

ANNUAL FINANCIAL REPORT
GILES COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2016



DIVISION OF LOCAL GOVERNMENT AUDIT



**ANNUAL FINANCIAL REPORT
GILES COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2016**

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

***DIVISION OF LOCAL GOVERNMENT AUDIT
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Director***

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KINSLEY HAYES
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JACOB KENNEDY, CISA
State Auditors***

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

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Summary of Audit Findings

Annual Financial Report
Giles County, Tennessee
For the Year Ended June 30, 2016

Scope

We have audited the basic financial statements of Giles County as of and for the year ended June 30, 2016.

Results

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

Our audit resulted in one finding and recommendation, which we have reviewed with Giles County management. The detailed finding, recommendation, and management's response are included in the Single Audit section of this report.

Findings

The following is a summary of the audit finding:

OFFICE OF CLERK AND MASTER

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Giles County Officials

June 30, 2016

Officials

Janet Vanzant, County Executive
Barry Hyatt, Highway Commissioner
Phillip Wright, Director of Schools
Janice Curtis, Trustee
Tommy Hyatt, Assessor of Property
Carol Wade, County Clerk
Crystal Greene, Circuit and General Sessions Courts Clerk
Merry Sigmon, Clerk and Master
Kaye Gibbons, Register of Deeds
Kyle Helton, Sheriff
Elizabeth Moore-Sumners, Finance Director

Board of County Commissioners

Janet Vanzant, County Executive, Chairman
Bill Cary
Jimmy Dean Caldwell
Tommy Pope
Joyce Woodard
Dustin Rose
Rodney Journey
Melissa Greene
Rose Brown
Tommy Campbell
Louise Faulkner

Timothy Turner
Lois Aymett
Stoney Jackson
David Adams
Tim Risner
Roger Reedy
Danny Ray Cobb
Tommy Pollard
Vicki Coleman
Shelly Goolsby
Tracy Wilburn

Board of Education

Richie Brewer - Chairman
Joy McMasters
David Wamble
Edwin Lovell

Charles McElroy
Paul Allen
Bill Holt

Financial Management Committee

Janet Vanzant, County Executive, Chairman
Phillip Wright, Director of Schools
Barry Hyatt, Highway Commissioner
Bill Cary
Louise Faulkner
Tommy Pollard
Stoney Jackson

Audit Committee

Stoney Jackson, Chairman
Melissa Greene
Danny Ray Cobb
Jimmy Dean Caldwell
Roger Reedy
Tommy Campbell
Dustin Rose

FINANCIAL SECTION



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

Independent Auditor's Report

Giles County Executive and
Board of County Commissioners
Giles 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 Giles County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Giles County, Tennessee, as of June 30, 2016, and the respective changes in financial position, and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Giles County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedule of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of school's funding progress - other postemployment benefits plan on pages 81-88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Giles 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 Giles 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 Giles County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Giles 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 August 30, 2016, on our consideration of Giles 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 Giles 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 line extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

August 30, 2016

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Giles County, Tennessee
Statement of Net Position
June 30, 2016

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Giles County School Department</u>
<u>ASSETS</u>		
Cash	\$ 247,284	\$ 0
Equity in Pooled Cash and Investments	12,163,992	8,503,872
Inventories	0	42,079
Accounts Receivable	3,486,070	7,668
Allowance for Uncollectibles	(2,202,509)	0
Due from Other Governments	721,566	805,539
Due from Component Unit	33,632	0
Property Taxes Receivable	10,320,228	6,345,041
Allowance for Uncollectible Property Taxes	(241,145)	(148,260)
Net Pension Asset - Agent Plan	1,395,318	728,131
Net Pension Asset - Teacher Retirement Plan	0	14,021
Capital Assets:		
Assets Not Depreciated:		
Land	367,929	621,198
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	5,085,528	13,460,591
Infrastructure	12,390,517	0
Other Capital Assets	1,585,271	2,632,993
Total Assets	<u>\$ 45,353,681</u>	<u>\$ 33,012,873</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 2,653	\$ 123,940
Pension Changes in Proportionate Share of NPL	0	33,623
Pension Changes in Investment Earnings	865,104	3,210,012
Pension Contributions After Measurement Date	317,186	1,480,792
Total Deferred Outflows of Resources	<u>\$ 1,184,943</u>	<u>\$ 4,848,367</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 68,886	\$ 2,620
Payroll Deductions Payable	184,581	1,107,676
Accrued Interest Payable	1,411	0
Other Withholding Taxes	0	6,338
Due to Primary Government	0	33,632
Due to State of Tennessee	261	0
Noncurrent Liabilities:		
Due Within One Year	813,124	0
Due in More Than One Year	2,721,392	5,593,558
Total Liabilities	<u>\$ 3,789,655</u>	<u>\$ 6,743,824</u>

