Contracted Services		25,165	
Office Supplies		999	
Data Processing Equipment		2,076	
Total Human Services/Personnel			316,573

Operation of Plant

Foremen	\$	34,659	
Custodial Personnel		1,656,003	
Social Security		97,053	
Pensions		256,948	
Life Insurance		4,193	
Medical Insurance		616,637	
Dental Insurance		10,108	
Employer Medicare		22,698	
Licenses		8,307	
Maintenance and Repair Services - Buildings		58,815	
Maintenance and Repair Services - Equipment		30	
Disposal Fees		62,684	
Other Contracted Services		65,615	
Custodial Supplies		110,829	
Diesel Fuel		2,000	
Electricity		2,374,915	
Equipment Parts - Light		16,811	
Fuel Oil		65,543	
Garage Supplies		112	
Natural Gas		153,327	
Propane Gas		94,273	
Small Tools		1,125	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Tires and Tubes	\$	2,334	
Uniforms		7,454	
Water and Sewer		297,097	
Plant Operation Equipment		24,757	
Total Operation of Plant			\$ 6,044,327

Maintenance of Plant

Supervisor/Director	\$	72,117
Foremen		107,440
Secretary(ies)		41,577
Maintenance Personnel		1,404,807
Social Security		92,228
Pensions		249,394
Life Insurance		2,471
Medical Insurance		518,973
Dental Insurance		6,440
Employer Medicare		21,758
Communication		10,881
Dues and Memberships		200
Licenses		49
Maintenance Agreements		8,274
Maintenance and Repair Services - Buildings		56,165
Maintenance and Repair Services - Equipment		10,403
Maintenance and Repair Services - Vehicles		2,179
Rentals		473
Travel		2,890
Other Contracted Services		1,545
Asphalt		883
Crushed Stone		1,414
Diesel Fuel		2,939
Equipment Parts - Heavy		323
Equipment Parts - Light		3,863
Equipment and Machinery Parts		77,393
Garage Supplies		4,842
Gasoline		75,652
General Construction Materials		115,780
Office Supplies		2,106
Propane Gas		75
Salt		2,406
Small Tools		4,834
Tires and Tubes		6,434
Uniforms		17,265
Vehicle Parts		28,001
Wood Products		850
Chemicals		6,569
Other Supplies and Materials		43,676

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

In Service/Staff Development	\$	1,867	
Administration Equipment		655	
Maintenance Equipment		1,900	
Motor Vehicles		47,345	
Other Equipment		49,715	
Total Maintenance of Plant			\$ 3,107,051

Transportation

Mechanic(s)	\$	31,692	
Bus Drivers		289,229	
Clerical Personnel		3,752	
Social Security		19,328	
Pensions		15,341	
Life Insurance		266	
Medical Insurance		32,149	
Dental Insurance		896	
Employer Medicare		4,523	
Contracts with Parents		4,111	
Contracts with Vehicle Owners		4,063,021	
Licenses		18	
Maintenance and Repair Services - Vehicles		150	
Garage Supplies		4,048	
Gasoline		79,533	
Tires and Tubes		6,687	
Vehicle Parts		27,408	
Maintenance Equipment		1,900	
Motor Vehicles		55,892	
Total Transportation			4,639,944

Operation of Non-Instructional Services

Food Service

Maintenance and Repair Services - Buildings	\$	2,500	
Equipment and Machinery Parts		2,947	
Gasoline		84	
Total Food Service			5,531

Community Services

Supervisor/Director	\$	2,500	
Teachers		24,190	
Other Salaries and Wages		13,873	
Social Security		2,512	
Pensions		3,791	
Employer Medicare		587	
Other Contracted Services		28,996	
Other Supplies and Materials		3,757	
Total Community Services			80,206

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Teachers	\$	245,956	
Career Ladder Program		600	
Educational Assistants		85,996	
Other Salaries and Wages		25,993	
Social Security		18,339	
Pensions		35,598	
Life Insurance		599	
Medical Insurance		90,416	
Dental Insurance		1,736	
Employer Medicare		4,675	
Travel		1,653	
Instructional Supplies and Materials		5,872	
In Service/Staff Development		3,134	
Regular Instruction Equipment		17,127	
Total Early Childhood Education			\$ 537,694

