

**ANNUAL FINANCIAL REPORT**  
**WAYNE COUNTY, TENNESSEE**

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



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT**  
**WAYNE 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***

***JEFF BAILEY, CPA, CGFM, CFE***  
***Audit Manager***

***RHONDA DAVIS, CFE***  
***Auditor 4***

***DONYA WADE, CFE***  
***JACOB KENNEDY, CISA***  
***State Auditors***

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

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## WAYNE COUNTY, TENNESSEE

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# ***Summary of Audit Findings***

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

## ***Scope***

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

## ***Results***

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

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

## ***Findings***

The following are summaries of the audit findings:

### **OFFICE OF COUNTY EXECUTIVE**

- ◆ The Wayne County Board of Public Utilities had deficiencies in the maintenance of its accounting records.
- ◆ Material audit adjustments were required for proper financial statement presentation.
- ◆ A tax anticipation note was not issued in compliance with state statutes.
- ◆ Written agreements do not exist to document loans to the Wayne County Retirement Facilities.

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### **OFFICE OF COUNTY CLERK**

- ◆ Employees processed transactions utilizing the same username.

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### **OFFICE OF CLERK AND MASTER**

- ◆ Funds were not adequately collateralized.
-

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

- ◆ Multiple employees operated from the same cash drawer.

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

- ◆ Duties were not segregated adequately.

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# INTRODUCTORY SECTION

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# Wayne County Officials

## June 30, 2015

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### **Officials**

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

### **Board of County Commissioners**

Jason Rich, County Executive, Chairman	Herbert Brewer
O.C. Berry, Jr.	Brent Gobble
Joe Hanback	Tom Mathis, Jr.
Stan Hanback	Warren Miller, III
David Martin	John McDonald
Rickey Kelley	Steve Anderson
Joe Hall	Phillip Casteel
Tim Powell	

### **Board of Education**

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

### **Audit Committee**

John McDonald, Chairman  
Tim Powell  
Regina Tesnow  
Sarah Cook

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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  
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Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of and for the year ended June 30, 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 did not audit the financial statements of the Wayne County Emergency Communications District. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Wayne County Emergency Communications District, is based solely on the report of the other auditors. We were unable to determine Wayne County Emergency Communications District's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Wayne County Retirement Facilities, a component unit requiring discrete presentation, was not included in the county's financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards

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

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

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

***Summary of Opinions***

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

***Basis for Adverse Opinion on Aggregate Discretely Presented Component Units***

The Wayne County Retirement Facilities (which include the Wayne County Nursing Home, the Wayne Care Nursing Home, and the Wayne County Assisted Living Facility), a component unit requiring discrete presentation, was not included in the county's financial statements. Accounting principles generally accepted in the United States of America require that this component unit be presented as part of the aggregate discretely presented component units. Their inclusion would increase the assets, net position, and expenses of the aggregate discretely presented component units. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities has not been determined.

### ***Adverse Opinion***

In our opinion, because of the significance of the matter described in the “Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units” paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of Wayne County, Tennessee, as of June 30, 2015, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparisons for the General, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note V.B., Wayne County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 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 these matters.

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

We draw attention to Note I.D.9. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position of the primary government and the discretely presented Wayne County School Department by \$157,441 and \$3,763,738, respectively, on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county’s net pension liability and related ratios, schedules of county and school contributions, schedule of school’s proportionate share of the net pension liability, and schedule of funding progress – other postemployment benefits plan on pages 86-92 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 Wayne 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 Wayne 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 Wayne 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 Wayne County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2016, on our consideration of Wayne County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of

that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wayne County's internal control over financial reporting and compliance.

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 24, 2016

JPW/kp

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

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

	Primary Government Governmental Activities	Component Units	
		Wayne County School Department	Emergency Communica- tions District
<u>ASSETS</u>			
Cash	\$ 250,100	\$ 555	\$ 152,744
Equity in Pooled Cash and Investments	4,674,951	1,600,798	0
Inventories	0	32,951	0
Accounts Receivable	46,926	0	0
Due from Other Governments	924,537	635,736	0
Due from Component Unit	110,390	0	0
Property Taxes Receivable	3,893,744	2,032,764	0
Allowance for Uncollectible Property Taxes	(130,537)	(68,147)	0
Prepaid Items	0	0	17,056
Restricted Assets:			
Customer Deposits	4,950	0	0
Net Pension Asset - Agent Plan	986,226	1,272,278	0
Net Pension Asset - Cost-sharing Plan	0	44,113	0
Capital Assets:			
Assets Not Depreciated:			
Land	765,569	495,517	55,244
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	10,555,592	11,868,709	692,961
Infrastructure	15,149,302	0	0
Other Capital Assets	1,185,430	1,148,730	607,975
Total Assets	<u>\$ 38,417,180</u>	<u>\$ 19,064,004</u>	<u>\$ 1,525,980</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Changes in Experience - Cost-sharing Plan	\$ 0	\$ 107,097	\$ 0
Pension Changes in Contributions after Measurement Date	230,565	1,077,937	0
Total Deferred Outflows of Resources	<u>\$ 230,565</u>	<u>\$ 1,185,034</u>	<u>\$ 0</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 14,813
Accrued Payroll	6,687	0	0
Payroll Deductions Payable	603	828,947	0
Retainage Payable	18,505	0	0
Due to State of Tennessee	628	8,646	0
Accrued Interest Payable	78,905	0	0
Other Accrued Liabilities	0	0	7,987
Current Liabilities Payable from Restricted Assets:			
Customer Deposits Payable	4,950	0	0
Noncurrent Liabilities:			
Due Within One Year	2,051,299	122,417	30,000
Due in More Than One Year (net of unamortized premium on debt)	22,631,063	3,797,461	424,977
Total Liabilities	<u>\$ 24,792,640</u>	<u>\$ 4,757,471</u>	<u>\$ 477,777</u>

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units	
		Wayne County School Department	Emergency Communica- tions District
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,561,010	\$ 1,859,057	\$ 0
Pension Changes in Investment Earnings	547,267	4,340,677	0
Pension Changes in Experience - Agent Plan	494,364	637,753	0
Change in the Proportionate Share of Pension Contributions	0	33,713	0
Total Deferred Inflows of Resources	<u>\$ 4,602,641</u>	<u>\$ 6,871,200</u>	<u>\$ 0</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 15,484,653	\$ 13,512,956	\$ 901,203
Restricted for:			
General Government	34,611	0	0
Administration of Justice	17,434	0	0
Public Safety	362,416	0	0
Public Health and Welfare	250,000	0	0
Social, Cultural, and Recreational Services	53,594	0	0
Other Purposes	986,226	0	0
Highway/Public Works	1,140,632	0	0
Education	0	1,523,861	0
Unrestricted	<u>(9,077,102)</u>	<u>(6,416,450)</u>	<u>147,000</u>
Total Net Position	<u>\$ 9,252,464</u>	<u>\$ 8,620,367</u>	<u>\$ 1,048,203</u>

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

Exhibit B

Wayne County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 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 Units	
					Governmental Total Activities	Wayne County School Department	Emergency Communi- cations District
Primary Government:							
Governmental Activities:							
General Government	\$ 1,179,647	\$ 226,555	\$ 267,604	\$ 0	\$ (685,488)	\$ 0	\$ 0
Finance	448,271	374,441	0	0	(73,830)	0	0
Administration of Justice	771,154	333,510	4,500	0	(433,144)	0	0
Public Safety	3,158,302	1,272,120	44,233	0	(1,841,949)	0	0
Public Health and Welfare	3,997,234	35,154	4,305,242	0	343,162	0	0
Social, Cultural, and Recreational Services	424,331	9,687	13,637	183,339	(217,668)	0	0
Agriculture and Natural Resources	72,039	0	2,000	0	(70,039)	0	0
Highways/Public Works	2,529,799	20,531	1,977,640	0	(531,628)	0	0
Interest on Long-term Debt	964,553	0	0	0	(964,553)	0	0
Total Governmental Activities	<u>\$ 13,545,330</u>	<u>\$ 2,271,998</u>	<u>\$ 6,614,856</u>	<u>\$ 183,339</u>	<u>\$ (4,475,137)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Primary Government	<u>\$ 13,545,330</u>	<u>\$ 2,271,998</u>	<u>\$ 6,614,856</u>	<u>\$ 183,339</u>	<u>\$ (4,475,137)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Component Units:							
Wayne County School Department	\$ 21,190,270	\$ 406,305	\$ 3,831,572	\$ 0	\$ 0	\$ (16,952,393)	\$ 0
Emergency Communications District	399,982	49,514	226,617	87,681	0	0	(36,170)
Total Component Units	<u>\$ 21,590,252</u>	<u>\$ 455,819</u>	<u>\$ 4,058,189</u>	<u>\$ 87,681</u>	<u>\$ 0</u>	<u>\$ (16,952,393)</u>	<u>\$ (36,170)</u>

(Continued)

Exhibit B

Wayne 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 Units	
					Governmental Total Activities	Wayne County School Department	Emergency Communi- cations District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 2,675,687	\$ 1,946,501	\$ 0	0
Property Taxes Levied for Debt Service				1,000,850	0	0	0
Local Option Sales Tax				967,453	681,340	0	0
Wheel Tax				576,528	0	0	0
Litigation Tax				121,206	0	0	0
Business Tax				88,492	0	0	0
Mineral Severance Tax				103,449	0	0	0
Wholesale Beer Tax				127,445	0	0	0
Other Local Taxes				49,943	28,498	0	0
Grants and Contributions Not Restricted to Specific Programs				1,124,870	14,065,656	15,251	15,251
Unrestricted Investment Earnings				29,060	84	1,360	1,360
Miscellaneous				246,134	212,493	1,100	1,100
Pension Income				102,036	175,083	0	0
Total General Revenues				<u>\$ 7,213,153</u>	<u>\$ 17,109,655</u>	<u>\$ 17,711</u>	<u>17,711</u>
Change in Net Position				\$ 2,738,016	\$ 157,262	\$ (18,459)	(18,459)
Net Position, July 1, 2014				6,671,889	12,226,843	1,066,662	1,066,662
Restatement - See Note I.D.9.				(157,441)	(3,763,738)	0	0
Net Position, June 30, 2015				<u>\$ 9,252,464</u>	<u>\$ 8,620,367</u>	<u>\$ 1,048,203</u>	<u>1,048,203</u>

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

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 250,100	\$ 0	\$ 0	\$ 0	\$ 0	250,100
Equity in Pooled Cash and Investments	1,696,652	408,091	571,511	1,483,132	515,565	4,674,951
Accounts Receivable	0	0	0	39,367	7,559	46,926
Due from Other Governments	372,975	0	363,223	178,339	10,000	924,537
Due from Other Funds	0	0	0	200,000	0	200,000
Due from Component Units	110,390	0	0	0	0	110,390
Property Taxes Receivable	1,961,187	830,284	42,946	1,059,327	0	3,893,744
Allowance for Uncollectible Property Taxes	(65,748)	(27,835)	(1,440)	(35,514)	0	(130,537)
Restricted Assets	0	0	0	0	4,950	4,950
<b>Total Assets</b>	<b>\$ 4,325,556</b>	<b>\$ 1,210,540</b>	<b>\$ 976,240</b>	<b>\$ 2,924,651</b>	<b>\$ 538,074</b>	<b>\$ 9,975,061</b>
<u>LIABILITIES</u>						
Accrued Payroll	\$ 0	\$ 0	\$ 6,687	\$ 0	\$ 0	6,687
Payroll Deductions Payable	363	0	240	0	0	603
Retainage Payable	0	0	0	0	18,505	18,505
Due to Other Funds	200,000	0	0	0	0	200,000
Due to State of Tennessee	628	0	0	0	0	628
Current Liabilities Payable From Restricted Assets	0	0	0	0	4,950	4,950
<b>Total Liabilities</b>	<b>\$ 200,991</b>	<b>\$ 0</b>	<b>\$ 6,927</b>	<b>\$ 0</b>	<b>\$ 23,455</b>	<b>\$ 231,373</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 1,793,597	\$ 759,333	\$ 39,276	\$ 968,804	\$ 0	3,561,010
Deferred Delinquent Property Taxes	94,519	40,038	2,071	50,924	0	187,552

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Funds Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Other Deferred/Unavailable Revenue	\$ 88,615	\$ 0	\$ 187,362	\$ 92,203	\$ 0	\$ 368,180
Total Deferred Inflows of Resources	\$ 1,976,731	\$ 799,371	\$ 228,709	\$ 1,111,931	\$ 0	\$ 4,116,742
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 34,611	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,611
Restricted for Administration of Justice	17,434	0	0	0	0	17,434
Restricted for Public Safety	269,254	0	0	0	93,162	362,416
Restricted for Public Health and Welfare	250,000	0	0	0	0	250,000
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	53,594	53,594
Restricted for Highways/Public Works	0	0	740,604	0	229,873	970,477
Committed:						
Committed for Public Health and Welfare	0	411,169	0	0	0	411,169
Committed for Debt Service	0	0	0	1,812,720	0	1,812,720
Committed for Capital Projects	676,322	0	0	0	137,990	814,312
Assigned:						
Assigned for Public Safety	896	0	0	0	0	896
Assigned for Social, Cultural, and Recreational Services	38,025	0	0	0	0	38,025
Unassigned	861,292	0	0	0	0	861,292
Total Fund Balances	\$ 2,147,834	\$ 411,169	\$ 740,604	\$ 1,812,720	\$ 514,619	\$ 5,626,946
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,325,556	\$ 1,210,540	\$ 976,240	\$ 2,924,651	\$ 538,074	\$ 9,975,061

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

Exhibit C-2

Wayne 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)		\$ 5,626,946
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 765,569	
Add: buildings and improvements net of accumulated depreciation	10,555,592	
Add: infrastructure net of accumulated depreciation	15,149,302	
Add: other capital assets net of accumulated depreciation	<u>1,185,430</u>	27,655,893
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (24,102,428)	
Less: other loans payable	(500,000)	
Less: compensated absences payable	(72,522)	
Less: accrued interest on bonds and other loans	(78,905)	
Less: other deferred revenue - premium on debt	<u>(7,412)</u>	(24,761,267)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 230,565	
Less: deferred inflows of resources related to pensions	<u>(1,041,631)</u>	(811,066)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		986,226
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>555,732</u>
Net position of governmental activities (Exhibit A)		<u>\$ 9,252,464</u>

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

Exhibit C-3

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

	Major Funds				Nonmajor	Total
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 2,341,206	\$ 832,250	\$ 41,176	\$ 2,451,728	\$ 114,240	\$ 5,780,600
Licenses and Permits	5,659	0	0	0	0	5,659
Fines, Forfeitures, and Penalties	138,313	0	0	0	20,781	159,094
Charges for Current Services	45,631	0	0	0	99,202	144,833
Other Local Revenues	194,911	62,004	126,091	0	28,447	411,453
Fees Received From County Officials	615,710	0	0	0	0	615,710
State of Tennessee	2,473,413	3,637	1,967,192	0	129,487	4,573,729
Federal Government	48,309	0	0	0	183,339	231,648
Other Governments and Citizens Groups	4,008,379	0	0	200,000	13,615	4,221,994
<b>Total Revenues</b>	<b>\$ 9,871,531</b>	<b>\$ 897,891</b>	<b>\$ 2,134,459</b>	<b>\$ 2,651,728</b>	<b>\$ 589,111</b>	<b>\$ 16,144,720</b>
<u>Expenditures</u>						
Current:						
General Government	\$ 944,545	\$ 0	\$ 0	\$ 0	\$ 0	\$ 944,545
Finance	445,868	0	0	0	0	445,868
Administration of Justice	671,575	0	0	0	491	672,066
Public Safety	2,759,098	0	0	0	4,795	2,763,893
Public Health and Welfare	3,009,256	775,374	0	0	0	3,784,630
Social, Cultural, and Recreational Services	215,277	0	0	0	0	215,277
Agriculture and Natural Resources	73,861	0	0	0	0	73,861
Other Operations	440,779	0	0	0	167,915	608,694
Highways	43,388	0	2,837,528	0	0	2,880,916
Support Services	7,465	0	0	0	0	7,465
Debt Service:						
Principal on Debt	0	0	0	1,403,063	0	1,403,063
Interest on Debt	0	0	0	966,640	0	966,640

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor	Total
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Debt Service (Cont.)						
Other Debt Service	\$ 0	\$ 0	\$ 0	\$ 217,661	\$ 0	\$ 217,661
Capital Projects	0	0	0	0	556,748	556,748
Total Expenditures	<u>\$ 8,611,112</u>	<u>\$ 775,374</u>	<u>\$ 2,837,528</u>	<u>\$ 2,587,364</u>	<u>\$ 729,949</u>	<u>\$ 15,541,327</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,260,419</u>	<u>\$ 122,517</u>	<u>\$ (703,069)</u>	<u>\$ 64,364</u>	<u>\$ (140,838)</u>	<u>\$ 603,393</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 30,531	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,531
Transfers In	0	0	0	10,529	73,678	84,207
Transfers Out	(73,678)	0	0	0	(10,529)	(84,207)
Total Other Financing Sources (Uses)	<u>\$ (43,147)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,529</u>	<u>\$ 63,149</u>	<u>\$ 30,531</u>
Net Change in Fund Balances	\$ 1,217,272	\$ 122,517	\$ (703,069)	\$ 74,893	\$ (77,689)	\$ 633,924
Fund Balance, July 1, 2014	<u>930,562</u>	<u>288,652</u>	<u>1,443,673</u>	<u>1,737,827</u>	<u>592,308</u>	<u>4,993,022</u>
Fund Balance, June 30, 2015	<u>\$ 2,147,834</u>	<u>\$ 411,169</u>	<u>\$ 740,604</u>	<u>\$ 1,812,720</u>	<u>\$ 514,619</u>	<u>\$ 5,626,946</u>

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

Exhibit C-4

Wayne County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 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)		\$ 633,924
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,655,576	
Less: current-year depreciation expense	<u>(1,152,758)</u>	502,818
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(137,839)
(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	\$ (558,497)	
Add: deferred delinquent property taxes and other deferred June 30, 2015	<u>555,732</u>	(2,765)
(4) The issuance of long-term debt (e.g., notes, bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Add: change in premium on debt issuances	\$ 11,899	
Add: principal payments on notes	<u>1,403,063</u>	1,414,962
(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	\$ 2,087	
Change in compensated absences payable	(7,772)	
Change in net pension liability/asset	1,143,667	
Change in deferred outflows of resources related to pensions	230,565	
Change in deferred inflows of resources related to pensions	<u>(1,041,631)</u>	326,916
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,738,016</u>