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Giles County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 9,752,562	\$ 5,996,031
Pension Changes in Investment Earnings	1,156,603	4,346,926
Pension Changes in Experience	319,594	2,548,269
Pensions - Other Deferrals	0	220,257
Total Deferred Inflows of Resources	<u>\$ 11,228,759</u>	<u>\$ 13,111,483</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 18,766,416	\$ 16,714,782
Restricted for:		
General Government	458,379	0
Finance	7,658	0
Administration of Justice	51,334	0
Public Safety	114,265	0
Public Health and Welfare	19,927	0
Capital Outlay	6,185	0
Highway/Public Works	1,089,132	0
Other Purposes	1,395,318	0
Education	0	1,707,656
Unrestricted	<u>9,611,596</u>	<u>(416,505)</u>
Total Net Position	<u>\$ 31,520,210</u>	<u>\$ 18,005,933</u>

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

Exhibit B

Giles County, Tennessee
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit Giles County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,207,869	\$ 262,264	\$ 87,570	\$ 0	\$ (858,035)	\$ 0
Finance	1,429,928	845,521	0	0	(584,407)	0
Administration of Justice	1,222,184	932,737	9,570	0	(279,877)	0
Public Safety	5,058,600	778,634	285,327	0	(3,994,639)	0
Public Health and Welfare	3,533,122	1,822,004	561,937	0	(1,149,181)	0
Social, Cultural, and Recreational Services	655,480	0	15,359	0	(640,121)	0
Agriculture and Natural Resources	291,616	0	17,587	0	(274,029)	0
Highways/Public Works	4,199,546	2,417	2,134,911	422,131	(1,640,087)	0
Interest on Long-term Debt	37,129	0	0	0	(37,129)	0
Total Governmental Activities	<u>\$ 17,635,474</u>	<u>\$ 4,643,577</u>	<u>\$ 3,112,261</u>	<u>\$ 422,131</u>	<u>\$ (9,457,505)</u>	<u>\$ 0</u>
Total Primary Government	<u>\$ 17,635,474</u>	<u>\$ 4,643,577</u>	<u>\$ 3,112,261</u>	<u>\$ 422,131</u>	<u>\$ (9,457,505)</u>	<u>\$ 0</u>
Component Unit:						
Giles County School Department	\$ 34,077,055	\$ 258,028	\$ 4,739,827	\$ 0	\$ 0	\$ (29,079,200)
Total Component Unit	<u>\$ 34,077,055</u>	<u>\$ 258,028</u>	<u>\$ 4,739,827</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (29,079,200)</u>

(Continued)

Exhibit B

Giles County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit
						Giles County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 8,842,077	\$ 6,630,019
Property Taxes Levied for Debt Service					255,408	0
Local Option Sales Tax					932,492	3,876,890
Hotel/Motel Tax					132,912	0
Litigation Tax - General					352,375	0
Litigation Tax - Jail, Workhouse, or Courthouse					408,309	0
Business Tax					266,928	0
Wholesale Beer Tax					209,256	0
Other Local Taxes					34,243	2,596
Grants and Contributions Not Restricted to Specific Purposes					661,154	20,679,395
Unrestricted Investment Earnings					20,347	1,373
Miscellaneous					147,237	33,119
Total General Revenues					<u>\$ 12,262,738</u>	<u>\$ 31,223,392</u>
Change in Net Position					\$ 2,805,233	\$ 2,144,192
Net Position, July 1, 2015					<u>28,714,977</u>	<u>15,861,741</u>
Net Position, June 30, 2016					<u>\$ 31,520,210</u>	<u>\$ 18,005,933</u>

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

Exhibit C-1

Giles County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2016

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 247,284	\$ 247,284
Equity in Pooled Cash and Investments	8,788,533	710,629	2,550,632	114,198	12,163,992
Accounts Receivable	3,480,335	0	0	5,735	3,486,070
Allowance for Uncollectibles	(2,202,509)	0	0	0	(2,202,509)
Due from Other Governments	238,758	388,102	94,706	0	721,566
Property Taxes Receivable	6,992,895	2,167,366	907,556	252,411	10,320,228
Allowance for Uncollectible Property Taxes	(163,398)	(50,643)	(21,206)	(5,898)	(241,145)
Total Assets	\$ 17,134,614	\$ 3,215,454	\$ 3,531,688	\$ 613,730	\$ 24,495,486
<u>LIABILITIES</u>					
Accounts Payable	\$ 68,886	\$ 0	\$ 0	\$ 0	\$ 68,886
Payroll Deductions Payable	152,904	31,677	0	0	184,581
Due to State of Tennessee	0	261	0	0	261
Total Liabilities	\$ 221,790	\$ 31,938	\$ 0	\$ 0	\$ 253,728
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,608,250	\$ 2,048,149	\$ 857,636	\$ 238,527	\$ 9,752,562
Deferred Delinquent Property Taxes	208,030	64,476	26,999	7,509	307,014
Other Deferred/Unavailable Revenue	965,318	176,679	47,353	0	1,189,350
Total Deferred Inflows of Resources	\$ 7,781,598	\$ 2,289,304	\$ 931,988	\$ 246,036	\$ 11,248,926