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	18,820	
Heating and Air Conditioning Equipment		7,015	
Total Regular Capital Outlay			25,835

Interest on Debt

Education

Interest on Notes	\$	8,642	
Total Education			8,642

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	2,538,141	
Total Education			2,538,141

Total General Purpose School Fund \$ 80,553,750

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	121,387	
Educational Assistants		555,349	
Other Salaries and Wages		314,653	
Social Security		44,150	
Pensions		56,959	
Life Insurance		1,169	
Medical Insurance		141,496	
Dental Insurance		2,464	
Employer Medicare		13,679	

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Instructional Supplies and Materials	\$	103,100	
Other Supplies and Materials		69,987	
Regular Instruction Equipment		643,198	
Total Regular Instruction Program			\$ 2,067,591

Special Education Program

Teachers	\$	627,277	
Educational Assistants		760,033	
Other Salaries and Wages		27,987	
Social Security		80,692	
Pensions		152,336	
Life Insurance		2,845	
Medical Insurance		333,844	
Dental Insurance		7,035	
Employer Medicare		18,944	
Instructional Supplies and Materials		42,964	
Special Education Equipment		4,813	
Total Special Education Program			2,058,770

Vocational Education Program

Instructional Supplies and Materials	\$	5,682	
Vocational Instruction Equipment		108,192	
Total Vocational Education Program			113,874

Support Services

Other Student Support

Other Salaries and Wages	\$	96,361	
Social Security		5,620	
Pensions		8,711	
Life Insurance		100	
Medical Insurance		17,973	
Dental Insurance		336	
Employer Medicare		1,314	
Communication		350	
Travel		42,337	
Other Contracted Services		1,000	
Other Supplies and Materials		41,686	
In Service/Staff Development		4,416	
Total Other Student Support			220,204

Regular Instruction Program

Supervisor/Director	\$	59,598	
Clerical Personnel		15,806	
Other Salaries and Wages		345,344	
Social Security		23,106	
Pensions		35,764	

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Life Insurance	\$	308	
Medical Insurance		43,700	
Dental Insurance		1,036	
Employer Medicare		5,932	
Maintenance and Repair Services - Equipment		2,566	
Travel		9,030	
Other Supplies and Materials		2,416	
In Service/Staff Development		175,014	
Other Equipment		2,379	
Total Regular Instruction Program			\$ 721,999

Special Education Program

Psychological Personnel	\$	75,924	
Other Salaries and Wages		209,139	
Social Security		15,038	
Pensions		23,007	
Life Insurance		179	
Medical Insurance		26,437	
Dental Insurance		252	
Employer Medicare		3,960	
In Service/Staff Development		7,745	
Total Special Education Program			361,681

Vocational Education Program

Travel	\$	167	
Total Vocational Education Program			167

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	52,019	
Total Education			52,019

Total School Federal Projects Fund \$ 5,596,305

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	72,184	
Career Ladder Program		1,000	
Accountants/Bookkeepers		32,219	
Truck Drivers		29,435	
Secretary(ies)		32,219	
Cafeteria Personnel		1,403,594	
Other Salaries and Wages		63,494	
Social Security		96,201	
Pensions		116,825	

(Continued)

Exhibit L-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Life Insurance	\$	1,889	
Medical Insurance		410,593	
Dental Insurance		4,200	
Employer Medicare		22,644	
Bank Charges		10	
Consultants		4,081	
Contracts with Other School Systems		10,162	
Data Processing Services		17,025	
Dues and Memberships		849	
Operating Lease Payments		2,487	
Licenses		1,520	
Maintenance and Repair Services - Buildings		2,994	
Maintenance and Repair Services - Equipment		16,220	
Printing, Stationery, and Forms		42	
Rentals		1,744	
Travel		15,002	
Data Processing Supplies		39	
Equipment and Machinery Parts		34,875	
Food Preparation Supplies		139,999	
Food Supplies		1,605,431	
Gasoline		2,402	
Office Supplies		3,870	
USDA - Commodities		266,749	
Other Supplies and Materials		2,384	
In Service/Staff Development		6,133	
Data Processing Equipment		2,907	
Food Service Equipment		5,632	
Total Food Service			\$ 4,429,054