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

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<b>Revenues</b>						
Local Taxes	\$ 2,341,206	\$ 0	\$ 2,341,206	\$ 2,452,435	\$ 2,555,472	\$ (214,266)
Licenses and Permits	5,659	0	5,659	7,169	7,169	(1,510)
Fines, Forfeitures, and Penalties	138,313	0	138,313	158,141	158,141	(19,828)
Charges for Current Services	45,631	0	45,631	18,615	58,022	(12,391)
Other Local Revenues	194,911	0	194,911	60,566	137,978	56,933
Fees Received From County Officials	615,710	0	615,710	679,603	697,983	(82,273)
State of Tennessee	2,473,413	0	2,473,413	2,194,789	2,289,203	184,210
Federal Government	48,309	0	48,309	40,000	40,000	8,309
Other Governments and Citizens Groups	4,008,379	0	4,008,379	0	4,000,000	8,379
<b>Total Revenues</b>	<b>\$ 9,871,531</b>	<b>\$ 0</b>	<b>\$ 9,871,531</b>	<b>\$ 5,611,318</b>	<b>\$ 9,943,968</b>	<b>\$ (72,437)</b>
<b>Expenditures</b>						
<b>General Government</b>						
County Commission	\$ 90,892	\$ 20	\$ 90,912	\$ 87,965	\$ 91,040	\$ 128
County Mayor/Executive	205,272	30	205,302	161,515	206,169	867
Election Commission	133,774	0	133,774	139,050	139,050	5,276
Register of Deeds	112,841	0	112,841	117,694	117,694	4,853
County Buildings	363,928	435	364,363	343,497	366,371	2,008
Other General Administration	37,838	0	37,838	23,798	38,075	237
<b>Finance</b>						
Property Assessor's Office	132,669	0	132,669	146,460	146,460	13,791
Reappraisal Program	15,610	0	15,610	16,598	16,598	988
County Trustee's Office	150,055	0	150,055	150,352	150,352	297
County Clerk's Office	147,534	320	147,854	144,372	148,012	158
<b>Administration of Justice</b>						
Circuit Court	165,443	0	165,443	172,856	172,856	7,413

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	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>Administration of Justice (Cont.)</u>						
General Sessions Court	\$ 228,903	\$ 0	\$ 228,903	\$ 224,080	\$ 229,187	\$ 284
Drug Court	7,586	0	7,586	7,626	7,626	40
Chancery Court	119,825	300	120,125	120,453	120,453	328
Juvenile Court	63,022	0	63,022	65,532	65,532	2,510
Judicial Commissioners	58,365	0	58,365	60,109	60,109	1,744
Courtroom Security	28,431	0	28,431	35,236	35,236	6,805
<u>Public Safety</u>						
Sheriff's Department	1,145,507	5,210	1,150,717	927,347	1,158,334	7,617
Jail	1,446,512	2,500	1,449,012	1,449,458	1,472,669	23,657
Rural Fire Protection	83,077	2,090	85,167	85,150	85,385	218
Civil Defense	11,814	0	11,814	17,000	17,000	5,186
Other Emergency Management	39,386	435	39,821	40,739	40,739	918
County Coroner/Medical Examiner	31,302	0	31,302	25,053	31,312	10
Other Public Safety	1,500	0	1,500	1,500	1,500	0
<u>Public Health and Welfare</u>						
Local Health Center	164,913	0	164,913	64,525	185,190	20,277
Nursing Home	2,718,779	0	2,718,779	0	2,718,779	0
Alcohol and Drug Programs	0	0	0	2,500	2,500	2,500
Other Local Health Services	104,064	0	104,064	106,464	104,761	697
Regional Mental Health Center	9,000	0	9,000	9,000	9,000	0
Other Local Welfare Services	12,500	0	12,500	13,000	13,000	500
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	36,000	0	36,000	36,000	36,000	0
Libraries	162,126	0	162,126	152,730	162,339	213
Other Social, Cultural, and Recreational	17,151	0	17,151	18,750	17,160	9

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	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>Agriculture and Natural Resources</u>						
Agricultural Extension Service	\$ 32,606	\$ 0	\$ 32,606	\$ 49,133	\$ 33,533	\$ 927
Forest Service	2,000	0	2,000	2,000	2,000	0
Soil Conservation	39,255	0	39,255	45,824	45,824	6,569
<u>Other Operations</u>						
Other Economic and Community Development	46,676	0	46,676	47,839	47,839	1,163
Veterans' Services	12,536	0	12,536	14,032	14,028	1,492
Other Charges	301,652	0	301,652	345,000	408,234	106,582
Contributions to Other Agencies	27,441	0	27,441	4,200	27,441	0
Employee Benefits	1,412	0	1,412	5,000	1,424	12
Miscellaneous	51,062	0	51,062	68,204	51,062	0
<u>Highways</u>						
Litter and Trash Collection	43,388	0	43,388	48,323	48,323	4,935
<u>Support Services</u>						
Other Programs	7,465	0	7,465	9,753	7,466	1
Total Expenditures	\$ 8,611,112	\$ 11,340	\$ 8,622,452	\$ 5,605,717	\$ 8,853,662	\$ 231,210
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 1,260,419	\$ (11,340)	\$ 1,249,079	\$ 5,601	\$ 1,090,306	\$ 158,773
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 30,531	\$ 0	\$ 30,531	\$ 18,000	\$ 18,000	\$ 12,531
Transfers In	0	0	0	58,000	0	0
Transfers Out	(73,678)	0	(73,678)	0	(73,678)	0
Total Other Financing Sources	\$ (43,147)	\$ 0	\$ (43,147)	\$ 76,000	\$ (55,678)	\$ 12,531

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	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	\$ 1,217,272	\$ (11,340)	\$ 1,205,932	\$ 81,601	\$ 1,034,628	\$ 171,304
Fund Balance, July 1, 2014	930,562	0	930,562	966,226	966,226	(35,664)
Fund Balance, June 30, 2015	\$ 2,147,834	\$ (11,340)	\$ 2,136,494	\$ 1,047,827	\$ 2,000,854	\$ 135,640

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

Exhibit C-6

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<b>Revenues</b>						
Local Taxes	\$ 832,250	\$ 0	\$ 832,250	\$ 835,108	\$ 835,108	\$ (2,858)
Other Local Revenues	62,004	0	62,004	32,000	32,000	30,004
State of Tennessee	3,637	0	3,637	0	0	3,637
<b>Total Revenues</b>	<b>\$ 897,891</b>	<b>\$ 0</b>	<b>\$ 897,891</b>	<b>\$ 867,108</b>	<b>\$ 867,108</b>	<b>\$ 30,783</b>
<b>Expenditures</b>						
<b>Public Health and Welfare</b>						
Other Waste Collection	\$ 71,783	\$ 0	\$ 71,783	\$ 74,315	\$ 74,315	\$ 2,532
Landfill Operation and Maintenance	0	0	0	11,500	11,500	11,500
Other Waste Disposal	703,591	35,600	739,191	752,373	752,373	13,182
<b>Total Expenditures</b>	<b>\$ 775,374</b>	<b>\$ 35,600</b>	<b>\$ 810,974</b>	<b>\$ 838,188</b>	<b>\$ 838,188</b>	<b>\$ 27,214</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 122,517	\$ (35,600)	\$ 86,917	\$ 28,920	\$ 28,920	\$ 57,997
Net Change in Fund Balance	\$ 122,517	\$ (35,600)	\$ 86,917	\$ 28,920	\$ 28,920	\$ 57,997
Fund Balance, July 1, 2014	288,652	0	288,652	270,084	270,084	18,568
<b>Fund Balance, June 30, 2015</b>	<b>\$ 411,169</b>	<b>\$ (35,600)</b>	<b>\$ 375,569</b>	<b>\$ 299,004</b>	<b>\$ 299,004</b>	<b>\$ 76,565</b>

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

Exhibit C-7

Wayne County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 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	\$ 41,176	\$ 0	\$ 0	\$ 41,176	\$ 42,567	\$ 42,567	\$ (1,391)
Other Local Revenues	126,091	0	0	126,091	70,000	70,000	56,091
State of Tennessee	1,967,192	0	0	1,967,192	3,668,611	3,668,611	(1,701,419)
Federal Government	0	0	0	0	100,000	100,000	(100,000)
Other Governments and Citizens Groups	0	0	0	0	40,225	40,225	(40,225)
Total Revenues	\$ 2,134,459	\$ 0	\$ 0	\$ 2,134,459	\$ 3,921,403	\$ 3,921,403	\$ (1,786,944)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 194,753	\$ 0	\$ 0	\$ 194,753	\$ 197,295	\$ 200,416	\$ 5,663
Highway and Bridge Maintenance	1,855,329	(391,036)	0	1,464,293	1,798,303	1,795,182	330,889
Operation and Maintenance of Equipment	584,588	0	0	584,588	760,700	760,700	176,112
Other Charges	82,230	0	0	82,230	90,000	91,181	8,951
Employee Benefits	39,700	0	0	39,700	39,800	39,800	100
Capital Outlay	80,928	0	850	81,778	1,412,500	1,411,319	1,329,541
Total Expenditures	\$ 2,837,528	\$ (391,036)	\$ 850	\$ 2,447,342	\$ 4,298,598	\$ 4,298,598	\$ 1,851,256
Excess (Deficiency) of Revenues Over Expenditures	\$ (703,069)	\$ 391,036	\$ (850)	\$ (312,883)	\$ (377,195)	\$ (377,195)	\$ 64,312
Net Change in Fund Balance	\$ (703,069)	\$ 391,036	\$ (850)	\$ (312,883)	\$ (377,195)	\$ (377,195)	\$ 64,312
Fund Balance, July 1, 2014	1,443,673	(391,036)	0	1,052,637	676,782	676,782	375,855
Fund Balance, June 30, 2015	\$ 740,604	\$ 0	\$ (850)	\$ 739,754	\$ 299,587	\$ 299,587	\$ 440,167

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 483,821
Accounts Receivable	142
Due from Other Governments	<u>89,226</u>
Total Assets	<u>\$ 573,189</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 89,226
Due to Litigants, Heirs, and Others	<u>483,963</u>
Total Liabilities	<u>\$ 573,189</u>

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

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## WAYNE COUNTY, TENNESSEE

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**WAYNE COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements (Cont.)**

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

Wayne County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Wayne County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Wayne County General Hospital Board of Trustees operates the Wayne County Retirement Facilities. The Wayne County Retirement Facilities were composed of the Wayne County Nursing Home, Wayne Care Nursing Home, and Wayne County Assisted Living Facility. However, on May 1, 2015, the Board of Trustees sold the Wayne County Nursing Home and the Wayne Care Nursing Home. The Wayne County Assisted Living Facility is still in operation as of June 30, 2015. The board provides health care to the citizens of Wayne County, and the Wayne County Commission appoints the board. Patient charges provide the majority of revenues for the board. Before the issuance of debt instruments, the board must obtain the County

Commission's approval. The financial statements of the Wayne County Retirement Facilities were not available from other auditors in time for inclusion in this report.

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

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

Administrative Offices:

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

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

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

**B. Government-wide and Fund Financial Statements**

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

rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Wayne County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Wayne County School Department component unit only reports governmental activities in the government-wide financial statements.

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

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

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

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

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

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

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

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

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

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

Wayne County reports the following major governmental funds:

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

**Solid Waste/Sanitation Fund** – This special revenue fund accounts for transactions related to the solid waste transfer station. Local taxes are the foundational revenues of this fund.

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

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

Additionally, Wayne County reports the following fund types:

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

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Wayne County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

Additionally, the Wayne County School Department reports the following fund type:

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

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

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

1. **Deposits and Investments**

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

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

2. **Receivables and Payables**

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

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

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and

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

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

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

Retainage payable in the Community Development/Industrial Park fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the Community Development/Industrial Park Fund.

### **3. Inventories**

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

### **4. Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and an

estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 40
Other Capital Assets	5 - 20
Infrastructure:	
Roads	20
Bridges	40

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

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for pension changes in experience and pension changes in employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in investment earnings, pension changes in experience, changes in proportionate share of pension contributions, and various receivables

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

**6. Compensated Absences**

**Primary Government**

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

**Discretely Presented Wayne County School Department**

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

**7. Long-term Obligations**

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

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

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

**8. Net Position and Fund Balance**

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

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

On the government-wide Statement of Net Position (Exhibit A), the account Restricted for Other Purposes totaling \$986,226 for the primary government consists of an amount restricted to recognize the net pension asset of the county's agent pension plan.

As of June 30, 2015, Wayne County had \$12,438,600 in outstanding debt for capital purposes for the discretely presented Wayne County School Department. This debt is a liability of Wayne County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Wayne County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

amounts in any of these unrestricted fund balance classifications could be used.

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

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

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

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

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

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

## **9. Restatement**

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore, a restatement to decrease Wayne County’s and the Wayne County School Department’s beginning net position by

\$157,441 and \$3,763,738, respectively, has been recognized on the Statement of Activities.

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

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

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

**Primary Government**

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

**Discretely Presented Wayne County School Department**

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

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

**A. Budgetary Information**

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

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

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

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

**B. The County Had Deposits Exposed to Custodial Credit Risk**

The clerk and master did not require a depository holding county funds to pledge adequate securities to protect funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 2015, deposits at one depository exceeded FDIC coverage and collateral securities by \$155,522. Section 5-8-201, *Tennessee Code Annotated*, provides for county officials to require any bank that is a depository of county funds to deposit in an escrow account in a second bank collateral security equal to 105 percent of such county funds.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

**Deposits**

**Legal Provisions.** All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

**Custodial Credit Risk.** Custodial credit risk is the risk that in the event of a bank failure, Wayne County's deposits may not be returned to it. Wayne

County does not have a formal policy that limits custodial risk for deposits. Separate disclosures concerning bank balances of pooled deposits cannot be made for Wayne County and the discretely presented Wayne County School Department since both pool their deposits and investments through the county trustee. As of June 30, 2015, uninsured and uncollateralized bank balances of \$155,522 (Office of Clerk and Master) were exposed to custodial credit risk. Uninsured and uncollateralized deposits are a violation of state statutes.

**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, Wayne County had the following investments carried at fair value. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Wayne County and the discretely presented Wayne County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Fair Value
State Treasurer's Investment Pool	3 to 139	\$ 236,732

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Wayne County does not have a formal investment policy that limits investment maturities

as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Wayne County has no investment policy that would further limit its investment choices. As of June 30, 2015, Wayne 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 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 738,374	\$ 35,500	\$ (8,305)	\$ 765,569
Total Capital Assets Not Depreciated	<u>\$ 738,374</u>	<u>\$ 35,500</u>	<u>\$ (8,305)</u>	<u>\$ 765,569</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 15,741,739	\$ 94,500	\$ (438,169)	\$ 15,398,070
Infrastructure	16,595,513	1,152,261	0	17,747,774
Other Capital Assets	4,198,644	373,315	(624,336)	3,947,623
Total Capital Assets Depreciated	<u>\$ 36,535,896</u>	<u>\$ 1,620,076</u>	<u>\$ (1,062,505)</u>	<u>\$ 37,093,467</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 4,775,328	\$ 413,846	\$ (346,696)	\$ 4,842,478
Infrastructure	2,111,567	486,905	0	2,598,472
Other Capital Assets	3,096,461	252,007	(586,275)	2,762,193
Total Accumulated Depreciation	<u>\$ 9,983,356</u>	<u>\$ 1,152,758</u>	<u>\$ (932,971)</u>	<u>\$ 10,203,143</u>
Total Capital Assets Depreciated, Net	<u>\$ 26,552,540</u>	<u>\$ 467,318</u>	<u>\$ (129,534)</u>	<u>\$ 26,890,324</u>
Governmental Activities Capital Assets, Net	<u>\$ 27,290,914</u>	<u>\$ 502,818</u>	<u>\$ (137,839)</u>	<u>\$ 27,655,893</u>

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

**Governmental Activities:**

General Government	\$ 16,620
Finance	580
Administration of Justice	85,852
Public Safety	270,456
Public Health and Welfare	137,960
Social, Cultural, and Recreational Services	155,035
Agriculture and Natural Resources	298
Highway/Public Works	<u>485,957</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,152,758</u></u>

**Discretely Presented Wayne County School Department -**

**Governmental Activities**

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 495,517	\$ 0	\$ 0	\$ 495,517
Total Capital Assets Not Depreciated	<u>\$ 495,517</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 495,517</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 27,064,377	\$ 0	\$ 0	\$ 27,064,377
Other Capital Assets	3,295,289	217,214	(44,884)	3,467,619
Total Capital Assets Depreciated	<u>\$ 30,359,666</u>	<u>\$ 217,214</u>	<u>\$ (44,884)</u>	<u>\$ 30,531,996</u>

**Discretely Presented Wayne County School Department -**

**Governmental Activities (Continued)**

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 14,475,329	\$ 720,339	\$ 0	\$ 15,195,668
Other Capital Assets	2,162,970	200,803	(44,884)	2,318,889
Total Accumulated Depreciation	<u>\$ 16,638,299</u>	<u>\$ 921,142</u>	<u>\$ (44,884)</u>	<u>\$ 17,514,557</u>
Total Capital Assets Depreciated, Net	<u>\$ 13,721,367</u>	<u>\$ (703,928)</u>	<u>\$ 0</u>	<u>\$ 13,017,439</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,216,884</u>	<u>\$ (703,928)</u>	<u>\$ 0</u>	<u>\$ 13,512,956</u>

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

**Governmental Activities:**

Instruction	\$ 13,817
Support Services	876,169
Operation of Non-instructional Services	<u>31,156</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 921,142</u>

**C. Construction Commitments**

At June 30, 2015, Wayne County had uncompleted contracts of approximately \$120,283 for the construction of water lines. Funding for these future expenditures has been received from a federal grant.

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

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

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General Debt Service	General	\$ 200,000
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	11,923

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

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

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Component Unit: Wayne County Retirement Facilities	\$ 110,390

**Interfund Transfers:**

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

**Primary Government**

Transfers Out	Transfers In	
	General Debt Service Fund	Nonmajor Governmental Fund
General Fund	\$ 0	\$ 73,678
Nonmajor governmental fund	10,529	0
<b>Total</b>	<b>\$ 10,529</b>	<b>\$ 73,678</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. Long-term Obligations**

**Primary Government**

**General Obligation Bonds and Other Loans**

Wayne County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds.

General obligation bonds and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 38 years for bonds and three years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and other loans included in long-term debt as of June 30, 2015, will be retired from the General Debt Service Fund.

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

<u>Type</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-15</u>
General Obligation Bonds	2.75 to 4.25 %	3-12-52	\$ 17,489,000	\$ 14,232,428
General Obligation Bonds - Refunding	3.2 to 4	12-1-23	11,850,000	9,870,000
Other Loans	1.49	2-7-16	500,000	500,000

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 1,478,777	\$ 902,613	\$ 2,381,390
2017	1,534,515	845,629	2,380,144
2018	1,595,275	786,440	2,381,715
2019	1,651,060	725,033	2,376,093
2020	1,711,871	661,409	2,373,280
2021-2025	8,352,464	2,278,697	10,631,161
2026-2030	4,292,071	1,131,338	5,423,409
2031-2035	2,645,986	366,156	3,012,142
2036-2040	235,004	109,636	344,640
2041-2045	275,076	69,564	344,640
2046-2050	245,638	28,394	274,032
2051-2052	84,691	2,087	86,778
Total	\$ 24,102,428	\$ 7,906,996	\$ 32,009,424

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2016	\$ 500,000	\$ 7,450	\$ 507,450
Total	\$ 500,000	\$ 7,450	\$ 507,450

There is \$1,812,720 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and other loans, totaled \$1,445, based on the 2010 federal census.