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 458,379	\$ 0	\$ 0	\$ 0	\$ 458,379
Restricted for Finance	7,658	0	0	0	7,658
Restricted for Administration of Justice	51,334	0	0	0	51,334
Restricted for Public Safety	13,635	0	0	100,630	114,265
Restricted for Public Health and Welfare	19,927	0	0	0	19,927
Restricted for Highways/Public Works	0	894,212	0	0	894,212
Restricted for Capital Outlay	0	0	0	17,250	17,250
Committed:					
Committed for General Government	0	0	0	26,777	26,777
Committed for Finance	0	0	0	65,000	65,000
Committed for Administration of Justice	0	0	0	158,037	158,037
Committed for Debt Service	0	0	2,599,700	0	2,599,700
Assigned:					
Assigned for General Government	1,182	0	0	0	1,182
Assigned for Finance	3,472	0	0	0	3,472
Assigned for Public Safety	1,879	0	0	0	1,879
Assigned for Public Health and Welfare	16,803	0	0	0	16,803
Unassigned	8,556,957	0	0	0	8,556,957
Total Fund Balances	\$ 9,131,226	\$ 894,212	\$ 2,599,700	\$ 367,694	\$ 12,992,832
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,134,614	\$ 3,215,454	\$ 3,531,688	\$ 613,730	\$ 24,495,486

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

Exhibit C-2

Giles County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2016

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)		\$ 12,992,832
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 367,929	
Add: buildings and improvements net of accumulated depreciation	5,085,528	
Add: infrastructure net of accumulated depreciation	12,390,517	
Add: other capital assets net of accumulated depreciation	<u>1,585,271</u>	19,429,245
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (366,461)	
Less: bonds payable	(330,000)	
Add: due from component unit for debt payments	33,632	
Less: compensated absences payable	(238,396)	
Less: other postemployment benefits liability	(452,022)	
Less: accrued interest on notes and bonds	(1,411)	
Less: other long-term liabilities	<u>(2,147,637)</u>	(3,502,295)
(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	\$ 1,184,943	
Less: deferred inflows of resources related to pensions	<u>(1,476,197)</u>	(291,254)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,395,318
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,496,364</u>
Net position of governmental activities (Exhibit A)		<u>\$ 31,520,210</u>

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

Exhibit C-3

Giles County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 8,514,958	\$ 2,214,811	\$ 1,204,144	\$ 477	\$ 11,934,390
Licenses and Permits	25,028	0	0	0	25,028
Fines, Forfeitures, and Penalties	195,042	0	0	60,768	255,810
Charges for Current Services	1,801,432	0	0	869,385	2,670,817
Other Local Revenues	227,829	114,519	0	9,325	351,673
Fees Received From County Officials	766,313	0	0	0	766,313
State of Tennessee	1,224,588	2,743,547	0	0	3,968,135
Federal Government	261,572	74,646	0	28,000	364,218
Other Governments and Citizens Groups	173,284	81,322	25,212	500	280,318
Total Revenues	\$ 13,190,046	\$ 5,228,845	\$ 1,229,356	\$ 968,455	\$ 20,616,702
<u>Expenditures</u>					
Current:					
General Government	\$ 1,315,046	\$ 0	\$ 0	\$ 0	\$ 1,315,046
Finance	983,375	0	0	411,511	1,394,886
Administration of Justice	766,389	0	0	440,195	1,206,584
Public Safety	4,616,131	0	0	67,847	4,683,978
Public Health and Welfare	3,583,094	0	0	0	3,583,094
Social, Cultural, and Recreational Services	265,737	0	0	0	265,737
Agriculture and Natural Resources	277,985	0	0	0	277,985
Other Operations	984,457	0	0	0	984,457
Highways	0	4,780,337	0	0	4,780,337
Debt Service:					
Principal on Debt	0	0	2,063,383	0	2,063,383
Interest on Debt	0	0	46,025	0	46,025
Other Debt Service	0	0	1,082,848	0	1,082,848