Total Central Cafeteria Fund \$ 4,429,054

Other Education Special Revenue No. 1 Fund

Instruction

Regular Instruction Program

Teachers	\$	14,537	
Social Security		895	
Pensions		1,275	
Life Insurance		17	
Medical Insurance		1,541	
Dental Insurance		42	
Employer Medicare		209	
Instructional Supplies and Materials		54,063	
Regular Instruction Equipment		153,283	
Total Regular Instruction Program			\$ 225,862

(Continued)

Exhibit L-8

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

<u>Other Education Special Revenue No. 1 Fund (Cont.)</u>			
<u>Support Services</u>			
<u>Regular Instruction Program</u>			
Other Contracted Services	\$	16,375	
In Service/Staff Development		<u>6,479</u>	
Total Regular Instruction Program			\$ 22,854
<u>Transportation</u>			
Contracts with Vehicle Owners	\$	<u>22,706</u>	
Total Transportation			<u>22,706</u>
Total Other Education Special Revenue No. 1 Fund			\$ 271,422
<u>Other Education Special Revenue No. 2 Fund</u>			
<u>Operation of Non-Instructional Services</u>			
<u>Early Childhood Education</u>			
Teachers	\$	70,120	
Educational Assistants		11,150	
Certified Substitute Teachers		1,770	
Social Security		4,742	
Pensions		6,330	
Life Insurance		116	
Medical Insurance		13,637	
Dental Insurance		224	
Employer Medicare		1,110	
Bank Charges		113	
Instructional Supplies and Materials		<u>103</u>	
Total Early Childhood Education			<u>\$ 109,415</u>
Total Other Education Special Revenue No. 2 Fund			<u>109,415</u>
Total Governmental Funds - Sullivan County School Department			<u>\$ 91,654,530</u>

Exhibit L-9

Sullivan County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balances - City Agency Funds  
For the Year Ended June 30, 2015

	Cities - Sales Tax Fund	City School ADA - Bristol Fund	City School ADA - Kingsport Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 10,029,807	\$ 16,033,957	\$ 26,063,764
Trustee's Collections - Prior Years Circuit/Clerk and Master Collections - Prior Years	0	214,473	344,575	559,048
Interest and Penalty	0	124,754	198,581	323,335
Pick-up Taxes	0	93,466	149,478	242,944
Local Option Sales Tax	0	166,513	266,095	432,608
Bank Excise Tax	21,958,023	4,944,452	7,901,474	34,803,949
Interstate Telecommunication Tax	0	12,396	20,376	32,772
Marriage Licenses	0	2,233	3,567	5,800
Other Local Revenues	0	1,948	3,063	5,011
Total Cash Receipts	\$ 21,958,023	\$ 15,590,405	\$ 24,921,794	\$ 62,470,222
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 21,738,443	\$ 15,301,730	\$ 24,482,923	\$ 61,523,096
Trustee's Commission	219,580	260,521	416,472	896,573
Total Cash Disbursements	\$ 21,958,023	\$ 15,562,251	\$ 24,899,395	\$ 62,419,669
Excess of Cash Receipts				
Over (Under) Cash Disbursements	\$ 0	\$ 28,154	\$ 22,399	\$ 50,553
Cash Balance, July 1, 2014	0	454,099	748,912	1,203,011
Cash Balance, June 30, 2015	\$ 0	\$ 482,253	\$ 771,311	\$ 1,253,564

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# SINGLE AUDIT SECTION

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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

Sullivan County Mayor and  
Board of County Commissioners  
Sullivan 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 Sullivan County, Tennessee as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Sullivan County's basic financial statements, and have issued our report thereon dated December 23, 2015.

**Internal Control Over Financial Reporting**

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

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. 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.

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

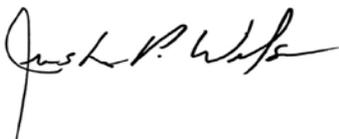
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Sullivan 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*.