#### Changes in Long-term Obligations

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

Governmental Activities:

	Bonds	Other Loans	Compensated Absences
Balance, July 1, 2014	\$ 25,505,491	\$ 500,000	\$ 64,750
Additions	0	0	117,882
Reductions	(1,403,063)	0	(110,110)
Balance, June 30, 2015	<u>\$ 24,102,428</u>	<u>\$ 500,000</u>	<u>\$ 72,522</u>
Balance Due Within One Year	<u>\$ 1,478,777</u>	<u>\$ 500,000</u>	<u>\$ 72,522</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 24,674,950
Less: Due Within One Year	(2,051,299)
Add: Unamortized Premium on Debt	<u>7,412</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 22,631,063</u>

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

**Discretely Presented Wayne County School Department**

Changes in Long-term Obligations

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

Governmental Activities:

	Termination Benefits	Other Postemployment Benefits
Balance, July 1, 2014	\$ 306,048	\$ 3,153,021
Additions	219,012	492,249
Reductions	(97,884)	(152,568)
Balance, June 30, 2015	<u>\$ 427,176</u>	<u>\$ 3,492,702</u>
Balance Due Within One Year	<u>\$ 122,417</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 3,919,878
Less: Due Within One Year	<u>(122,417)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,797,461</u>

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

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

**Primary Government**

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Wayne 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 by the state to the Medicare Supplement Plan for the year ended June 30, 2015, were \$3,075. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

**Discretely Presented Wayne County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Wayne County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2015, were \$62,482 and \$26,313, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**G. Short-term Debt**

Wayne County issued tax anticipation notes from the General Debt Service Fund in advance of property tax collections and deposited the proceeds in the General Fund. These notes were necessary to provide funds for operations. Short-term debt activity for the year ended June 30, 2015, was as follows:

	Balance 7-1-14	Issued	Paid	Balance 6-30-15
Tax Anticipation Notes	\$ 0	\$ 320,000	\$ (320,000)	\$ 0

**V. OTHER INFORMATION**

**A. Risk Management**

**Primary Government**

It is the policy of the county to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property, casualty, workers' compensation, and employee health and accident. Settled claims have not exceeded this commercial coverage during this fiscal year. Pre-65 age retirees are not allowed to participate in the employee health and accident insurance program.

**Discretely Presented Wayne County School Department**

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

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

**B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 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 November 5, 2015, Wayne County issued \$4,000,000 in General Obligation Bonds.

On February 9, 2016, Wayne County Executive, Jason Rich, submitted his letter of resignation to the County Commission effective March 8, 2016.

**D. Contingent Liabilities**

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

**E. Changes in Administration**

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

On June 15, 2015, Gailand Grinder left the Office of Director of Schools and was succeeded by Marlon Davis.

**F. Joint Ventures**

The Joint Economic and Community Development Board is a joint venture between Wayne County and the cities of Clifton, Collinwood, and Waynesboro. The board comprises 11 members as follows: Wayne County executive; mayors of the cities of Waynesboro, Clifton, and Collinwood; and seven appointed members from the private sector. The purpose of the board is to expand and diversify the economy of the cities and county. The cities and county provide the majority of funding for the board based on the percentage

of their population compared to the total census of the county. Wayne County made no contributions to the operations of the Joint Economic and Community Development Board during the year ended June 30, 2015.

The Twenty-second Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-second Judicial District, Lawrence, Giles, Maury, and Wayne counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Wayne County did not contribute any funds to the DTF for the year ended June 30, 2015.

Wayne County does not have an equity interest in the above-noted joint venture. Complete financial statements for the Joint Economic and Community Development Board and the Twenty-second Judicial District DTF can be obtained from their administrative offices at the following addresses:

Administrative Offices:

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

Office of District Attorney General  
Twenty-second Judicial District Drug Task Force  
P.O. Box 852  
Lawrenceburg, TN 38464

**G. Jointly Governed Organization**

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

## H. Retirement Commitments

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

#### Primary Government

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

*Plan Description.* Employees of Wayne County, non-certified employees of the discretely presented Wayne County School Department, and employees of the discretely presented Wayne County Retirement Facilities 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 37.58 percent, the non-certified employees of the discretely present School Department comprise 48.48 percent, and employees of the discretely presented Wayne County Retirement Facilities comprise 13.94 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 are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in

the CPA 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	175
Inactive Employees Entitled to But Not Yet Receiving Benefits	390
Active Employees	330
 Total	 <u>895</u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Wayne 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, 2014, employer contributions for Wayne County were \$386,488 based on a rate of 6.56 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Wayne County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) 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)**

Wayne 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 Wayne 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	\$ 21,116,401	\$ 20,122,287	994,114
Changes for the year:			
Service Cost	\$ 765,019	\$ 0	\$ 765,019
Interest	1,599,409	0	1,599,409
Differences Between Expected and Actual Experience	(1,644,371)	0	(1,644,371)
Contributions-Employer	0	575,164	(575,164)
Contributions-Employees	0	452,687	(452,687)
Net Investment Income	0	3,325,792	(3,325,792)
Benefit Payments, Including Refunds of Employee Contributions	(1,111,913)	(1,111,913)	0
Administrative Expense	0	(15,136)	15,136
Other Changes	0	0	0
Net Changes	\$ (391,856)	\$ 3,226,594	\$ (3,618,450)
Balance, June 30, 2014	\$ 20,724,545	\$ 23,348,881	\$ (2,624,336)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	37.58%	\$ 7,788,284	\$ 8,774,510	\$ (986,226)
Retirement Facilities	13.94%	2,889,002	3,254,834	(365,832)
School Department	48.48%	10,047,259	11,319,537	(1,272,278)
Total		\$ 20,724,545	\$ 23,348,881	\$ (2,624,336)

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

	1% Decrease	Current Discount Rate	1% Increase
Wayne County	6.5%	7.5%	8.5%

Net Pension Liability      \$ (118,274)   \$ (2,624,336)   \$ (4,714,400)

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

*Pension Income.* For the year ended June 30, 2015, Wayne County recognized pension income of \$271,517.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, Wayne 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	\$ 1,315,497
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,456,272
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	386,488	N/A
Total	<u>\$ 386,488</u>	<u>\$ 2,771,769</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 230,565	\$ 1,041,631
Retirement Facilities	6,561	386,384
School Department	149,362	1,343,754
Total	<u>\$ 386,488</u>	<u>\$ 2,771,769</u>

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

Year Ending June 30	Amount
2016	\$ (692,942)
2017	(692,942)
2018	(692,942)
2019	(692,942)
2020	0
Thereafter	0

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

**Discretely Presented Wayne County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Wayne County, non-certified employees of the discretely presented Wayne County School Department, and employees of the discretely presented Wayne County Retirement Facilities 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 37.58 percent, the non-certified employees of the discretely presented School Department comprise 48.48 percent, and employees of the discretely presented Wayne County Retirement Facilities comprise 13.94 percent of the plan based on census data.

## **Certified Employees**

### **Teacher Retirement Plan**

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

*Plan Description.* Teachers of the Wayne County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](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 Retirement Plan 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 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 \$11,037, 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 Wayne 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 Wayne County School Department reported deferred outflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	Deferred Inflows of Resources
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LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 11,037	N/A
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The Wayne County School Department’s employer contributions of \$11,037 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ending June 30, 2016.

**Teacher Legacy Pension Plan**

**General Information About the Pension Plan**

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Wayne County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$917,538, 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 Wayne County School Department reported an asset of \$44,114 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. Wayne County School Department's proportion of the net pension asset was based on Wayne County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, Wayne County School Department's proportion was .271476 percent. The proportion measured as of June 30, 2013, was .273866 percent.

*Pension Income.* For the year ended June 30, 2015, the Wayne County School Department recognized a pension income of \$43,452.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 107,097	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,634,676
Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions	0	33,713
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	<u>917,538</u>	<u>N/A</u>
Total	<u>\$ 1,024,635</u>	<u>\$ 3,668,389</u>

The Wayne County School Department's employer contributions of \$917,538, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (896,438)
2017	(896,438)
2018	(896,438)
2019	(896,438)
2020	12,231
Thereafter	12,231

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 Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income Real Estate	4.61	8
Short-term Securities	0.98	29
	4.73	7
	0.00	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 Wayne 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 Wayne County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
--	---------------------	-------------------------------	---------------------

Net Pension Liability      \$ 7,440,250      \$ (44,114)      \$ (6,240,355)

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

**2. Deferred Compensation**

Teachers hired after July 1, 2014, by the discretely presented Wayne 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 Wayne County 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 Wayne County School Department contributed \$3,706 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

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

**I. Other Postemployment Benefits (OPEB)**

**Discretely Presented Wayne County School Department**

**Plan Description**

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

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the 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. During the year ended June 30, 2015, the discretely presented Wayne County School Department contributed \$152,568 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 489,000
Interest on the NOPEBO	126,121
Adjustment to the ARC	<u>(122,872)</u>
Annual OPEB cost	\$ 492,249
Amount of contribution	<u>(152,568)</u>
Increase/decrease in NOPEBO	\$ 339,681
Net OPEB obligation, 7-1-14	<u>3,153,021</u>
Net OPEB obligation, 6-30-15	<u><u>\$ 3,492,702</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Education Group	\$ 628,080	26%	\$ 2,870,201
6-30-14	"	474,957	40	3,153,021
6-30-15	"	492,249	31	3,492,702

### Funded Status and Funding Progress

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

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

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

### Actuarial Methods and Assumptions

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

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

administrative expenses) and an annual healthcare cost trend rate was seven percent for fiscal year 2015. The trend will decrease to 6.5 percent in fiscal year 2016, and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

**J. Termination Benefits**

The discretely presented Wayne County School Department offers a voluntary termination benefit for employees who retire with 30 years of experience in the Wayne County School System or have reached 60 years of age and are eligible for full retirement with the Tennessee Consolidated Retirement System. The employees must also have at least 50 days of accumulated sick leave and not be retired from another school system. This incentive consists of a cash payment equivalent to 50 percent of the regular daily salary for each day of accumulated sick leave at the retirement date, to be paid out at \$6,000 per year. Currently, 22 school employees have accepted the board's offer. The estimated cost of the cash payment reported in the government-wide Statement of Net Position is \$427,176. The estimated cost did not include a discounted rate because the School Department felt its effects were immaterial. The effects to the School Department's actuarial accrued liability for pension benefits for current, terminated, and retired employees could not be determined.

**K. Pollution Remediation**

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

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

Occidental Chemical Company is owned by Glen Springs Holding Company. Glen Springs has agreed to take all responsibility for the cleanup operation. All of the approximately 60 bridges that have been identified as constructed with the salvaged steel will be removed and replaced with new bridges. The steel will be transported to a landfill in Texas designed to accept this type of

hazardous material. Glen Springs will bear the full cost of removal, cleanup, disposal, and replacement of the bridges. Additionally, they have agreed to bear the cost of dredging the creek beds if that process is determined to be necessary. This agreement between Glen Springs and Wayne County is documented by a Memorandum of Understanding, a copy of which is available in the Wayne County Executive's Office.

Based on the limited information available at June 30, 2015, future remediation costs could not be reasonably determined.

**L. Purchasing Laws**

Office of County Executive

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

Office of Commissioner of Highways

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

Office of Director of Schools

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

**VI. OTHER NOTES - DISCRETELY PRESENTED WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

**A. Summary of Significant Accounting Policies**

**1. Reporting Entity**

Wayne County Emergency Communications District is a component unit of Wayne County, Tennessee. The district encompasses the same boundaries as Wayne County, Tennessee. The powers of the district are vested in and exercised by a majority of the members of the board of directors, who are appointed by the Wayne County Executive. The

Wayne County Commission has the ability to adjust the district's service charges. The district must obtain the County Commission's approval before the issuance of most debt. The district is considered a political subdivision and is exempt from federal and state income taxes.

**2. Basis of Accounting**

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

**3. Cash and Cash Equivalents**

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

**4. Capital Assets**

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

**5. Estimates**

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

**6. Net Position Flow Assumption**

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

**7. Supply Inventory**

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

**8. Operating Revenues and Operating Expenses**

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

**B. Cash and Certificates of Deposit**

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

**C. Capital Assets**

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

	Balance			Balance
	7-1-14	Additions	Disposals	6-30-15
Land	\$ 55,244	\$ 0	\$ 0	\$ 55,244
Equipment	837,181	71,449	(103,370)	805,260
Buildings	820,294	5,828	0	826,122
Vehicles	45,522	0	0	45,522
Maps	32,227	0	0	32,227
	<u>\$ 1,790,468</u>	<u>\$ 77,277</u>	<u>\$ (103,370)</u>	<u>\$ 1,764,375</u>
Less Accumulated Depreciation	<u>(432,883)</u>			<u>(408,195)</u>
Utility Plant - Net	<u>\$ 1,357,585</u>			<u>\$ 1,356,180</u>

All assets except land are being depreciated.

**D. Long-term Debt**

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

	Balance 7-1-14	Retirements	Balance 6-30-15
Mortgage Loan	\$ 484,977	\$ (30,000)	\$ 454,977
Equipment Lease	135,667	(135,667)	0
Total	<u>\$ 620,644</u>	<u>\$ (165,667)</u>	<u>\$ 454,977</u>

Future maturities of note principal and interest are as follows:

Year Ending June 30	Principal	Interest
2016	\$ 30,000	\$ 20,703
2017	30,000	19,338
2018	30,000	17,973
2019	35,000	16,608
2020	35,000	15,015
2021-2025	200,000	49,823
2026-2027	<u>94,977</u>	<u>6,599</u>
Total	<u>\$ 454,977</u>	<u>\$ 146,059</u>

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

**E. Risk Management**

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

**F. Commitments and Contingencies**

**Federal and State Grants**

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

**G. Budgets and Budgetary Accounting**

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

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

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

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Wayne 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	\$ 765,019
Interest	1,599,409
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(1,644,371)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	(1,111,913)
Net Change in Total Pension Liability (Asset)	<u>\$ (391,856)</u>
Total Pension Liability (Asset), Beginning	<u>21,116,401</u>
 Total Pension Liability (Asset), Ending (a)	 <u>\$ 20,724,545</u>
 <b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 575,164
Contributions - Employee	452,687
Net Investment Income	3,325,792
Benefit Payments, Including Refunds of Employee Contributions	(1,111,913)
Administrative Expense	(15,136)
Net Change in Plan Fiduciary Net Position	<u>\$ 3,226,594</u>
Plan Fiduciary Net Position, Beginning	<u>20,122,287</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 23,348,881</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u><u>\$ (2,624,336)</u></u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 112.66%
Covered Employee Payroll	\$ 9,043,479
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	29.02%

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

Note: data presented is 37.58% primary government, 48.48% discretely presented non-certified employees of the School Department, and 13.94% discretely presented Wayne County Hospital District.

Exhibit E-2

Wayne 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	\$ 575,164	\$ 386,488
Less Contributions in Relation to the Actuarially Determined Contribution	(575,164)	(386,488)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Employee Payroll	 \$ 9,043,479	 \$ 7,594,091
 Contributions as a Percentage of Covered Employee Payroll	 6.36%	 5.09%

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

Note: data presented is primary government, discretely presented non-certified employees of the School Department, and discretely presented Wayne County Hospital District.

Exhibit E-3

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 6,898
Less Contributions in Relation to the Actuarially Determined Contribution	(11,037)
Contribution Deficiency (Excess)	<u>\$ (4,139)</u>
 Covered Employee Payroll	 \$ 275,918
 Contributions as a Percentage of Covered Employee Payroll	 4.00%

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

Exhibit E-4

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 946,200	\$ 917,538
Less Contributions in Relation to the Actuarially Determined Contribution	(946,200)	(917,538)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Employee Payroll	 \$ 10,655,397	 \$ 10,153,088
 Contributions as a Percentage of Covered Employee Payroll	 8.88%	 9.04%

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

Exhibit E-5

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

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.271476%
School Department's Proportionate Share of the Net Pension Asset	\$ 44,114
Covered Employee Payroll	\$ 10,655,397
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 E-6

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

(Dollar amounts in thousands)

Plan	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)
Local Education Group	7-1-10	\$ 0	\$ 6,454	\$ 6,454	0 %	\$ 13,467	48 %
"	7-1-11	0	6,186	6,186	0	13,450	46
"	7-1-13	0	4,621	4,621	0	13,030	35

**WAYNE COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 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	3 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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Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

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

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

## Capital Projects Funds

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

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

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

Exhibit F-1

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

	Special Revenue Funds			Capital Projects Funds	
	Drug Control	Other Special Revenue	Total	General Capital Projects	Community Development/Industrial Park
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 93,162	\$ 53,594	\$ 146,756	\$ 7,681	\$ 131,255
Accounts Receivable	0	0	0	0	7,559
Due from Other Governments	0	0	0	0	10,000
Restricted Assets:					
Customer Deposits	0	0	0	0	4,950
Total Assets	\$ 93,162	\$ 53,594	\$ 146,756	\$ 7,681	\$ 153,764
<u>LIABILITIES</u>					
Retainage Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,505
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	0	0	0	0	4,950
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,455
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 93,162	\$ 0	\$ 93,162	\$ 0	\$ 0
Restricted for Social, Cultural, and Recreational Services	0	53,594	53,594	0	0
Restricted for Highways/Public Works	0	0	0	0	0
Committed:					
Committed for Capital Projects	0	0	0	7,681	130,309
Total Fund Balances	\$ 93,162	\$ 53,594	\$ 146,756	\$ 7,681	\$ 130,309
Total Liabilities and Fund Balances	\$ 93,162	\$ 53,594	\$ 146,756	\$ 7,681	\$ 153,764

(Continued)

Exhibit F-1

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Highway Capital Projects	Total	Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 229,873	\$ 368,809	\$ 515,565
Accounts Receivable	0	7,559	7,559
Due from Other Governments	0	10,000	10,000
Restricted Assets:			
Customer Deposits	0	4,950	4,950
Total Assets	<u>\$ 229,873</u>	<u>\$ 391,318</u>	<u>\$ 538,074</u>
<u>LIABILITIES</u>			
Retainage Payable	\$ 0	\$ 18,505	\$ 18,505
Current Liabilities Payable from Restricted Assets:			
Customer Deposits Payable	0	4,950	4,950
Total Liabilities	<u>\$ 0</u>	<u>\$ 23,455</u>	<u>\$ 23,455</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Public Safety	\$ 0	\$ 0	\$ 93,162
Restricted for Social, Cultural, and Recreational Services	0	0	53,594
Restricted for Highways/Public Works	229,873	229,873	229,873
Committed:			
Committed for Capital Projects	0	137,990	137,990
Total Fund Balances	<u>\$ 229,873</u>	<u>\$ 367,863</u>	<u>\$ 514,619</u>
Total Liabilities and Fund Balances	<u>\$ 229,873</u>	<u>\$ 391,318</u>	<u>\$ 538,074</u>

Exhibit F-2

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

	Special Revenue Funds				Capital Projects Funds	
	Drug Control	Other Special Revenue	Constituti - onal Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,791
Fines, Forfeitures, and Penalties	20,781	0	0	20,781	0	0
Charges for Current Services	0	0	491	491	0	98,711
Other Local Revenues	0	0	0	0	0	28,447
State of Tennessee	0	69,487	0	69,487	0	60,000
Federal Government	0	0	0	0	0	183,339
Other Governments and Citizens Groups	0	0	0	0	0	13,615
Total Revenues	\$ 20,781	\$ 69,487	\$ 491	\$ 90,759	\$ 0	\$ 394,903
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 491	\$ 491	\$ 0	0
Public Safety	4,795	0	0	4,795	0	0
Other Operations	0	60,704	0	60,704	0	107,211
Capital Projects	0	0	0	0	0	293,748
Total Expenditures	\$ 4,795	\$ 60,704	\$ 491	\$ 65,990	\$ 0	\$ 400,959
Excess (Deficiency) of Revenues Over Expenditures	\$ 15,986	\$ 8,783	\$ 0	\$ 24,769	\$ 0	(6,056)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Transfers Out	0	0	0	0	0	(10,529)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	(10,529)
Net Change in Fund Balances	\$ 15,986	\$ 8,783	\$ 0	\$ 24,769	\$ 0	(16,585)
Fund Balance, July 1, 2014	77,176	44,811	0	121,987	7,681	146,894
Fund Balance, June 30, 2015	\$ 93,162	\$ 53,594	\$ 0	\$ 146,756	\$ 7,681	\$ 130,309

(Continued)

Exhibit F-2

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

	Capital Projects Funds (Cont.)		Total Nonmajor Governmental Funds
	Highway Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 103,449	\$ 114,240	\$ 114,240
Fines, Forfeitures, and Penalties	0	0	20,781
Charges for Current Services	0	98,711	99,202
Other Local Revenues	0	28,447	28,447
State of Tennessee	0	60,000	129,487
Federal Government	0	183,339	183,339
Other Governments and Citizens Groups	0	13,615	13,615
Total Revenues	<u>\$ 103,449</u>	<u>\$ 498,352</u>	<u>\$ 589,111</u>
<u>Expenditures</u>			
Current:			
Administration of Justice	\$ 0	\$ 0	\$ 491
Public Safety	0	0	4,795
Other Operations	0	107,211	167,915
Capital Projects	263,000	556,748	556,748
Total Expenditures	<u>\$ 263,000</u>	<u>\$ 663,959</u>	<u>\$ 729,949</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (159,551)</u>	<u>\$ (165,607)</u>	<u>\$ (140,838)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 73,678	\$ 73,678	\$ 73,678
Transfers Out	0	(10,529)	(10,529)
Total Other Financing Sources (Uses)	<u>\$ 73,678</u>	<u>\$ 63,149</u>	<u>\$ 63,149</u>
Net Change in Fund Balances	\$ (85,873)	\$ (102,458)	\$ (77,689)
Fund Balance, July 1, 2014	315,746	470,321	592,308
Fund Balance, June 30, 2015	<u>\$ 229,873</u>	<u>\$ 367,863</u>	<u>\$ 514,619</u>

Exhibit F-3

Wayne 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	\$ 20,781	\$ 0	\$ 20,781	\$ 15,645	\$ 15,645	\$ 5,136
Total Revenues	\$ 20,781	\$ 0	\$ 20,781	\$ 15,645	\$ 15,645	\$ 5,136
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 4,795	\$ 70	\$ 4,865	\$ 42,872	\$ 42,872	\$ 38,007
Total Expenditures	\$ 4,795	\$ 70	\$ 4,865	\$ 42,872	\$ 42,872	\$ 38,007
Excess (Deficiency) of Revenues Over Expenditures	\$ 15,986	\$ (70)	\$ 15,916	\$ (27,227)	\$ (27,227)	\$ 43,143
Net Change in Fund Balance	\$ 15,986	\$ (70)	\$ 15,916	\$ (27,227)	\$ (27,227)	\$ 43,143
Fund Balance, July 1, 2014	77,176	0	77,176	53,166	53,166	24,010
Fund Balance, June 30, 2015	\$ 93,162	\$ (70)	\$ 93,092	\$ 25,939	\$ 25,939	\$ 67,153

Exhibit F-4

Wayne County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Other Special Revenue Fund  
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
State of Tennessee	\$ 69,487	\$ 65,000	\$ 65,971	\$ 3,516
Total Revenues	\$ 69,487	\$ 65,000	\$ 65,971	\$ 3,516
<u>Expenditures</u>				
<u>Other Operations</u>				
Tourism	\$ 48,454	\$ 47,487	\$ 48,458	\$ 4
Tourism-resort District	12,250	12,250	12,250	0
Total Expenditures	\$ 60,704	\$ 59,737	\$ 60,708	\$ 4
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,783	\$ 5,263	\$ 5,263	\$ 3,520
Net Change in Fund Balance	\$ 8,783	\$ 5,263	\$ 5,263	\$ 3,520
Fund Balance, July 1, 2014	44,811	46,723	46,723	(1,912)
Fund Balance, June 30, 2015	\$ 53,594	\$ 51,986	\$ 51,986	\$ 1,608

# **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.

Exhibit G

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,451,728	\$ 2,319,835	\$ 2,319,835	\$ 131,893
Other Governments and Citizens Groups	200,000	200,000	200,000	0
Total Revenues	\$ 2,651,728	\$ 2,519,835	\$ 2,519,835	\$ 131,893
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 361,513	\$ 615,000	\$ 361,513	\$ 0
Highways and Streets	44,950	0	44,950	0
Education	996,600	885,000	996,600	0
<u>Interest on Debt</u>				
General Government	430,384	569,314	430,384	0
Highways and Streets	42,811	0	42,811	0
Education	493,445	387,159	493,447	2
<u>Other Debt Service</u>				
General Government	207,661	44,794	211,020	3,359
Highways and Streets	5,000	5,000	5,000	0
Education	5,000	6,500	6,500	1,500
Total Expenditures	\$ 2,587,364	\$ 2,512,767	\$ 2,592,225	\$ 4,861
Excess (Deficiency) of Revenues Over Expenditures	\$ 64,364	\$ 7,068	\$ (72,390)	\$ 136,754
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 10,529	\$ 0	\$ 10,529	\$ 0
Total Other Financing Sources	\$ 10,529	\$ 0	\$ 10,529	\$ 0
Net Change in Fund Balance	\$ 74,893	\$ 7,068	\$ (61,861)	\$ 136,754
Fund Balance, July 1, 2014	1,737,827	1,666,815	1,666,815	71,012
Fund Balance, June 30, 2015	\$ 1,812,720	\$ 1,673,883	\$ 1,604,954	\$ 207,766

# Fiduciary Funds

---

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

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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.

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

Exhibit H-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 483,821	\$ 483,821
Accounts Receivable	0	142	142
Due from Other Governments	89,226	0	89,226
Total Assets	<u>\$ 89,226</u>	<u>\$ 483,963</u>	<u>\$ 573,189</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 89,226	\$ 0	\$ 89,226
Due to Litigants, Heirs, and Others	0	483,963	483,963
Total Liabilities	<u>\$ 89,226</u>	<u>\$ 483,963</u>	<u>\$ 573,189</u>

Exhibit H-2

Wayne 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	\$ 489,001	\$ 489,001	\$ 0
Due from Other Governments	87,197	89,226	87,197	89,226
<b>Total Assets</b>	<b>\$ 87,197</b>	<b>\$ 578,227</b>	<b>\$ 576,198</b>	<b>\$ 89,226</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 87,197	\$ 578,227	\$ 576,198	\$ 89,226
<b>Total Liabilities</b>	<b>\$ 87,197</b>	<b>\$ 578,227</b>	<b>\$ 576,198</b>	<b>\$ 89,226</b>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 321,679	\$ 4,063,219	\$ 3,901,077	\$ 483,821
Accounts Receivable	60	142	60	142
<b>Total Assets</b>	<b>\$ 321,739</b>	<b>\$ 4,063,361</b>	<b>\$ 3,901,137</b>	<b>\$ 483,963</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 321,739	\$ 4,063,361	\$ 3,901,137	\$ 483,963
<b>Total Liabilities</b>	<b>\$ 321,739</b>	<b>\$ 4,063,361</b>	<b>\$ 3,901,137</b>	<b>\$ 483,963</b>
<u>Total - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 321,679	\$ 4,063,219	\$ 3,901,077	\$ 483,821
Equity in Pooled Cash and Investments	0	489,001	489,001	0
Accounts Receivable	60	142	60	142
Due from Other Governments	87,197	89,226	87,197	89,226
<b>Total Assets</b>	<b>\$ 408,936</b>	<b>\$ 4,641,588</b>	<b>\$ 4,477,335</b>	<b>\$ 573,189</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 87,197	\$ 578,227	\$ 576,198	\$ 89,226
Due to Litigants, Heirs, and Others	321,739	4,063,361	3,901,137	483,963
<b>Total Liabilities</b>	<b>\$ 408,936</b>	<b>\$ 4,641,588</b>	<b>\$ 4,477,335</b>	<b>\$ 573,189</b>

# Wayne County School Department

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

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

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

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

Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental Activities:				
Instruction	\$ 11,986,245	\$ 0	\$ 2,650,217	\$ (9,336,028)
Support Services	6,888,582	60,827	182,602	(6,645,153)
Operation of Non-instructional Services	2,315,443	345,478	998,753	(971,212)
<b>Total Governmental Activities</b>	<b>\$ 21,190,270</b>	<b>\$ 406,305</b>	<b>\$ 3,831,572</b>	<b>\$ (16,952,393)</b>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 1,946,501
Local Option Sales Tax				681,340
Other Local Taxes				28,498
Grants and Contributions Not Restricted to Specific Programs				14,065,656
Unrestricted Investment Income				84
Miscellaneous				212,493
Pension Income				175,083
<b>Total General Revenues</b>				<b>\$ 17,109,655</b>
Change in Net Position				\$ 157,262
Net Position, July 1, 2014				12,226,843
Restatement - See Note I.D.9.				(3,763,738)
<b>Net Position, June 30, 2015</b>				<b>\$ 8,620,367</b>

Exhibit I-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 555	\$ 555
Equity in Pooled Cash and Investments	1,383,204	217,594	1,600,798
Inventories	0	32,951	32,951
Due from Other Governments	574,149	61,587	635,736
Due from Other Funds	0	11,923	11,923
Property Taxes Receivable	2,032,764	0	2,032,764
Allowance for Uncollectible Property Taxes	(68,147)	0	(68,147)
Total Assets	<u>\$ 3,921,970</u>	<u>\$ 324,610</u>	<u>\$ 4,246,580</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 748,853	\$ 80,094	\$ 828,947
Due to Other Funds	11,923	0	11,923
Due to State of Tennessee	6,342	2,304	8,646
Total Liabilities	<u>\$ 767,118</u>	<u>\$ 82,398</u>	<u>\$ 849,516</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 1,859,057	\$ 0	\$ 1,859,057
Deferred Delinquent Property Taxes	98,236	0	98,236
Other Deferred/Unavailable Revenue	64,322	0	64,322
Total Deferred Inflows of Resources	<u>\$ 2,021,615</u>	<u>\$ 0</u>	<u>\$ 2,021,615</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 32,951	\$ 32,951
Restricted:			
Restricted for Education	10,258	164,261	174,519
Committed:			
Committed for Education	0	45,000	45,000
Assigned:			
Assigned for Education	89,767	0	89,767
Unassigned	1,033,212	0	1,033,212
Total Fund Balances	<u>\$ 1,133,237</u>	<u>\$ 242,212</u>	<u>\$ 1,375,449</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,921,970</u>	<u>\$ 324,610</u>	<u>\$ 4,246,580</u>

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	1,375,449
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	495,517	
Add: buildings and improvements net of accumulated depreciation		11,868,709	
Add: other capital assets net of accumulated depreciation		<u>1,148,730</u>	13,512,956
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: termination benefits liability	\$	(427,176)	
Less: other postemployment benefits liability		<u>(3,492,702)</u>	(3,919,878)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	\$	1,185,034	
Less: deferred inflows of resources related to pensions		<u>(5,012,143)</u>	(3,827,109)
(4) Net pension assets of the agent and cost-sharing plans are not current financial resources and therefore are not reported in the governmental funds.			1,316,391
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>162,558</u>
Net position of governmental activities (Exhibit A)		\$	<u>8,620,367</u>

Exhibit I-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 2,666,446	\$ 0	\$ 2,666,446
Licenses and Permits	565	0	565
Charges for Current Services	60,827	345,478	406,305
Other Local Revenues	70,600	84	70,684
State of Tennessee	14,992,841	13,260	15,006,101
Federal Government	332,205	2,578,459	2,910,664
Total Revenues	<u>\$ 18,123,484</u>	<u>\$ 2,937,281</u>	<u>\$ 21,060,765</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 10,935,885	\$ 1,238,116	\$ 12,174,001
Support Services	6,011,894	358,341	6,370,235
Operation of Non-instructional Services	1,018,325	1,337,729	2,356,054
Debt Service:			
Other Debt Service	200,000	0	200,000
Total Expenditures	<u>\$ 18,166,104</u>	<u>\$ 2,934,186</u>	<u>\$ 21,100,290</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (42,620)</u>	<u>\$ 3,095</u>	<u>\$ (39,525)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 189,552	\$ 0	\$ 189,552
Total Other Financing Sources (Uses)	<u>\$ 189,552</u>	<u>\$ 0</u>	<u>\$ 189,552</u>
Net Change in Fund Balances	\$ 146,932	\$ 3,095	\$ 150,027
Fund Balance, July 1, 2014	986,305	239,117	1,225,422
Fund Balance, June 30, 2015	<u>\$ 1,133,237</u>	<u>\$ 242,212</u>	<u>\$ 1,375,449</u>

Wayne County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
Discretely Presented Wayne County School Department  
For the Year Ended June 30, 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 I-4)		\$ 150,027
<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	\$ 217,214	
Less: current-year depreciation expense	<u>(921,142)</u>	(703,928)
<p>(2) 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 and other deferred June 30, 2014	\$ (243,606)	
Add: deferred delinquent property taxes and other deferred June 30, 2015	<u>162,558</u>	(81,048)
<p>(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in net pension liability/asset	\$ 5,080,129	
Change in deferred outflows of resources related to pensions	1,185,034	
Change in deferred inflows of resources related to pensions	(5,012,143)	
Change in termination benefits liability	(121,128)	
Change in other postemployment benefits liability	<u>(339,681)</u>	792,211
Change in net position of governmental activities (Exhibit B)		<u>\$ 157,262</u>

Exhibit I-6

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

	Special Revenue Funds		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>			
Cash	\$ 0	\$ 555	\$ 555
Equity in Pooled Cash and Investments	85,174	132,420	217,594
Inventories	0	32,951	32,951
Due from Other Governments	26,066	35,521	61,587
Due from Other Funds	11,923	0	11,923
Total Assets	\$ 123,163	\$ 201,447	\$ 324,610
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 69,564	\$ 10,530	\$ 80,094
Due to State of Tennessee	1,181	1,123	2,304
Total Liabilities	\$ 70,745	\$ 11,653	\$ 82,398
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 32,951	\$ 32,951
Restricted:			
Restricted for Education	7,418	156,843	164,261
Committed:			
Committed for Education	45,000	0	45,000
Total Fund Balances	\$ 52,418	\$ 189,794	\$ 242,212
Total Liabilities and Fund Balances	\$ 123,163	\$ 201,447	\$ 324,610

Exhibit I-7

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

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 345,478	\$ 345,478
Other Local Revenues	0	84	84
State of Tennessee	0	13,260	13,260
Federal Government	1,592,966	985,493	2,578,459
Total Revenues	<u>\$ 1,592,966</u>	<u>\$ 1,344,315</u>	<u>\$ 2,937,281</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,238,116	\$ 0	\$ 1,238,116
Support Services	358,341	0	358,341
Operation of Non-instructional Services	0	1,337,729	1,337,729
Total Expenditures	<u>\$ 1,596,457</u>	<u>\$ 1,337,729</u>	<u>\$ 2,934,186</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,491)</u>	<u>\$ 6,586</u>	<u>\$ 3,095</u>
Net Change in Fund Balances	\$ (3,491)	\$ 6,586	\$ 3,095
Fund Balance, July 1, 2014	<u>55,909</u>	<u>183,208</u>	<u>239,117</u>
Fund Balance, June 30, 2015	<u>\$ 52,418</u>	<u>\$ 189,794</u>	<u>\$ 242,212</u>

Exhibit I-8

Wayne County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Wayne County School Department  
General Purpose School Fund  
For the Year Ended June 30, 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	\$ 2,666,446	\$ 0	\$ 0	\$ 2,666,446	\$ 2,615,851	\$ 2,615,851	\$ 50,595
Licenses and Permits	565	0	0	565	550	550	15
Charges for Current Services	60,827	0	0	60,827	40,212	40,212	20,615
Other Local Revenues	70,600	0	0	70,600	136,758	156,028	(85,428)
State of Tennessee	14,992,841	0	0	14,992,841	14,681,983	14,867,392	125,449
Federal Government	332,205	0	0	332,205	303,209	309,285	22,920
<b>Total Revenues</b>	<b>\$ 18,123,484</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 18,123,484</b>	<b>\$ 17,778,563</b>	<b>\$ 17,989,318</b>	<b>\$ 134,166</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 9,146,976	\$ (72,805)	\$ 6,121	\$ 9,080,292	\$ 9,225,265	\$ 9,321,798	\$ 241,506
Alternative Instruction Program	84,505	0	0	84,505	86,661	86,661	2,156
Special Education Program	1,207,740	(935)	1,744	1,208,549	1,245,687	1,223,943	15,394
Vocational Education Program	426,346	0	193	426,539	465,335	457,412	30,873
Adult Education Program	70,318	0	0	70,318	74,007	79,840	9,522
<u>Support Services</u>							
Attendance	39,037	0	0	39,037	46,089	40,639	1,602
Health Services	384,060	0	315	384,375	382,293	385,743	1,368
Other Student Support	438,165	(4,215)	1,074	435,024	477,476	466,736	31,712
Regular Instruction Program	515,859	(2,348)	1,393	514,904	523,777	522,357	7,453
Special Education Program	273,602	(4,660)	479	269,421	275,300	279,700	10,279
Vocational Education Program	119,122	0	0	119,122	122,584	122,584	3,462
Adult Programs	96,542	0	0	96,542	110,498	108,985	12,443
Other Programs	88,795	0	0	88,795	0	88,795	0
Board of Education	271,150	(117)	62	271,095	259,284	405,844	134,749
Director of Schools	152,014	0	0	152,014	159,967	158,067	6,053
Office of the Principal	684,367	0	0	684,367	641,875	686,875	2,508
Fiscal Services	66,541	(414)	0	66,127	71,550	69,550	3,423
Operation of Plant	1,435,675	(1,102)	911	1,435,484	1,390,591	1,440,291	4,807

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	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>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 401,750	\$ (15,020)	\$ 4,572	\$ 391,302	\$ 310,242	\$ 398,982	\$ 7,680
Transportation	1,045,215	(3,511)	606	1,042,310	876,958	1,067,828	25,518
<u>Operation of Non-Instructional Services</u>							
Community Services	30,862	0	0	30,862	29,612	31,012	150
Early Childhood Education	987,463	(22,219)	72,297	1,037,541	1,043,512	1,038,307	766
<u>Principal on Debt</u>							
Education	0	0	0	0	200,000	0	0
<u>Other Debt Service</u>							
Education	200,000	0	0	200,000	0	200,000	0
Total Expenditures	\$ 18,166,104	\$ (127,346)	\$ 89,767	\$ 18,128,525	\$ 18,018,563	\$ 18,681,949	\$ 553,424
Excess (Deficiency) of Revenues Over Expenditures	\$ (42,620)	\$ 127,346	\$ (89,767)	\$ (5,041)	\$ (240,000)	\$ (692,631)	\$ 687,590
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 189,552	\$ 0	\$ 0	\$ 189,552	\$ 0	\$ 223,640	\$ (34,088)
Total Other Financing Sources	\$ 189,552	\$ 0	\$ 0	\$ 189,552	\$ 0	\$ 223,640	\$ (34,088)
Net Change in Fund Balance Fund Balance, July 1, 2014	\$ 146,932	\$ 127,346	\$ (89,767)	\$ 184,511	\$ (240,000)	\$ (468,991)	\$ 653,502
	986,305	(127,346)	0	858,959	834,883	834,883	24,076
Fund Balance, June 30, 2015	\$ 1,133,237	\$ 0	\$ (89,767)	\$ 1,043,470	\$ 594,883	\$ 365,892	\$ 677,578