### **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 Sullivan 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

December 23, 2015

JPW/kp



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

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

### ***Opinion on Each Major Federal Program***

In our opinion, Sullivan 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 Sullivan 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 Sullivan 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 Sullivan 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

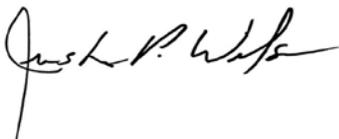
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Sullivan County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Sullivan County's basic financial statements. We issued our report thereon dated December 23, 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

December 23, 2015

JPW/kp

Sullivan 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	\$ 40,505
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	266,749 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	696,466
National School Lunch Program	10.555	N/A	2,233,414 (3)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	(4)	877,922
Total U.S. Department of Agriculture			<u>\$ 4,115,056</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program	12.UNKNOWN	(2)	\$ 58,313
Total U.S. Department of Defense			<u>\$ 58,313</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/State's Program	14.228	(2)	\$ 351,756
Total U.S. Department of Housing and Urban Development			<u>\$ 351,756</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 53,215
Total U.S. Department of the Interior			<u>\$ 53,215</u>
U.S. Department of Justice:			
Direct Program:			
Local Law Enforcement Block Grant Program	16.592	(5)	\$ 26,798
Equitable Sharing Program	16.922	(2)	27,680
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(6)	62,548
Passed-through State Department of Finance and Administration:			
Violence Against Women Formula Grants	16.588	22137	60,101
Total U.S. Department of Justice			<u>\$ 177,127</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	STP-EN-8600(26)	\$ 88,763
Alcohol Open Container Requirements	20.607	(7)	79,068
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	(2)	6,018
Total U.S. Department of Transportation			<u>\$ 173,849</u>

(Continued)

Sullivan 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 Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 2,317,150
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,397,729
Special Education - Preschool Grants	84.173	N/A	124,119
Career and Technical Education - Basic Grants to States	84.048	N/A	147,674
Education for Homeless Children and Youth	84.196	N/A	31,561
Improving Teacher Quality State Grants	84.367	N/A	408,419
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	554,684
Total U.S. Department of Education			<u>\$ 5,981,336</u>
U.S. Department of Health and Human Services:			
Passed-through National Association of County and City Health Officials:			
Medical Reserve Corps Small Grant Program	93.008	MRC-15-1344	\$ 3,500
Passed-through State Department of Health:			
Public Health Emergency Preparedness	93.069	GG-15-42817-00	357,635
National Bioterrorism Hospital Preparedness Program	93.889	GG-15-42817-00	68,587
Injury Prevention and Control Research State and Community Based Programs	93.136	(8)	31,151
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	GU-13-38464-01	52,600
Family Planning - Services	93.217	GG-13-37821-00	120,879
Immunization Grants	93.268	(9)	111,739
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GG-14-40491-00	31,828
Cancer Control	93.399	GG-15-41329-00	61,700
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	GG-15-43153-00	19,370
Temporary Assistance for Needy Families	93.558	(2)	24,552
HIV Prevention Activities - Health Department Based	93.940	(10)	55,493
Assistance Programs for Chronic Disease Prevention and Control	93.945	GG-14-40524-00	90,600
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	34347-50115	1,500
Preventive Health and Health Services Block Grant	93.991	GG-15-41606-00	32,025
Maternal and Child Health Services Block Grant to the States	93.994	(13)	120,332
Total U.S. Department of Health and Human Services			<u>\$ 1,183,491</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	34101-06415	\$ 62,500
Homeland Security Grant Program	97.067	34101-18015	109,084
Total U.S. Department of Homeland Security			<u>\$ 171,584</u>
Total Expenditures of Federal Awards			<u>\$ 12,265,727</u>

(Continued)