Exhibit I-9

Wayne County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Wayne County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 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>							
Federal Government	\$ 1,592,966	\$ 0	\$ 0	\$ 1,592,966	\$ 1,595,354	\$ 1,842,557	\$ (249,591)
Total Revenues	\$ 1,592,966	\$ 0	\$ 0	\$ 1,592,966	\$ 1,595,354	\$ 1,842,557	\$ (249,591)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 793,996	\$ (100)	\$ 4,190	\$ 798,086	\$ 781,961	\$ 872,800	\$ 74,714
Special Education Program	366,087	0	136	366,223	385,343	439,462	73,239
Vocational Education Program	78,033	0	845	78,878	77,446	79,151	273
<u>Support Services</u>							
Other Student Support	101,010	(679)	0	100,331	101,904	110,316	9,985
Regular Instruction Program	75,168	0	0	75,168	77,016	91,643	16,475
Special Education Program	151,652	(472)	0	151,180	139,531	210,208	59,028
Vocational Education Program	877	0	0	877	800	877	0
Transportation	29,634	0	0	29,634	31,352	38,100	8,466
Total Expenditures	\$ 1,596,457	\$ (1,251)	\$ 5,171	\$ 1,600,377	\$ 1,595,353	\$ 1,842,557	\$ 242,180
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,491)	\$ 1,251	\$ (5,171)	\$ (7,411)	\$ 1	\$ 0	\$ (7,411)
Net Change in Fund Balance Fund Balance, July 1, 2014	\$ (3,491) 55,909	\$ 1,251 (1,251)	\$ (5,171) 0	\$ (7,411) 54,658	\$ 1 55,909	\$ 0 55,909	\$ (7,411) (1,251)
Fund Balance, June 30, 2015	\$ 52,418	\$ 0	\$ (5,171)	\$ 47,247	\$ 55,910	\$ 55,909	\$ (8,662)

Exhibit I-10

Wayne County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Wayne County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 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	\$ 345,478	\$ 0	\$ 0	\$ 345,478	\$ 449,999	\$ 449,999	\$ (104,521)
Other Local Revenues	84	0	0	84	500	500	(416)
State of Tennessee	13,260	0	0	13,260	0	0	13,260
Federal Government	985,493	0	0	985,493	838,500	917,786	67,707
Total Revenues	<u>\$ 1,344,315</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,344,315</u>	<u>\$ 1,288,999</u>	<u>\$ 1,368,285</u>	<u>\$ (23,970)</u>
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 1,337,729	\$ (764)	\$ 1,995	\$ 1,338,960	\$ 1,302,797	\$ 1,382,083	\$ 43,123
Total Expenditures	<u>\$ 1,337,729</u>	<u>\$ (764)</u>	<u>\$ 1,995</u>	<u>\$ 1,338,960</u>	<u>\$ 1,302,797</u>	<u>\$ 1,382,083</u>	<u>\$ 43,123</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 6,586</u>	<u>\$ 764</u>	<u>\$ (1,995)</u>	<u>\$ 5,355</u>	<u>\$ (13,798)</u>	<u>\$ (13,798)</u>	<u>\$ 19,153</u>
Net Change in Fund Balance	\$ 6,586	\$ 764	\$ (1,995)	\$ 5,355	\$ (13,798)	\$ (13,798)	\$ 19,153
Fund Balance, July 1, 2014	183,208	(764)	0	182,444	117,705	117,705	64,739
Fund Balance, June 30, 2015	<u>\$ 189,794</u>	<u>\$ 0</u>	<u>\$ (1,995)</u>	<u>\$ 187,799</u>	<u>\$ 103,907</u>	<u>\$ 103,907</u>	<u>\$ 83,892</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Paid and/or Matured During Period	Outstanding 6-30-15
<b><u>OTHER LOANS PAYABLE</u></b>							
<b><u>Payable through General Debt Service Fund</u></b>							
Water Line Extension Loan	\$ (1)	1.49 %	2-7-13	2-7-16	\$ 500,000	\$ 0	\$ 500,000
Total Other Loans Payable					\$ 500,000	\$ 0	\$ 500,000
<b><u>BONDS PAYABLE</u></b>							
<b><u>Payable through General Debt Service Fund</u></b>							
School Refunding Bonds	9,495,000	3.72	6-3-03	12-1-23	\$ 8,690,000	\$ 365,000	\$ 8,325,000
School Refunding Bonds	5,085,000	3.2	3-10-05	11-18-14	380,000	380,000	0
School Refunding Bonds	2,355,000	4	3-31-05	12-1-23	1,685,000	140,000	1,545,000
General Obligation Bond Series 2006	9,450,000	4.05	3-1-06	12-1-30	7,445,000	310,000	7,135,000
Water Revenue and Tax Bond Series 2008	332,000	4.25	6-25-08	6-28-46	308,022	4,624	303,398
General Obligation Bond Series 2009	6,500,000	4.13	6-3-09	12-1-34	5,795,000	185,000	5,610,000
Water Revenue and Tax Bond Series 2012	1,207,000	2.75	3-12-14	3-12-52	1,202,469	18,439	1,184,030
Total Bonds Payable					\$ 25,505,491	\$ 1,403,063	\$ 24,102,428

(1) Total amount authorized was \$1,000,000, of which \$500,000 remains available for draws as of June 30, 2015.

Exhibit J-2

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

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2016	\$ 500,000	\$ 7,450	\$ 507,450
Total	\$ 500,000	\$ 7,450	\$ 507,450

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

(Continued)

Exhibit J-2

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

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2041	\$ 51,597	\$ 17,331	\$ 68,928
2042	53,250	15,678	68,928
2043	54,958	13,970	68,928
2044	56,723	12,205	68,928
2045	58,548	10,380	68,928
2046	60,434	8,494	68,928
2047	44,411	6,865	51,276
2048	45,648	5,628	51,276
2049	46,919	4,357	51,276
2050	48,226	3,050	51,276
2051	49,569	1,707	51,276
2052	35,122	380	35,502
Total	\$ 24,102,428	\$ 7,906,996	\$ 32,009,424

Exhibit J-3

Wayne County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2015

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Highway Capital Projects	To provide funds for capital outlay	\$ 73,678
Community Development/Industrial Park	General Debt Service	To retire debt	<u>10,529</u>
Total Transfers			<u>\$ 84,207</u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, <i>TCA</i>	\$ 73,738	\$ 100,000	State Automobile Mutual Insurance Company
Commissioner of Highways:				
Barry Pierce (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	11,705	100,000	"
Charles Moser (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	58,523	100,000	"
Director of Schools:				
Gailand Grinder (7-1-14 through 6-15-15)	State Board of Education and County Board of Education	88,022 (1)	150,000 (4)	Tennessee Risk Management Trust
Marlon Davis (6-16-15 through 6-30-15)	State Board of Education and County Board of Education	2,763	150,000 (4)	"
Trustee	Section 8-24-102, <i>TCA</i>	63,843	726,194	State Automobile Mutual Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	63,843	50,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	63,843	150,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	63,843	100,000	Auto Owners Mutual Insurance Company
Clerk and Master	Section 8-24-102, <i>TCA</i>	63,843 (2)	110,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	63,843	100,000	State Automobile Mutual Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i>	70,228 (3)	100,000	Auto Owners Mutual Insurance Company
Employee Blanket Bonds:				
Employee Fidelity - County Departments			150,000	One Beacon Insurance Group LLC
Employee Fidelity - School Department			150,000	Tennessee Risk Management Trust

(1) Includes a chief executive officer training supplement of \$1,000. Does not include 63 percent of the premium for family health insurance (\$8,302).

(2) Does not include special commissioner fees of \$491.

(3) Does not include a law enforcement training supplement of \$600.

(4) Coverage is provided under the employee fidelity blanket bond.

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,724,083	\$ 729,882	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	97,793	41,415	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	21,482	9,095	0	0	0
Interest and Penalty	16,587	7,015	0	0	0
Pickup Taxes	700	294	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	4,682	1,971	0	0	0
Payments in-Lieu-of Taxes - Other	1,123	472	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	112	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0
Wheel Tax	134,291	0	0	0	0
Litigation Tax - General	37,544	0	0	0	0
Litigation Tax - Special Purpose	8,128	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Litigation Tax - Victim-Offender Mediation Center	1,463	0	0	0	0
Litigation Tax - Courthouse Security	35,746	0	0	0	0
Business Tax	88,492	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
Other County Local Option Taxes	38,203	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	44,489	0	0	0	0
Wholesale Beer Tax	85,339	42,106	0	0	0
Interstate Telecommunications Tax	949	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 2,341,206</b>	<b>\$ 832,250</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 522	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	2,715	0	0	0	0
<u>Permits</u>					
Beer Permits	2,422	0	0	0	0
Total Licenses and Permits	<u>\$ 5,659</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 6,607	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	1,614	0	0	0	0
Drug Control Fines	3,942	0	10,140	0	0
Drug Court Fees	1,552	0	0	0	0
Jail Fees	2,739	0	0	0	0
DUI Treatment Fines	1,200	0	0	0	0
Data Entry Fee - Circuit Court	423	0	0	0	0
<u>General Sessions Court</u>					
Fines	13,342	0	0	0	0
Fines for Littering	342	0	0	0	0
Officers Costs	15,997	0	0	0	0
Game and Fish Fines	567	0	0	0	0
Drug Control Fines	6,854	0	6,546	0	0
Drug Court Fees	6,439	0	0	0	0
Jail Fees	12,285	0	0	0	0
Interpreter Fee	42,049	0	0	0	0
DUI Treatment Fines	3,420	0	0	0	0
Data Entry Fee - General Sessions Court	5,606	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Fines	\$ 614	\$ 0	\$ 0	\$ 0	0
Officers Costs	519	0	0	0	0
Interpreter Fee	2,200	0	0	0	0
Data Entry Fee - Juvenile Court	264	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	1,688	0	0	0	0
Data Entry Fee - Chancery Court	1,840	0	0	0	0
<u>Other Courts - In-county</u>					
Interpreter Fee	6,210	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	4,095	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 138,313</b>	<b>\$ 0</b>	<b>\$ 20,781</b>	<b>\$ 0</b>	<b>0</b>
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Water Sales	\$ 0	\$ 0	\$ 0	\$ 0	0
Water Tap Sales	0	0	0	0	0
<u>Fees</u>					
Copy Fees	87	0	0	0	0
Library Fees	9,687	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0
Telephone Commissions	29,231	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	491
Data Processing Fee - Register	4,620	0	0	0	0
Data Processing Fee - Sheriff	1,242	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Sexual Offender Registration Fee - Sheriff	\$ 360	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - County Clerk	165	0	0	0	0
<u>Education Charges</u>					
Other Charges for Services	189	0	0	0	0
Total Charges for Current Services	<u>\$ 45,631</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 491</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 29,060	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	58,800	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0
Commissary Sales	42,980	0	0	0	0
Sale of Recycled Materials	0	35,154	0	0	0
Miscellaneous Refunds	39,941	452	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	0	26,398	0	0	0
Sale of Property	2,270	0	0	0	0
Damages Recovered from Individuals	150	0	0	0	0
Contributions and Gifts	1,000	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	20,710	0	0	0	0
Total Other Local Revenues	<u>\$ 194,911</u>	<u>\$ 62,004</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 172,487	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	24,335	0	0	0	0
General Sessions Court Clerk	89,655	0	0	0	0
Clerk and Master	51,239	0	0	0	0
Juvenile Court Clerk	12,791	0	0	0	0
Register	50,636	0	0	0	0
Sheriff	13,300	0	0	0	0
Trustee	201,267	0	0	0	0
<b>Total Fees Received From County Officials</b>	<b>\$ 615,710</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0
On-behalf Contributions for OPEB	3,075	0	0	0	0
Other General Government Grants	0	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	7,800	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	73,502	0	0	0	0
Other Health and Welfare Grants	200,000	0	0	0	0
<u>Public Works Grants</u>					
Litter Program	31,740	0	0	0	0
<u>Other State Revenues</u>					
Resort District Sales Tax	63,106	0	0	69,487	0
Beer Tax	18,055	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Alcoholic Beverage Tax	\$ 61,815	\$ 0	\$ 0	\$ 0	\$ 0
State Revenue Sharing - T.V.A.	813,361	0	0	0	0
Prisoner Transportation	2,200	0	0	0	0
Contracted Prisoner Boarding	1,172,624	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 Revenues	6,471	3,637	0	0	0
Total State of Tennessee	\$ 2,473,413	\$ 3,637	\$ 0	\$ 69,487	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	27,854	0	0	0	0
Other Federal through State	20,455	0	0	0	0
Total Federal Government	\$ 48,309	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 6,379	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	4,000,000	0	0	0	0
<u>Citizens Groups</u>					
Donations	2,000	0	0	0	0
Total Other Governments and Citizens Groups	\$ 4,008,379	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 9,871,531	\$ 897,891	\$ 20,781	\$ 69,487	\$ 491

(Continued)

Exhibit J-5

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

	Special	Debt Service	Capital Projects Funds		Total
	Revenue Fund	Fund	Community Development/ Industrial Park	Highway Capital Projects	
	Highway / Public Works	General Debt Service			
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 37,752	\$ 931,387	\$ 0	\$ 0	\$ 3,423,104
Trustee's Collections - Prior Year	2,239	52,742	0	0	194,189
Circuit Clerk/Clerk and Master Collections - Prior Years	656	11,603	0	0	42,836
Interest and Penalty	377	8,998	0	0	32,977
Pickup Taxes	15	391	0	0	1,400
Payments in-Lieu-of Taxes - T.V.A.	113	2,594	0	0	9,360
Payments in-Lieu-of Taxes - Other	24	627	0	0	2,246
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	962,824	0	0	962,936
Hotel/Motel Tax	0	0	10,791	0	10,791
Wheel Tax	0	442,237	0	0	576,528
Litigation Tax - General	0	0	0	0	37,544
Litigation Tax - Special Purpose	0	0	0	0	8,128
Litigation Tax - Jail, Workhouse, or Courthouse	0	38,325	0	0	38,325
Litigation Tax - Victim-Offender Mediation Center	0	0	0	0	1,463
Litigation Tax - Courthouse Security	0	0	0	0	35,746
Business Tax	0	0	0	0	88,492
Mineral Severance Tax	0	0	0	103,449	103,449
Other County Local Option Taxes	0	0	0	0	38,203
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	44,489
Wholesale Beer Tax	0	0	0	0	127,445
Interstate Telecommunications Tax	0	0	0	0	949
<b>Total Local Taxes</b>	<b>\$ 41,176</b>	<b>\$ 2,451,728</b>	<b>\$ 10,791</b>	<b>\$ 103,449</b>	<b>\$ 5,780,600</b>

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Highway Capital Projects	
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	522
Cable TV Franchise	0	0	0	0	2,715
<u>Permits</u>					
Beer Permits	0	0	0	0	2,422
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	5,659
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	6,607
Officers Costs	0	0	0	0	1,614
Drug Control Fines	0	0	0	0	14,082
Drug Court Fees	0	0	0	0	1,552
Jail Fees	0	0	0	0	2,739
DUI Treatment Fines	0	0	0	0	1,200
Data Entry Fee - Circuit Court	0	0	0	0	423
<u>General Sessions Court</u>					
Fines	0	0	0	0	13,342
Fines for Littering	0	0	0	0	342
Officers Costs	0	0	0	0	15,997
Game and Fish Fines	0	0	0	0	567
Drug Control Fines	0	0	0	0	13,400
Drug Court Fees	0	0	0	0	6,439
Jail Fees	0	0	0	0	12,285
Interpreter Fee	0	0	0	0	42,049
DUI Treatment Fines	0	0	0	0	3,420
Data Entry Fee - General Sessions Court	0	0	0	0	5,606

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Highway Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	614
Officers Costs	0	0	0	0	519
Interpreter Fee	0	0	0	0	2,200
Data Entry Fee - Juvenile Court	0	0	0	0	264
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	1,688
Data Entry Fee - Chancery Court	0	0	0	0	1,840
<u>Other Courts - In-county</u>					
Interpreter Fee	0	0	0	0	6,210
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	4,095
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>159,094</b>
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Water Sales	\$ 0	\$ 0	\$ 87,461	\$ 0	87,461
Water Tap Sales	0	0	11,250	0	11,250
<u>Fees</u>					
Copy Fees	0	0	0	0	87
Library Fees	0	0	0	0	9,687
Greenbelt Late Application Fee	0	0	0	0	50
Telephone Commissions	0	0	0	0	29,231
Special Commissioner Fees/Special Master Fees	0	0	0	0	491
Data Processing Fee - Register	0	0	0	0	4,620
Data Processing Fee - Sheriff	0	0	0	0	1,242

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Highway Capital Projects	
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Sexual Offender Registration Fee - Sheriff	\$ 0	\$ 0	\$ 0	\$ 0	360
Data Processing Fee - County Clerk	0	0	0	0	165
<u>Education Charges</u>					
Other Charges for Services	0	0	0	0	189
<b>Total Charges for Current Services</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 98,711</b>	<b>\$ 0</b>	<b>\$ 144,833</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	29,060
Lease/Rentals	0	0	8,325	0	67,125
Sale of Materials and Supplies	1,086	0	0	0	1,086
Commissary Sales	0	0	0	0	42,980
Sale of Recycled Materials	19,445	0	0	0	54,599
Miscellaneous Refunds	6,313	0	20,122	0	66,828
<u>Nonrecurring Items</u>					
Sale of Equipment	99,247	0	0	0	125,645
Sale of Property	0	0	0	0	2,270
Damages Recovered from Individuals	0	0	0	0	150
Contributions and Gifts	0	0	0	0	1,000
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	20,710
<b>Total Other Local Revenues</b>	<b>\$ 126,091</b>	<b>\$ 0</b>	<b>\$ 28,447</b>	<b>\$ 0</b>	<b>\$ 411,453</b>

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Highway Capital Projects	
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 172,487
Circuit Court Clerk	0	0	0	0	24,335
General Sessions Court Clerk	0	0	0	0	89,655
Clerk and Master	0	0	0	0	51,239
Juvenile Court Clerk	0	0	0	0	12,791
Register	0	0	0	0	50,636
Sheriff	0	0	0	0	13,300
Trustee	0	0	0	0	201,267
<b>Total Fees Received From County Officials</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 615,710</b>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,500
On-behalf Contributions for OPEB	0	0	0	0	3,075
Other General Government Grants	0	0	10,000	0	10,000
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	7,800
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	73,502
Other Health and Welfare Grants	0	0	0	0	200,000
<u>Public Works Grants</u>					
Litter Program	0	0	0	0	31,740
<u>Other State Revenues</u>					
Resort District Sales Tax	0	0	0	0	132,593
Beer Tax	0	0	0	0	18,055

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Highway Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Alcoholic Beverage Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 61,815
State Revenue Sharing - T.V.A.	0	0	50,000	0	863,361
Prisoner Transportation	0	0	0	0	2,200
Contracted Prisoner Boarding	0	0	0	0	1,172,624
Gasoline and Motor Fuel Tax	1,955,015	0	0	0	1,955,015
Petroleum Special Tax	12,177	0	0	0	12,177
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Revenues	0	0	0	0	10,108
<b>Total State of Tennessee</b>	<b>\$ 1,967,192</b>	<b>\$ 0</b>	<b>\$ 60,000</b>	<b>\$ 0</b>	<b>\$ 4,573,729</b>
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 183,339	\$ 0	\$ 183,339
Homeland Security Grants	0	0	0	0	27,854
Other Federal through State	0	0	0	0	20,455
<b>Total Federal Government</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 183,339</b>	<b>\$ 0</b>	<b>\$ 231,648</b>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,379
Contributions	0	200,000	13,615	0	4,213,615
<u>Citizens Groups</u>					
Donations	0	0	0	0	2,000
<b>Total Other Governments and Citizens Groups</b>	<b>\$ 0</b>	<b>\$ 200,000</b>	<b>\$ 13,615</b>	<b>\$ 0</b>	<b>\$ 4,221,994</b>
<b>Total</b>	<b>\$ 2,134,459</b>	<b>\$ 2,651,728</b>	<b>\$ 394,903</b>	<b>\$ 103,449</b>	<b>\$ 16,144,720</b>

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,786,739	\$ 0	\$ 0	\$ 1,786,739
Trustee's Collections - Prior Year	107,711	0	0	107,711
Circuit Clerk/Clerk and Master Collections - Prior Years	37,604	0	0	37,604
Interest and Penalty	18,271	0	0	18,271
Pickup Taxes	700	0	0	700
Payments in-Lieu-of Taxes - T.V.A.	5,256	0	0	5,256
Payments in-Lieu-of Taxes - Other	2,246	0	0	2,246
<u>County Local Option Taxes</u>				
Local Option Sales Tax	679,421	0	0	679,421
<u>Statutory Local Taxes</u>				
Coal Severance Tax	26,665	0	0	26,665
Interstate Telecommunications Tax	1,833	0	0	1,833
Total Local Taxes	<u>\$ 2,666,446</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,666,446</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 565	\$ 0	\$ 0	\$ 565
Total Licenses and Permits	<u>\$ 565</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 565</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 155,611	\$ 155,611
Lunch Payments - Adults	0	0	41,853	41,853
Income from Breakfast	0	0	35,837	35,837

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
Special Milk Sales	\$ 0	\$ 0	\$ 4,366	\$ 4,366
A la Carte Sales	0	0	107,811	107,811
Receipts from Individual Schools	60,827	0	0	60,827
Total Charges for Current Services	<u>\$ 60,827</u>	<u>\$ 0</u>	<u>\$ 345,478</u>	<u>\$ 406,305</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 84	\$ 84
Lease/Rentals	5,270	0	0	5,270
Sale of Materials and Supplies	55	0	0	55
Retirees' Insurance Payments	1,810	0	0	1,810
Miscellaneous Refunds	9,266	0	0	9,266
<u>Nonrecurring Items</u>				
Sale of Property	4,000	0	0	4,000
Contributions and Gifts	2,540	0	0	2,540
<u>Other Local Revenues</u>				
Other Local Revenues	47,659	0	0	47,659
Total Other Local Revenues	<u>\$ 70,600</u>	<u>\$ 0</u>	<u>\$ 84</u>	<u>\$ 70,684</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 88,795	\$ 0	\$ 0	\$ 88,795
<u>Health and Welfare Grants</u>				
Other Health and Welfare Grants	182,602	0	0	182,602

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds</u>				
Basic Education Program	\$ 13,286,197	\$ 0	\$ 0	\$ 13,286,197
Early Childhood Education	948,933	0	0	948,933
School Food Service	0	0	13,260	13,260
Driver Education	12,314	0	0	12,314
Other State Education Funds	266,958	0	0	266,958
Career Ladder Program	99,857	0	0	99,857
Career Ladder - Extended Contract	37,720	0	0	37,720
<u>Other State Revenues</u>				
Other State Grants	43,744	0	0	43,744
Other State Revenues	25,721	0	0	25,721
Total State of Tennessee	<u>\$ 14,992,841</u>	<u>\$ 0</u>	<u>\$ 13,260</u>	<u>\$ 15,006,101</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 607,042	\$ 607,042
USDA - Commodities	0	0	79,286	79,286
Breakfast	0	0	258,712	258,712
USDA - Other	0	0	40,453	40,453
Adult Education State Grant Program	132,085	0	0	132,085
Vocational Education - Basic Grants to States	0	100,632	0	100,632
Community Based Organizations	8,115	0	0	8,115
Title I Grants to Local Education Agencies	0	671,302	0	671,302
Special Education - Grants to States	11,094	593,092	0	604,186
Special Education Preschool Grants	0	17,559	0	17,559

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Federal Government (Cont.)</u>				
<u>Federal Through State (Cont.)</u>				
Rural Education	\$ 0	\$ 36,352	\$ 0	\$ 36,352
Eisenhower Professional Development State Grants	0	113,216	0	113,216
Race to the Top - ARRA	0	60,813	0	60,813
Other Federal through State	180,911	0	0	180,911
Total Federal Government	<u>\$ 332,205</u>	<u>\$ 1,592,966</u>	<u>\$ 985,493</u>	<u>\$ 2,910,664</u>
Total	<u>\$ 18,123,484</u>	<u>\$ 1,592,966</u>	<u>\$ 1,344,315</u>	<u>\$ 21,060,765</u>

## Exhibit J-7

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

General FundGeneral GovernmentCounty Commission

Other Salaries and Wages	\$	3,235	
Board and Committee Members Fees		8,580	
Social Security		1,001	
State Retirement		543	
Unemployment Compensation		52	
Employer Medicare		234	
On-behalf Payments to OPEB		3,075	
Advertising		1,427	
Audit Services		5,106	
Communication		6,437	
Legal Services		28,175	
Maintenance and Repair Services - Office Equipment		171	
Postal Charges		22,295	
Travel		1,295	
Office Supplies		50	
Other Supplies and Materials		219	
Premiums on Corporate Surety Bonds		50	
Other Charges		8,947	
Total County Commission			\$ 90,892

County Mayor/Executive

County Official/Administrative Officer	\$	73,738	
Accountants/Bookkeepers		20,692	
Purchasing Personnel		19,796	
Longevity Pay		150	
Other Salaries and Wages		1,440	
In-service Training		50	
Social Security		6,892	
State Retirement		7,439	
Employee and Dependent Insurance		46,972	
Unemployment Compensation		124	
Employer Medicare		1,612	
Communication		3,554	
Data Processing Services		11,540	
Maintenance and Repair Services - Vehicles		135	
Printing, Stationery, and Forms		500	
Travel		76	
Gasoline		235	
Office Supplies		27	
Other Supplies and Materials		24	
Premiums on Corporate Surety Bonds		1,243	
Other Charges		606	
Office Equipment		8,427	
Total County Mayor/Executive			205,272

Election Commission

County Official/Administrative Officer	\$	57,459	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Part-time Personnel	\$	15,459	
Longevity Pay		475	
Election Commission		4,453	
Election Workers		18,740	
In-service Training		2,425	
Social Security		4,560	
State Retirement		4,348	
Employee and Dependent Insurance		360	
Unemployment Compensation		181	
Employer Medicare		1,066	
Advertising		876	
Communication		3,001	
Data Processing Services		16,400	
Dues and Memberships		250	
Maintenance and Repair Services - Equipment		110	
Rentals		500	
Travel		2,130	
Other Charges		981	
Total Election Commission			\$ 133,774

Register of Deeds

County Official/Administrative Officer	\$	63,843	
Clerical Personnel		21,358	
Part-time Personnel		904	
Longevity Pay		50	
Social Security		5,311	
State Retirement		5,565	
Employee and Dependent Insurance		380	
Unemployment Compensation		151	
Employer Medicare		1,242	
Advertising		171	
Communication		2,066	
Data Processing Services		6,693	
Dues and Memberships		586	
Maintenance and Repair Services - Office Equipment		604	
Printing, Stationery, and Forms		2,121	
Rentals		155	
Office Supplies		26	
Premiums on Corporate Surety Bonds		1,243	
Office Equipment		372	
Total Register of Deeds			112,841

County Buildings

Supervisor/Director	\$	24,291
Custodial Personnel		27,618
Maintenance Personnel		20,653
Longevity Pay		1,750

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Other Per Diem and Fees	\$	251	
Social Security		4,617	
State Retirement		4,174	
Employee and Dependent Insurance		950	
Unemployment Compensation		297	
Employer Medicare		1,080	
Communication		411	
Contracts with Private Agencies		24,136	
Maintenance and Repair Services - Buildings		26,065	
Maintenance and Repair Services - Equipment		12,353	
Maintenance and Repair Services - Vehicles		817	
Travel		435	
Custodial Supplies		9,255	
Electricity		132,136	
Fuel Oil		1,643	
Gasoline		2,831	
Uniforms		321	
Utilities		60,859	
Other Supplies and Materials		1,063	
Other Charges		2,807	
Building Improvements		3,115	
Total County Buildings			\$ 363,928

Other General Administration

Communication	\$	1,373	
Dues and Memberships		6,593	
Maintenance and Repair Services - Office Equipment		7,129	
Office Supplies		22,742	
Other Charges		1	
Total Other General Administration			37,838

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	63,843
Clerical Personnel		39,591
Part-time Personnel		4,314
Longevity Pay		2,125
Board and Committee Members Fees		850
Social Security		6,705
State Retirement		6,901
Employee and Dependent Insurance		856
Unemployment Compensation		219
Employer Medicare		1,568
Advertising		52
Communication		1,094
Contracts with Government Agencies		3,271
Contracts with Private Agencies		1,105

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Dues and Memberships	\$	50	
Maintenance and Repair Services - Office Equipment		20	
Printing, Stationery, and Forms		18	
Other Charges		87	
Total Property Assessor's Office	\$		132,669

Reappraisal Program

Contracts with Private Agencies	\$	7,911	
Data Processing Services		6,992	
Travel		469	
Other Charges		238	
Total Reappraisal Program			15,610

County Trustee's Office

County Official/Administrative Officer	\$	63,843	
Clerical Personnel		39,876	
Longevity Pay		725	
Social Security		6,413	
State Retirement		6,630	
Employee and Dependent Insurance		652	
Unemployment Compensation		156	
Employer Medicare		1,500	
Communication		2,474	
Data Processing Services		8,215	
Dues and Memberships		407	
Printing, Stationery, and Forms		295	
Rentals		126	
Office Supplies		41	
Premiums on Corporate Surety Bonds		3,881	
Office Equipment		14,821	
Total County Trustee's Office			150,055

County Clerk's Office

County Official/Administrative Officer	\$	63,843
Deputy(ies)		39,591
Part-time Personnel		5,278
Longevity Pay		850
Other Salaries and Wages		3,350
Social Security		6,829
State Retirement		6,870
Employee and Dependent Insurance		630
Unemployment Compensation		185
Employer Medicare		1,597
Communication		1,334
Data Processing Services		11,591
Dues and Memberships		597
Printing, Stationery, and Forms		2,088

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Rentals	\$	15	
Office Supplies		280	
Other Supplies and Materials		210	
Premiums on Corporate Surety Bonds		2,396	
Total County Clerk's Office			\$ 147,534

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,843	
Deputy(ies)		51,259	
Longevity Pay		1,125	
Jury and Witness Expense		14,625	
Social Security		7,143	
State Retirement		7,570	
Employee and Dependent Insurance		876	
Unemployment Compensation		277	
Employer Medicare		1,670	
Communication		4,790	
Contracts with Other Public Agencies		1,704	
Data Processing Services		8,242	
Dues and Memberships		400	
Printing, Stationery, and Forms		431	
Rentals		35	
Other Supplies and Materials		961	
Premiums on Corporate Surety Bonds		400	
Other Charges		92	
Total Circuit Court			165,443

General Sessions Court

Judge(s)	\$	89,452
Secretary(ies)		22,020
Attendants		36,798
Longevity Pay		900
Other Salaries and Wages		37,271
In-service Training		348
Social Security		11,609
State Retirement		9,807
Employee and Dependent Insurance		1,564
Unemployment Compensation		279
Employer Medicare		2,715
Communication		2,227
Contracts with Private Agencies		1,400
Data Processing Services		3,262
Dues and Memberships		416
Printing, Stationery, and Forms		70
Travel		2,482
Custodial Supplies		999

(Continued)

## Exhibit J-7

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

General Fund (Cont.)Administration of Justice (Cont.)General Sessions Court (Cont.)

Other Supplies and Materials	\$	100	
In Service/Staff Development		4,267	
Other Charges		917	
Total General Sessions Court			\$ 228,903

Drug Court

Remittance of Revenue Collected	\$	7,586	
Total Drug Court			7,586

Chancery Court

County Official/Administrative Officer	\$	63,843	
Deputy(ies)		19,795	
Part-time Personnel		5,426	
Longevity Pay		1,625	
Social Security		5,577	
State Retirement		5,530	
Employee and Dependent Insurance		540	
Unemployment Compensation		191	
Employer Medicare		1,304	
Advertising		342	
Communication		2,756	
Data Processing Services		8,945	
Dues and Memberships		94	
Printing, Stationery, and Forms		1,252	
Rentals		36	
Gasoline		68	
Other Supplies and Materials		1,170	
Premiums on Corporate Surety Bonds		1,303	
Other Charges		28	
Total Chancery Court			119,825

Juvenile Court

Youth Service Officer(s)	\$	25,786	
Clerical Personnel		19,795	
Longevity Pay		200	
In-service Training		757	
Social Security		2,818	
State Retirement		2,995	
Employee and Dependent Insurance		112	
Unemployment Compensation		129	
Employer Medicare		659	
Contracts with Private Agencies		5,635	
Data Processing Services		3,262	
Dues and Memberships		265	
Travel		609	
Total Juvenile Court			63,022

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners

County Official/Administrative Officer	\$	49,694	
Longevity Pay		675	
In-service Training		152	
Social Security		3,145	
State Retirement		3,324	
Employee and Dependent Insurance		360	
Unemployment Compensation		144	
Employer Medicare		736	
Travel		135	
Total Judicial Commissioners			\$ 58,365

Courtroom Security

Deputy(ies)	\$	24,706	
Social Security		1,533	
State Retirement		1,628	
Employee and Dependent Insurance		180	
Unemployment Compensation		25	
Employer Medicare		359	
Total Courtroom Security			28,431

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	70,228
Supervisor/Director		44,637
Deputy(ies)		351,584
Investigator(s)		60,283
Sergeant(s)		77,031
Teachers		4,600
Salary Supplements		12,000
Temporary Personnel		21,900
Educational Incentive - Other County Employees		1,250
Longevity Pay		2,400
In-service Training		6,991
Social Security		40,794
State Retirement		42,919
Employee and Dependent Insurance		4,159
Unemployment Compensation		1,195
Employer Medicare		9,541
Advertising		719
Communication		7,471
Contracts with Private Agencies		431
Dues and Memberships		2,293
Maintenance Agreements		71
Maintenance and Repair Services - Buildings		4,076
Maintenance and Repair Services - Equipment		4,776
Maintenance and Repair Services - Office Equipment		16,287
Maintenance and Repair Services - Vehicles		57,240

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Postal Charges	\$	56	
Printing, Stationery, and Forms		1,020	
Travel		1,152	
Data Processing Supplies		105,756	
Gasoline		72,731	
Law Enforcement Supplies		4,390	
Office Supplies		11,806	
Uniforms		29,387	
Other Supplies and Materials		3,069	
Other Charges		39,007	
Law Enforcement Equipment		858	
Motor Vehicles		29,937	
Office Equipment		1,462	
Total Sheriff's Department			\$ 1,145,507

Jail

Assistant(s)	\$	31,123
Supervisor/Director		32,991
Lieutenant(s)		26,669
Sergeant(s)		110,561
Dispatchers/Radio Operators		137,251
Guards		415,530
Clerical Personnel		21,886
Educational Incentive - Other County Employees		1,250
Longevity Pay		3,950
In-service Training		4,635
Social Security		48,607
State Retirement		43,382
Employee and Dependent Insurance		5,933
Unemployment Compensation		2,919
Employer Medicare		11,368
Advertising		130
Communication		16,255
Contracts with Private Agencies		6,374
Maintenance and Repair Services - Buildings		13,964
Maintenance and Repair Services - Equipment		3,101
Maintenance and Repair Services - Vehicles		220
Medical and Dental Services		33,607
Printing, Stationery, and Forms		336
Transportation - Other than Students		9,104
Travel		447
Other Contracted Services		180,426
Custodial Supplies		4,344
Drugs and Medical Supplies		241,361
Electricity		358
Food Supplies		7,755
Fuel Oil		124

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Office Supplies	\$	27	
Uniforms		5,929	
Other Supplies and Materials		4,188	
Premiums on Corporate Surety Bonds		1,004	
Other Charges		1,781	
Other Equipment		17,622	
Total Jail			\$ 1,446,512

Rural Fire Protection

Maintenance and Repair Services - Buildings	\$	30	
Maintenance and Repair Services - Equipment		2,247	
Maintenance and Repair Services - Vehicles		20,051	
Matching Share		10,000	
Equipment and Machinery Parts		25	
Fuel Oil		2,154	
Gasoline		7,023	
Liability Insurance		41,547	
Total Rural Fire Protection			83,077

Civil Defense

Other Charges	\$	1,300	
Other Equipment		10,514	
Total Civil Defense			11,814

Other Emergency Management

Longevity Pay	\$	350	
Other Salaries and Wages		16,832	
Social Security		1,065	
State Retirement		1,126	
Employee and Dependent Insurance		265	
Unemployment Compensation		79	
Employer Medicare		249	
Communication		3,048	
Other Contracted Services		7,125	
Electricity		2,474	
Office Supplies		1,252	
Utilities		601	
Other Charges		4,920	
Total Other Emergency Management			39,386

County Coroner/Medical Examiner

Social Security	\$	135	
Unemployment Compensation		18	
Employer Medicare		32	
Medical and Dental Services		31,095	
Travel		8	
Other Supplies and Materials		14	
Total County Coroner/Medical Examiner			31,302

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety

Communication	\$ 1,500	
Total Other Public Safety		\$ 1,500

Public Health and Welfare

Local Health Center

Custodial Personnel	\$ 4,500	
Longevity Pay	725	
Social Security	324	
Unemployment Compensation	44	
Employer Medicare	76	
Advertising	306	
Communication	3,662	
Contracts with Government Agencies	20,000	
Dues and Memberships	300	
Maintenance and Repair Services - Buildings	60	
Maintenance and Repair Services - Equipment	233	
Printing, Stationery, and Forms	66	
Custodial Supplies	210	
Electricity	13,693	
Office Supplies	9	
Utilities	884	
Other Supplies and Materials	599	
Other Charges	119,222	
Total Local Health Center		164,913