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

Federal/Pass through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Care and Coordination Services - State Department of Health	N/A	GG-15-41168-01	\$ 34,172
Adolescent Pregnancy - State Department of Health	N/A	GG-15-40796-00	55,654
TennCare Dental Prevention - State Department of Health	N/A	GG-15-41170-00	190,838
Tuberculosis Control and Prevention Program - State Department of Health	N/A	GG-15-42402-00	56,807
Home Visiting - State Department of Health	N/A	GG-15-41198-00	357,938
TenderCare Outreach - State Department of Health	N/A	GG-15-43153-00	169,964
HIV Prevention Program	N/A	(11)	36,848
Immunization Grants	N/A	(12)	37,358
Rural Library Grant - State Department of Library and Archives	N/A	30504-00315	3,100
Grant in Aid - State Department of Health	N/A	GE-15-41736-00	287,700
Juvenile Service Program - State Commission on Children and Youth	N/A	35910-20373	62,234
State Aid Program - State Department of Transportation	N/A	(2)	214,845
Rebuild and Recover Program - State Department of Housing and Urban Development	N/A	RR-13-004	71,440
Litter Program - State Department of Transportation	N/A	(2)	71,900
Fast Track Industrial Infrastructure Program - State Department of Economic and Community Development	N/A	(2)	84,208
Art Student Ticket Subsidy - Tennessee Arts Commission through State Department of Education	N/A	(2)	6,028
Safe Schools Act Grant - State Department of Education	N/A	(2)	44,600
Lottery for Education After School Program - State Department of Education	N/A	(2)	40,109
Connect TN - State Department of Education	N/A	(2)	30,221
Coordinated School Health - State Department of Education	N/A	(2)	115,338
Early Childhood Education Project - State Department of Education	N/A	(2)	519,808
Total State Grants			<u>\$ 2,491,110</u>

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

- (1) - Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) - Information not available.
- (3) - Total for CFDA No. 10.555 is \$2,500,163.
- (4) - GG-14-38414-00: \$170,527; GG-15-43129-00: \$707,395.
- (5) - 2012-DJ-BX-082: \$2,627; 2012-DJ-BX-085: \$23,058; and 2011-DJ-BX-2595: \$1,113.
- (6) - 38670: \$53,548; 31601-23630: \$9,000.
- (7) - Z-14GHS328: \$47,876; Z-15GHS337: \$31,192.
- (8) - GG-14-40505-00: \$23,155; GG-15-44160-00: \$7,996.
- (9) - GG-14-40794-00: \$56,581; GG-15-43448-00: \$55,158.
- (10) - GG-14-39263-00: \$25,328; GG-15-43701-00: \$30,165.
- (11) - GG-14-39263-00: \$19,056; GG-15-43701-00: \$17,792.
- (12) - GG-14-40794-00: \$18,607; GG-15-43448-00: \$18,751.
- (13) - GG-13-37821-00: \$69,074; GG-15-41168-00: \$51,258.

Sullivan 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. There are no findings from the Annual Financial Report for Sullivan County, Tennessee, for the year ended June 30, 2014, which have not been corrected.

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**SULLIVAN COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2015**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the financial statements of Sullivan County is unmodified.
2. The audit of the financial statements of Sullivan County reported no significant deficiencies in internal control.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Sullivan County.
4. The audit reported no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA No. 10.557), the Improving Teacher Quality State Grants Program (CFDA No. 84.367), and the State Fiscal Stabilization Fund – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$367,972 threshold was used to distinguish between Type A and Type B federal programs.
9. Sullivan County qualified as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

There were no findings relating to the financial statements of Sullivan County, Tennessee, as a result of our examination for the year ended June 30, 2015.

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

There were no findings and questioned costs for federal programs.

## **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 Sullivan County.

### **SULLIVAN COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING AND BUDGETING COVERING ALL DEPARTMENTS**

Sullivan County operates a central purchasing department that makes purchases and enters into contracts for all departments pursuant to Chapter 261, Private Acts of 1947, as amended. For its accounting and budgeting, Sullivan County operates under provisions of Section 5-12-101, et seq., *Tennessee Code Annotated (TCA)*, and Section 5-13-101, et seq., *TCA*. These acts include provisions for centralized accounting and budgeting under the administration of the director of accounts and budgets for funds maintained by the mayor and road superintendent. However, accounting records for the School Department are maintained by School Department personnel. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting and budgeting processes. The absence of a central system of accounting and budgeting has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting and budgeting is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Sullivan County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting and budgeting covering all county departments.

**SULLIVAN 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.