Nursing Home

Contributions	\$ 2,718,779	
Total Nursing Home		2,718,779

Other Local Health Services

Longevity Pay	\$ 950	
Other Salaries and Wages	72,155	
Social Security	4,452	
State Retirement	3,373	
Employee and Dependent Insurance	415	
Unemployment Compensation	216	
Employer Medicare	1,041	
Contributions	6,451	
Medical and Dental Services	75	
Travel	4,522	
Other Supplies and Materials	1,849	
Other Charges	8,565	
Total Other Local Health Services		104,064

Regional Mental Health Center

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

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Welfare Services

Contributions	\$	12,500	
Total Other Local Welfare Services			\$ 12,500

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

Libraries

Supervisor/Director	\$	34,046	
Deputy(ies)		18,473	
Part-time Personnel		55,186	
Longevity Pay		2,375	
In-service Training		949	
Social Security		6,767	
State Retirement		3,595	
Employee and Dependent Insurance		1,208	
Unemployment Compensation		448	
Employer Medicare		1,583	
Communication		4,688	
Data Processing Services		1,871	
Dues and Memberships		110	
Maintenance and Repair Services - Office Equipment		463	
Travel		1,638	
Electricity		4,772	
Gasoline		54	
Library Books/Media		13,160	
Periodicals		489	
Utilities		1,280	
Water and Sewer		1,643	
Other Supplies and Materials		1,250	
Other Charges		167	
Data Processing Equipment		4,252	
Office Equipment		1,659	
Total Libraries			162,126

Other Social, Cultural, and Recreational

Communication	\$	1,151	
Contributions		16,000	
Total Other Social, Cultural, and Recreational			17,151

Agriculture and Natural Resources

Agricultural Extension Service

Custodial Personnel	\$	2,795	
Longevity Pay		700	
Other Salaries and Wages		19,707	
Social Security		1,346	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

State Retirement	\$	2,148	
Unemployment Compensation		30	
Employer Medicare		407	
Other Fringe Benefits		405	
Communication		2,079	
Dues and Memberships		336	
Other Supplies and Materials		2,653	
Total Agricultural Extension Service			\$ 32,606

Forest Service

Forest Resource Services	\$	2,000	
Total Forest Service			2,000

Soil Conservation

Clerical Personnel	\$	35,500	
Longevity Pay		50	
Social Security		2,203	
Employee and Dependent Insurance		230	
Unemployment Compensation		72	
Employer Medicare		515	
Communication		685	
Total Soil Conservation			39,255

Other Operations

Other Economic and Community Development

Secretary(ies)	\$	1,500	
Social Security		81	
State Retirement		94	
Unemployment Compensation		5	
Employer Medicare		19	
Contributions		44,977	
Total Other Economic and Community Development			46,676

Veterans' Services

Supervisor/Director	\$	4,210	
Social Security		261	
Unemployment Compensation		20	
Employer Medicare		61	
Communication		412	
Maintenance and Repair Services - Vehicles		246	
Travel		197	
Gasoline		1,688	
Other Charges		1,937	
Motor Vehicles		3,504	
Total Veterans' Services			12,536

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Liability Insurance	\$	195,671	
Workers' Compensation Insurance		105,981	
Total Other Charges			\$ 301,652

Contributions to Other Agencies

Contributions	\$	27,441	
Total Contributions to Other Agencies			27,441

Employee Benefits

On-behalf Payments to OPEB	\$	1,412	
Total Employee Benefits			1,412

Miscellaneous

Trustee's Commission	\$	49,795	
Other Charges		1,267	
Total Miscellaneous			51,062

Highways

Litter and Trash Collection

Foremen	\$	20,280	
Longevity Pay		1,650	
Social Security		1,475	
Handling Charges and Administrative Costs		1,933	
State Retirement		1,562	
Employee and Dependent Insurance		180	
Unemployment Compensation		78	
Employer Medicare		345	
Maintenance and Repair Services - Vehicles		1,797	
Gasoline		7,406	
Instructional Supplies and Materials		6,682	
Total Litter and Trash Collection			43,388

Support Services

Other Programs

Teachers	\$	6,500	
In-service Training		38	
Social Security		396	
State Retirement		424	
Unemployment Compensation		14	
Employer Medicare		93	
Total Other Programs			7,465

Total General Fund \$ 8,611,112

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Other Waste Collection

Truck Drivers	\$	40,560	
Laborers		19,905	
Longevity Pay		2,100	
Social Security		3,813	
State Retirement		3,827	
Employee and Dependent Insurance		317	
Unemployment Compensation		229	
Employer Medicare		892	
Other Charges		140	
Total Other Waste Collection			\$ 71,783

Other Waste Disposal

Supervisor/Director	\$	32,713	
Salary Supplements		2,000	
Longevity Pay		3,075	
Overtime Pay		4,494	
Other Salaries and Wages		151,937	
In-service Training		1,012	
Other Per Diem and Fees		5,881	
Social Security		12,038	
State Retirement		9,015	
Employee and Dependent Insurance		2,667	
Unemployment Compensation		784	
Employer Medicare		2,815	
Advertising		1,323	
Communication		2,776	
Contracts with Private Agencies		354,355	
Dues and Memberships		200	
Evaluation and Testing		875	
Maintenance and Repair Services - Buildings		3,800	
Maintenance and Repair Services - Equipment		22,611	
Maintenance and Repair Services - Vehicles		13,419	
Travel		636	
Disposal Fees		122	
Custodial Supplies		3,941	
Electricity		8,291	
Fuel Oil		2,765	
Gasoline		19,933	
Uniforms		14,244	
Water and Sewer		882	
Other Supplies and Materials		1,869	
Trustee's Commission		15,884	
Other Charges		2,234	
Solid Waste Equipment		5,000	
Total Other Waste Disposal			703,591

Total Solid Waste/Sanitation Fund \$ 775,374

(Continued)

Exhibit J-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Advertising	\$	135	
Communication		1,754	
Animal Food and Supplies		99	
Other Supplies and Materials		50	
Trustee's Commission		212	
Other Charges		2,545	
Total Drug Enforcement			\$ 4,795

Total Drug Control Fund \$ 4,795

Other Special Revenue Fund

Other Operations

Tourism

Supervisor/Director	\$	23,000	
Longevity Pay		300	
Other Salaries and Wages		7,800	
Social Security		1,818	
Employee and Dependent Insurance		64	
Unemployment Compensation		108	
Employer Medicare		425	
Advertising		2,595	
Contributions		6,368	
Utilities		3,699	
Other Supplies and Materials		1,582	
Trustee's Commission		695	
Total Tourism			\$ 48,454

Tourism - Resort District

Contributions	\$	12,250	
Total Tourism - Resort District			12,250

Total Other Special Revenue Fund 60,704

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	491	
Total Chancery Court			\$ 491

Total Constitutional Officers - Fees Fund 491

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	70,228	
Secretary(ies)		67,013	
Social Security		7,602	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

State Retirement	\$	7,992	
Unemployment Compensation		954	
Employer Medicare		1,778	
Dues and Memberships		4,326	
Freight Expenses		14	
Legal Notices, Recording, and Court Costs		74	
Maintenance and Repair Services - Buildings		9,298	
Maintenance and Repair Services - Office Equipment		474	
Postal Charges		446	
Printing, Stationery, and Forms		1,468	
Travel		1,998	
Other Contracted Services		15,121	
Custodial Supplies		898	
Office Supplies		2,148	
Other Supplies and Materials		221	
Other Charges		1,903	
Data Processing Equipment		797	
Total Administration			\$ 194,753

Highway and Bridge Maintenance

Foremen	\$	55,323	
Equipment Operators		203,732	
Truck Drivers		151,005	
Laborers		291,434	
Social Security		43,959	
State Retirement		35,478	
Unemployment Compensation		10,570	
Employer Medicare		10,281	
Freight Expenses		10	
Rentals		157,294	
Other Contracted Services		350	
Asphalt - Cold Mix		91,226	
Asphalt - Liquid		471,786	
Concrete		9,909	
Crushed Stone		229,208	
General Construction Materials		429	
Pipe		61,403	
Pipe - Metal		2,759	
Road Signs		9,381	
Small Tools		2,995	
Structural Steel		373	
Wood Products		5,340	
Other Supplies and Materials		10,049	
Other Charges		1,035	
Total Highway and Bridge Maintenance			1,855,329

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Foremen	\$	29,872	
Mechanic(s)		75,084	
Social Security		6,502	
State Retirement		4,252	
Unemployment Compensation		1,559	
Employer Medicare		1,521	
Freight Expenses		442	
Maintenance and Repair Services - Equipment		16,968	
Maintenance and Repair Services - Vehicles		1,652	
Diesel Fuel		184,190	
Equipment Parts - Light		14,442	
Equipment and Machinery Parts		126,506	
Garage Supplies		11,496	
Gasoline		38,554	
Lubricants		27,566	
Small Tools		7,197	
Tires and Tubes		32,093	
Uniforms		1,746	
Other Supplies and Materials		2,675	
Other Charges		271	
Total Operation and Maintenance of Equipment			\$ 584,588

Other Charges

Communication	\$	12,297	
Electricity		7,608	
Food Supplies		17,686	
Utilities		506	
Water and Sewer		1,085	
Trustee's Commission		20,476	
Vehicle and Equipment Insurance		20,381	
Other Charges		2,191	
Total Other Charges			82,230

Employee Benefits

Employee and Dependent Insurance	\$	1,700	
Workers' Compensation Insurance		38,000	
Total Employee Benefits			39,700

Capital Outlay

Engineering Services	\$	14,189	
Building Construction		95	
Communication Equipment		337	
Highway Equipment		22,507	
Motor Vehicles		43,800	
Total Capital Outlay			80,928

Total Highway/Public Works Fund \$ 2,837,528

(Continued)

Exhibit J-7

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 361,513	
Total General Government		\$ 361,513

Highways and Streets

Principal on Bonds	\$ 44,950	
Total Highways and Streets		44,950

Education

Principal on Bonds	\$ 996,600	
Total Education		996,600

Interest on Debt

General Government

Interest on Bonds	\$ 419,855	
Interest on Other Loans	10,529	
Total General Government		430,384

Highways and Streets

Interest on Bonds	\$ 42,811	
Total Highways and Streets		42,811

Education

Interest on Bonds	\$ 493,445	
Total Education		493,445

Other Debt Service

General Government

Fiscal Agent Charges	\$ 5,000	
Operating Lease Payments	166,225	
Trustee's Commission	33,293	
Other Debt Service	3,143	
Total General Government		207,661

Highways and Streets

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

Education

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

Total General Debt Service Fund		\$ 2,587,364
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Community Development/Industrial Park Fund

Other Operations

Other Economic and Community Development

Contracts with Government Agencies	\$ 61,689	
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(Continued)

Exhibit J-7

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

Community Development/Industrial Park Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development (Cont.)

Other Contracted Services	\$	27,038	
Electricity		1,277	
Other Charges		8,707	
Total Other Economic and Community Development	\$		98,711

Airport

Contributions	\$	8,500	
Total Airport			8,500

Capital Projects

General Administration Projects

Contracts with Private Agencies	\$	12,000	
Other Contracted Services		12,500	
Trustee's Commission		697	
Other Charges		50,758	
Other Construction		23,395	
Total General Administration Projects			99,350

Social, Cultural, and Recreation Projects

Other Charges	\$	11,059	
Total Social, Cultural, and Recreation Projects			11,059

Public Utility Projects

Advertising	\$	1,242	
Other Charges		3,700	
Interest on Bonds		10,529	
Other Construction		167,868	
Total Public Utility Projects			183,339

Total Community Development/Industrial Park Fund \$ 400,959

Highway Capital Projects Fund

Capital Projects

Highway and Street Capital Projects

Pipe	\$	9,678	
Trustee's Commission		1,034	
Highway Equipment		252,288	
Total Highway and Street Capital Projects			\$ 263,000

Total Highway Capital Projects Fund 263,000

Total Governmental Funds - Primary Government \$ 15,541,327

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 6,220,486	
Career Ladder Program	82,775	
Career Ladder Extended Contracts	37,577	
Homebound Teachers	1,480	
Educational Assistants	211,384	
Other Salaries and Wages	265,102	
Certified Substitute Teachers	50,202	
Non-certified Substitute Teachers	90,177	
Social Security	395,637	
State Retirement	573,988	
Medical Insurance	537,438	
Dental Insurance	11,081	
Disability Insurance	31,223	
Unemployment Compensation	17,730	
Employer Medicare	93,482	
Postal Charges	465	
Travel	1,162	
Other Contracted Services	10,973	
Instructional Supplies and Materials	103,125	
Textbooks	155,607	
Other Supplies and Materials	34,603	
Other Charges	3,237	
Regular Instruction Equipment	218,042	
Total Regular Instruction Program		\$ 9,146,976

Alternative Instruction Program

Teachers	\$ 69,016	
Certified Substitute Teachers	348	
Social Security	4,084	
State Retirement	6,130	
Medical Insurance	3,611	
Dental Insurance	23	
Unemployment Compensation	138	
Employer Medicare	955	
Other Supplies and Materials	200	
Total Alternative Instruction Program		84,505

Special Education Program

Teachers	\$ 772,378
Homebound Teachers	8,537
Educational Assistants	61,282
Speech Pathologist	90,185
Certified Substitute Teachers	4,558
Non-certified Substitute Teachers	23,124
Social Security	55,816
State Retirement	77,573

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Medical Insurance	\$	60,189	
Dental Insurance		1,066	
Disability Insurance		3,566	
Unemployment Compensation		2,590	
Employer Medicare		12,987	
Other Contracted Services		10,401	
Instructional Supplies and Materials		8,601	
Other Supplies and Materials		7,699	
Special Education Equipment		7,188	
Total Special Education Program			\$ 1,207,740

Vocational Education Program

Teachers	\$	307,758	
Certified Substitute Teachers		9,038	
Non-certified Substitute Teachers		1,751	
Social Security		17,803	
State Retirement		27,679	
Medical Insurance		29,265	
Dental Insurance		41	
Disability Insurance		1,650	
Unemployment Compensation		931	
Employer Medicare		4,164	
Instructional Supplies and Materials		15,474	
Other Supplies and Materials		1,700	
Vocational Instruction Equipment		9,092	
Total Vocational Education Program			426,346

Adult Education Program

Teachers	\$	49,586	
Social Security		3,064	
State Retirement		4,451	
Medical Insurance		2,440	
Unemployment Compensation		281	
Employer Medicare		716	
Other Contracted Services		1,904	
Instructional Supplies and Materials		7,876	
Total Adult Education Program			70,318

Support Services

Attendance

Supervisor/Director	\$	31,443	
Social Security		1,712	
State Retirement		2,708	
Medical Insurance		2,731	
Unemployment Compensation		43	
Employer Medicare		400	
Total Attendance			39,037

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Teachers	\$	25,088	
Medical Personnel		36,947	
Other Salaries and Wages		138,341	
Social Security		11,151	
State Retirement		13,249	
Medical Insurance		14,719	
Dental Insurance		108	
Disability Insurance		1,580	
Unemployment Compensation		850	
Employer Medicare		2,608	
Postal Charges		10	
Travel		8,444	
Other Contracted Services		108,707	
Drugs and Medical Supplies		3,085	
Other Supplies and Materials		19,173	
Total Health Services	\$		384,060

Other Student Support

Guidance Personnel	\$	261,365	
Social Workers		14,131	
Other Salaries and Wages		43,757	
Certified Substitute Teachers		52	
Non-certified Substitute Teachers		52	
Social Security		17,697	
State Retirement		25,660	
Medical Insurance		26,783	
Dental Insurance		650	
Unemployment Compensation		844	
Employer Medicare		4,139	
Evaluation and Testing		13,845	
Postal Charges		125	
Travel		14,647	
Other Supplies and Materials		13,063	
Other Charges		1,355	
Total Other Student Support			438,165

Regular Instruction Program

Supervisor/Director	\$	72,405	
Librarians		320,433	
Other Salaries and Wages		2,489	
Certified Substitute Teachers		77	
Non-certified Substitute Teachers		824	
Social Security		22,279	
State Retirement		34,182	
Medical Insurance		26,282	
Dental Insurance		1,244	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Disability Insurance	\$	825	
Unemployment Compensation		805	
Employer Medicare		5,211	
Travel		3,576	
Library Books/Media		23,551	
In Service/Staff Development		1,676	
Total Regular Instruction Program			\$ 515,859

Special Education Program

Supervisor/Director	\$	72,405	
Psychological Personnel		62,111	
Assessment Personnel		58,704	
Other Salaries and Wages		4,000	
Social Security		11,358	
State Retirement		17,205	
Medical Insurance		10,460	
Disability Insurance		493	
Unemployment Compensation		275	
Employer Medicare		2,656	
Travel		965	
Other Contracted Services		25,252	
Other Supplies and Materials		7,718	
Total Special Education Program			273,602

Vocational Education Program

Supervisor/Director	\$	67,426	
Secretary(ies)		13,964	
Other Salaries and Wages		17,509	
Social Security		5,968	
State Retirement		8,055	
Medical Insurance		1,772	
Dental Insurance		550	
Disability Insurance		172	
Unemployment Compensation		251	
Employer Medicare		1,396	
Travel		1,952	
Other Charges		107	
Total Vocational Education Program			119,122

Adult Programs

Supervisor/Director	\$	51,333	
Other Salaries and Wages		20,086	
Social Security		4,262	
State Retirement		5,954	
Medical Insurance		3,237	
Dental Insurance		450	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs (Cont.)

Unemployment Compensation	\$	168	
Employer Medicare		997	
Travel		4,907	
Other Supplies and Materials		74	
In Service/Staff Development		5,074	
Total Adult Programs			\$ 96,542

Other Programs

On-behalf Payments to OPEB	\$	88,795	
Total Other Programs			88,795

Board of Education

Board and Committee Members Fees	\$	7,100	
Social Security		388	
Dental Insurance		46	
Unemployment Compensation		71	
Employer Medicare		91	
Audit Services		19,000	
Dues and Memberships		7,877	
Legal Services		1,964	
Travel		566	
Other Contracted Services		2,700	
Trustee's Commission		72,747	
Workers' Compensation Insurance		122,879	
In Service/Staff Development		766	
Refund to Applicant for Criminal Investigation		19,772	
Other Charges		15,183	
Total Board of Education			271,150

Director of Schools

County Official/Administrative Officer	\$	90,785	
Secretary(ies)		19,809	
Social Security		6,469	
State Retirement		9,101	
Medical Insurance		10,378	
Dental Insurance		143	
Unemployment Compensation		191	
Employer Medicare		1,513	
Communication		7,234	
Dues and Memberships		1,877	
Postal Charges		21	
Travel		2,047	
Other Contracted Services		1,123	
Office Supplies		367	
In Service/Staff Development		956	
Total Director of Schools			152,014

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	453,428	
Secretary(ies)		98,058	
Social Security		31,790	
State Retirement		45,958	
Medical Insurance		33,309	
Dental Insurance		1,359	
Disability Insurance		943	
Unemployment Compensation		1,287	
Employer Medicare		7,435	
Communication		10,800	
Total Office of the Principal			\$ 684,367

Fiscal Services

Accountants/Bookkeepers	\$	41,120	
Social Security		2,549	
State Retirement		2,691	
Unemployment Compensation		90	
Employer Medicare		596	
Data Processing Services		11,595	
Data Processing Supplies		1,978	
Office Supplies		638	
Administration Equipment		5,284	
Total Fiscal Services			66,541

Operation of Plant

Custodial Personnel	\$	301,970	
Other Salaries and Wages		5,526	
Social Security		18,224	
State Retirement		17,686	
Medical Insurance		15,679	
Dental Insurance		2,204	
Disability Insurance		2,509	
Unemployment Compensation		2,164	
Employer Medicare		4,289	
Maintenance and Repair Services - Buildings		610	
Other Contracted Services		94,674	
Custodial Supplies		54,867	
Electricity		572,359	
Natural Gas		129,172	
Water and Sewer		50,481	
Building and Contents Insurance		163,261	
Total Operation of Plant			1,435,675

Maintenance of Plant

Maintenance Personnel	\$	136,798	
Social Security		8,104	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

State Retirement	\$	8,793	
Medical Insurance		5,232	
Dental Insurance		197	
Disability Insurance		2,312	
Unemployment Compensation		414	
Employer Medicare		1,895	
Maintenance and Repair Services - Buildings		196,295	
Maintenance and Repair Services - Equipment		25,123	
Other Contracted Services		13,161	
Other Supplies and Materials		620	
Other Charges		2,806	
Total Maintenance of Plant	\$		401,750

Transportation

Supervisor/Director	\$	15,542	
Mechanic(s)		93,319	
Bus Drivers		378,137	
Other Salaries and Wages		28,345	
Social Security		29,895	
State Retirement		31,317	
Medical Insurance		24,760	
Dental Insurance		3,758	
Disability Insurance		5,786	
Unemployment Compensation		3,088	
Employer Medicare		6,992	
Other Contracted Services		19,500	
Diesel Fuel		131,951	
Garage Supplies		2,052	
Gasoline		14,619	
Lubricants		8,528	
Tires and Tubes		24,423	
Vehicle Parts		57,351	
Other Supplies and Materials		2,382	
Other Charges		8,887	
Transportation Equipment		154,583	
Total Transportation			1,045,215

Operation of Non-Instructional Services

Community Services

Teachers	\$	24,984	
Social Security		1,464	
State Retirement		2,259	
Medical Insurance		1,225	
Unemployment Compensation		57	
Employer Medicare		342	
Travel		531	
Total Community Services			30,862

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Supervisor/Director	\$	32,017	
Teachers		377,274	
Clerical Personnel		3,149	
Educational Assistants		252,435	
Other Salaries and Wages		98,225	
Certified Substitute Teachers		2,009	
Non-certified Substitute Teachers		10,732	
Social Security		45,101	
State Retirement		57,668	
Medical Insurance		30,410	
Dental Insurance		2,485	
Unemployment Compensation		3,387	
Employer Medicare		10,548	
Other Fringe Benefits		6,724	
Travel		1,755	
Instructional Supplies and Materials		26,136	
Other Charges		27,408	
Total Early Childhood Education	\$		987,463

Other Debt Service

Education

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

Total General Purpose School Fund \$ 18,166,104

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	569,717	
Educational Assistants		23,411	
Other Salaries and Wages		15,066	
Certified Substitute Teachers		1,970	
Non-certified Substitute Teachers		8,054	
Social Security		35,383	
State Retirement		51,814	
Life Insurance		909	
Medical Insurance		37,680	
Dental Insurance		1,671	
Unemployment Compensation		1,466	
Employer Medicare		8,275	
Other Contracted Services		6,602	
Instructional Supplies and Materials		23,661	
Regular Instruction Equipment		8,317	
Total Regular Instruction Program	\$		793,996

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	37,601	
Educational Assistants		235,044	
Certified Substitute Teachers		348	
Non-certified Substitute Teachers		13,966	
Social Security		16,357	
State Retirement		17,963	
Life Insurance		2,931	
Medical Insurance		13,297	
Dental Insurance		1,591	
Unemployment Compensation		1,798	
Employer Medicare		3,825	
Maintenance and Repair Services - Equipment		2,285	
Instructional Supplies and Materials		4,660	
Other Supplies and Materials		4,964	
Special Education Equipment		9,457	
Total Special Education Program	\$		366,087

Vocational Education Program

Instructional Supplies and Materials	\$	4,638	
Vocational Instruction Equipment		73,395	
Total Vocational Education Program			78,033

Support Services

Other Student Support

Guidance Personnel	\$	50,690	
Bus Drivers		643	
Clerical Personnel		8,211	
Other Salaries and Wages		5,496	
Social Security		4,163	
State Retirement		5,662	
Medical Insurance		3,622	
Unemployment Compensation		126	
Employer Medicare		980	
Travel		9,659	
Other Contracted Services		1,332	
In Service/Staff Development		4,803	
Other Charges		5,623	
Total Other Student Support			101,010

Regular Instruction Program

Supervisor/Director	\$	30,422	
Secretary(ies)		11,898	
Other Salaries and Wages		4,186	
Social Security		2,846	
State Retirement		3,800	
Unemployment Compensation		50	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	666	
Travel		10,834	
In Service/Staff Development		10,466	
Total Regular Instruction Program	\$		75,168

Special Education Program

Assessment Personnel	\$	63,905	
Secretary(ies)		13,634	
Social Security		4,745	
State Retirement		6,297	
Life Insurance		483	
Dental Insurance		250	
Unemployment Compensation		225	
Employer Medicare		1,110	
Communication		1,309	
Postal Charges		554	
Travel		11,450	
Other Contracted Services		29,573	
Other Supplies and Materials		12,370	
In Service/Staff Development		5,747	
Total Special Education Program			151,652

Vocational Education Program

Travel	\$	777	
In Service/Staff Development		100	
Total Vocational Education Program			877

Transportation

Bus Drivers	\$	19,715	
Social Security		1,211	
State Retirement		1,269	
Dental Insurance		94	
Unemployment Compensation		88	
Employer Medicare		283	
Contracts with Parents		664	
Gasoline		4,656	
Vehicle Parts		1,654	
Total Transportation			29,634

Total School Federal Projects Fund \$ 1,596,457

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	44,829	
Cafeteria Personnel		390,106	

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Salaries and Wages	\$	503	
Social Security		26,485	
State Retirement		23,759	
Medical Insurance		15,091	
Dental Insurance		342	
Disability Insurance		7,567	
Unemployment Compensation		3,299	
Employer Medicare		6,194	
Communication		2,966	
Maintenance and Repair Services - Equipment		13,473	
Travel		564	
Other Contracted Services		4,269	
Food Preparation Supplies		50,320	
Food Supplies		664,290	
Office Supplies		473	
USDA - Commodities		79,286	
Other Supplies and Materials		947	
Other Charges		703	
Food Service Equipment		2,263	
Total Food Service			<u>\$ 1,337,729</u>

Total Central Cafeteria Fund \$ 1,337,729

Total Governmental Funds - Wayne County School Department \$ 21,100,290

Exhibit J-9

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

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 489,001
Total Cash Receipts	<u>\$ 489,001</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 484,111
Trustee's Commission	4,890
Total Cash Disbursements	<u>\$ 489,001</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash, July 1, 2014	<u>0</u>
 Cash, June 30, 2015	 <u><u>\$ 0</u></u>

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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

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

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Wayne County's basic financial statements, and have issued our report thereon dated February 24, 2016. Our report includes a reference to other auditors who audited the financial statements of the Wayne County Emergency Communications District, as described in our report on Wayne County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report on the aggregate discretely presented component units was adverse due to not including the financial statements of the Wayne County Retirement Facilities (composed of the Wayne County Nursing Home, the Wayne Care Nursing Home, and the Wayne County Assisted Living Facility), whose report had not been made available from other auditors as of the date of this report.

**Internal Control Over Financial Reporting**

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

the effectiveness of Wayne County's internal control. Accordingly, we do not express an opinion on the effectiveness of Wayne County's internal control.

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider these deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2015-001(B), 2015-004, 2015-005, 2015-007, and 2015-008.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Wayne County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001(A,C,D), 2015-003, and 2015-006.

### **Wayne County's Responses to Findings**

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

## Purpose of this Report

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

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 24, 2016

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

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

We have audited the accompanying Schedule of Expenditures of Federal Awards of Wayne County, Tennessee, for the year ended June 30, 2015.

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

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on the Schedule of Expenditures of Federal Awards based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

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

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

### ***Opinion***

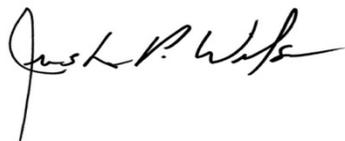
In our opinion, the Schedule of Expenditures of Federal Awards presents fairly, in all material respects, the expenditures of federal awards of Wayne County, in conformity with accounting principles generally accepted in the United States of America, for the year ended June 30, 2015.

### **Other Reporting Required by OMB Circular A-133**

In accordance with OMB Circular A-133, we have also issued our report dated February 24, 2016, on our consideration of compliance for each major program and internal control over compliance. The purpose of that report was to express an opinion on compliance for each major federal program based on our audit, and to describe the scope of our testing of internal control over compliance. That report is an integral part of an audit performed in accordance with OMB Circular A-133 and should be considered in assessing the results of our audit.

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

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 24, 2016

JPW/kp



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

**Report on Compliance For Each Major Federal Program and  
Report on Internal Control Over Compliance Required  
by OMB Circular A-133**

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

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

We have audited Wayne County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Wayne County's major federal programs for the year ended June 30, 2015. Wayne County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

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

In our opinion, Wayne County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

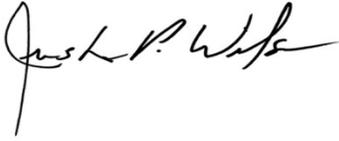
Management of Wayne County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Wayne County's internal control over compliance with the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

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

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

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

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 24, 2016

JPW/kp

Wayne 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:			
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ 183,339
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	258,712
National School Lunch Program	10.555	N/A	607,042 (3)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	79,286 (3)
Soil and Water Conservation	10.902	(2)	11,750
Passed-through State Department of Human Services:			
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	N/A	40,453
Total U.S. Department of Agriculture			<u>\$ 1,180,582</u>
U.S. Department of Labor:			
Passed-through South Central Tennessee Workforce Alliance:			
WIA Youth Activities	17.259	(2)	\$ 20,108
Total U.S. Department of Labor			<u>\$ 20,108</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
National Priority Safety Programs	20.616	Z-14-GHS450	\$ 6,996
Total U.S. Department of Transportation			<u>\$ 6,996</u>
U.S. Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(2)	\$ 1,709
Total U.S. Institute of Museum and Library Services			<u>\$ 1,709</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(2)	\$ 132,085
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	666,316
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	604,079
Special Education - Preschool Grants	84.173	N/A	17,559
Career and Technical Education - Basic Grants to States	84.048	N/A	99,368
Twenty-first Century Community Learning Centers	84.287	(2)	81,256
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	(2)	79,547
Rural Education	84.358	N/A	36,726
Improving Teacher Quality State Grants	84.367	N/A	113,216
State Fiscal Stabilization Funds - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	70,286
Total U.S. Department of Education			<u>\$ 1,900,438</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security: Passed-through State Department of Military: Homeland Security Grant Program	97.067	(2)	\$ 27,854
Total U.S. Department of Homeland Security			\$ 27,854
Total Expenditures of Federal Awards			\$ 3,137,687
<u>State Grants</u>		<u>Contract Number</u>	
Adult Education - State Department of Education	N/A	(2)	\$ 43,744
ACT/Explorer/Plan Testing - State Department of Education	N/A	(2)	3,400
Coordinated School Health - State Department of Education	N/A	(2)	95,328
Early Childhood Education - State Department of Education	N/A	(2)	948,933
Family Resource Center Grant - State Department of Education	N/A	(2)	39,529
Internet Connectivity - State Department of Education	N/A	(2)	6,701
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(2)	4,500
Litter Program - State Department of Transportation	N/A	(2)	31,740
Lottery for Education Afterschool Program - State Department of Education	N/A	(2)	106,680
Project Diabetes Initiative Services - State Department of Education	N/A	GG-14-38555-00	182,602
Rural Local Health Services - State Department of Health	N/A	(2)	73,502
Safe Schools Act - State Department of Education	N/A	(2)	15,320
Three Star Economic Development Projects - State Department of Economic and Community Development	N/A	33007-18213	10,000
Tennessee Downtown Revitalization - State Department of Economic and Community Development	N/A	33007-04814	1,059
Total State Grants			\$ 1,563,038

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 \$686,328.

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

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

**OFFICE OF COUNTY EXECUTIVE**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-001	164	Deficiencies were noted in the maintenance of accounting records for the Wayne County Board of Public Utilities
2014-002	166	Material audit adjustments were required for proper financial statement presentation
2014-006	169	A tax anticipation note was not issued in compliance with state statutes
2014-008	170	Written agreements do not exist to document loans to the Wayne County Retirement Facilities

**OFFICE OF COUNTY CLERK**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-014	173	Employees processed transactions utilizing the same username

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

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-015	174	Multiple employees operated from the same cash drawer

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

Finding Number	Page Number	Subject
2014-016	174	Duties were not segregated adequately

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

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

### OFFICE OF COUNTY EXECUTIVE

#### FINDING 2015-001

#### **THE WAYNE COUNTY BOARD OF PUBLIC UTILITIES HAD DEFICIENCIES IN THE MAINTENANCE OF ITS ACCOUNTING RECORDS**

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

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

Our audit noted numerous deficiencies in the maintenance of the utility's accounting records. The following internal control and compliance deficiencies noted below are the result of the failure of management to correct the deficiencies noted in prior-year audit reports.

- A. The office did not account for transactions of the county-owned water system in an enterprise fund. Instead, these transactions were accounted for in the county's Community Development/Industrial Park Fund (a capital projects fund), along with other unrelated capital projects. Section 5-16-109, *Tennessee Code Annotated*, states "the board or administrative agency shall determine and fix charges ... upon a basis calculated to ensure the fiscal solvency of the operation at all times." Reporting the county-owned water system in an enterprise fund is the method recognized by generally accepted accounting principles to calculate charges sufficient to cover the costs of operations and maintenance, including depreciation and debt service requirements.
- B. Written policies and procedures were not available for employees to ensure consistent application of board policies.
- C. Officials failed to file schedules of water loss reports with the state Department of Environment and Conservation.

- D. Minutes were not maintained recording the actions taken in the meetings of the Board of Public Utilities. Official minutes are necessary to document the actions taken by the board.

#### RECOMMENDATION

Officials should establish an enterprise fund to account for the operations of the water system. Written policies and procedures should be developed and made available to employees to ensure the consistent application of board policies. Officials should file all required reports with the appropriate oversight agency in a timely manner. Minutes should be maintained to document the actions of the board.

#### MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

Management concurs with this finding. We have established an enterprise fund, and we are working to complete the water loss report. We will also implement a policies and procedures manual during the current fiscal year, and we will meet with the board and record minutes.

#### FINDING 2015-002

#### **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**

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

At June 30, 2015, certain general ledger account balances in the General and General Debt Service funds were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Audit adjustments were required to increase cash, receivables, deferred revenues, and payables by \$250,000, \$483,365, \$88,615, and \$200,000, respectively, in the General Fund, and to increase receivables and deferred revenue by \$417,706 and \$92,203, respectively, in the General Debt Service Fund. Generally accepted accounting principles require Wayne County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight and management's failure to correct the finding noted in the prior-year audit report. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

#### RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

Management concurs with this finding. My office works hard every year to close the books properly; however, each year presents different challenges. We understand these deficiencies and will be aware of them as we close 2015-16.

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FINDING 2015-003

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

During the year, Wayne County borrowed \$320,000 from the General Debt Service Fund to provide cash flow for operations of the General Fund. Officials did not get the approval of the state Comptroller's Office for the issuance of this note as required by Section 9-21-601, *Tennessee Code Annotated (TCA)*. Also, officials did not file a Report on Debt Obligation with the state Comptroller's Office for the note. Section 9-21-151, *TCA*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance. This deficiency resulted from a lack of oversight by management and management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

Management concurs with this finding. We feel confident this finding will not be repeated for 2015-16 since no tax anticipation note will be needed during this fiscal year.

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FINDING 2015-004

**WRITTEN AGREEMENTS DO NOT EXIST TO DOCUMENT LOANS TO THE WAYNE COUNTY RETIREMENT FACILITIES**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

During the year, Wayne County paid payroll and related expenses on behalf of the Wayne County Retirement Facilities (WCRF), a discretely presented component unit of Wayne County. Wayne County and the WCRF did not enter into formal written agreements signed by both parties specifying the terms and conditions of repayment, if any, for these payments. Wayne County paid expenses for the WCRF totaling \$162,604 less reimbursements of \$52,214 resulting in a receivable of \$110,390 at June 30, 2015. This deficiency resulted from a lack of oversight by management and management's failure to correct the finding noted in the prior-year audit report.

## RECOMMENDATION

All loans made from county funds should be evidenced by a formal written agreement that defines the terms and conditions of the loan.

## MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

Management concurs with this finding. We will be working with the board of the WCRF to put loan documents into place, which monitor the transactions between Wayne County and the WCRF.

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## OFFICE OF COUNTY CLERK

### FINDING 2015-005

### **EMPLOYEES PROCESSED TRANSACTIONS UTILIZING THE SAME USERNAME**

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

Although each employee had been assigned a unique username for accessing the office's accounting software, at times employees processed transactions using the county clerk's login. If inappropriate activity were to occur, the individual responsible for this activity would not be easily identified because of the shared user account. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency resulted from a lack of oversight by management and management's failure to correct the finding noted in the prior-year audit report. Proper controls were implemented in November 2014.

## RECOMMENDATION

Each individual should access the application using his or her unique username and password to ensure transactions are properly identified to that employee.

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## OFFICE OF CLERK AND MASTER

### FINDING 2015-006

### **FUNDS WERE NOT ADEQUATELY COLLATERALIZED**

(Material Noncompliance Under *Government Auditing Standards*)

The clerk and master did not require a depository holding county funds to pledge adequate securities to protect funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 2015, deposits at one depository exceeded FDIC coverage and collateral securities by \$155,522. Section 5-8-201, *Tennessee Code Annotated*, provides for county officials to require any bank that is a depository of county funds to deposit in an escrow account in a second bank collateral security equal to 105 percent of such county

funds. This deficiency is the result of a lack of management oversight. The failure to adequately collateralize funds could result in a loss for the county.

**RECOMMENDATION**

The clerk and master should require all depositories to pledge sufficient securities to protect county funds exceeding FDIC coverage as required by state statute.

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

**FINDING 2015-007**                    **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

**RECOMMENDATION**

Officials should assign each employee their own cash drawer.

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

**FINDING 2015-008**                    **DUTIES WERE NOT SEGREGATED ADEQUATELY**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the officials and employees in the Offices of County Executive; Public Library; Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; and Register of Deeds. Employees responsible for maintaining the accounting records in the offices were also involved in receipting, depositing, and/or disbursing funds. Sound business practices dictate that management is

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

#### RECOMMENDATION

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

#### MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

Management concurs with this finding. Because of the small staff in our office we have difficulty implementing this recommendation; however, we will continue to work to find ways to comply with this requirement.

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

There were no findings and questioned costs for federal awards.

## **BEST PRACTICE**

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

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

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

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

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

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