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 137,593	\$ 0	\$ 0	\$ 238,062	\$ 375,655
Total Expenditures	\$ 12,929,807	\$ 4,780,337	\$ 3,192,256	\$ 1,157,615	\$ 22,060,015
Excess (Deficiency) of Revenues Over Expenditures	\$ 260,239	\$ 448,508	\$ (1,962,900)	\$ (189,160)	\$ (1,443,313)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 1,615	\$ 3,375	\$ 0	\$ 0	\$ 4,990
Transfers In	134,000	0	1,519,556	0	1,653,556
Transfers Out	0	0	(134,000)	(1,519,556)	(1,653,556)
Total Other Financing Sources (Uses)	\$ 135,615	\$ 3,375	\$ 1,385,556	\$ (1,519,556)	\$ 4,990
Net Change in Fund Balances	\$ 395,854	\$ 451,883	\$ (577,344)	\$ (1,708,716)	\$ (1,438,323)
Fund Balance, July 1, 2015	8,735,372	442,329	3,177,044	2,076,410	14,431,155
Fund Balance, June 30, 2016	\$ 9,131,226	\$ 894,212	\$ 2,599,700	\$ 367,694	\$ 12,992,832

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

Exhibit C-4

Giles 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, 2016

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (1,438,323)
(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	\$ 3,116,661	
Less: current-year depreciation expense	<u>(1,981,429)</u>	1,135,232
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		(10,810)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2016	\$ 1,496,364	
Less: deferred delinquent property taxes and other deferred June 30, 2015	<u>(1,652,137)</u>	(155,773)
(4) The issuance of long-term debt (e.g., notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on bonds	\$ 320,000	
Add: principal payments on notes	1,743,383	
Less: contributions from the School Department for notes	<u>(25,212)</u>	2,038,171
(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	\$ 8,896	
Change in compensated absences payable	10,304	
Change in other long-term liabilities	732,420	
Change in other postemployment benefits liability	(43,754)	
Change in net pension asset	(367,866)	
Change in deferred outflows of resources related to pensions	856,672	
Change in deferred inflows of resources related to pensions	<u>40,064</u>	<u>1,236,736</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,805,233</u>

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

Exhibit C-5

Giles County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 8,514,958	\$ 0	\$ 0	\$ 8,514,958	\$ 8,161,827	\$ 8,161,827	\$ 353,131
Licenses and Permits	25,028	0	0	25,028	13,800	13,800	11,228
Fines, Forfeitures, and Penalties	195,042	0	0	195,042	155,500	155,500	39,542
Charges for Current Services	1,801,432	0	0	1,801,432	1,659,000	1,661,500	139,932
Other Local Revenues	227,829	0	0	227,829	169,500	171,400	56,429
Fees Received From County Officials	766,313	0	0	766,313	787,000	787,000	(20,687)
State of Tennessee	1,224,588	0	0	1,224,588	1,231,200	1,487,866	(263,278)
Federal Government	261,572	0	0	261,572	100,329	176,757	84,815
Other Governments and Citizens Groups	173,284	0	0	173,284	106,000	160,799	12,485
Total Revenues	\$ 13,190,046	\$ 0	\$ 0	\$ 13,190,046	\$ 12,384,156	\$ 12,776,449	\$ 413,597
Expenditures							
General Government							
County Commission	\$ 58,180	\$ 0	\$ 0	\$ 58,180	\$ 60,075	\$ 60,075	\$ 1,895
County Mayor/Executive	163,227	0	0	163,227	188,624	188,624	25,397
County Attorney	66,242	0	0	66,242	42,000	67,000	758
Election Commission	217,247	0	0	217,247	253,032	253,032	35,785
Register of Deeds	150,815	0	0	150,815	162,514	171,126	20,311
Codes Compliance	15,547	0	0	15,547	15,798	15,798	251
County Buildings	643,788	(28,699)	1,182	616,271	385,710	721,103	104,832
Finance							
Accounting and Budgeting	434,021	0	3,472	437,493	463,349	463,349	25,856
Property Assessor's Office	378,625	0	0	378,625	433,353	433,353	54,728
Reappraisal Program	26,121	0	0	26,121	36,600	36,600	10,479
County Trustee's Office	46,416	(750)	0	45,666	49,962	49,962	4,296
County Clerk's Office	98,192	0	0	98,192	98,750	104,350	6,158
Administration of Justice							
Circuit Court	164,472	0	0	164,472	185,951	189,291	24,819
General Sessions Court	162,049	0	0	162,049	176,082	176,082	14,033
Chancery Court	192,517	0	0	192,517	200,254	200,254	7,737

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	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>							
Judicial Commissioners	\$ 37,510	\$ 0	\$ 0	\$ 37,510	\$ 36,575	\$ 37,795	\$ 285
Other Administration of Justice	6,114	0	0	6,114	10,060	8,840	2,726
Courtroom Security	203,727	0	0	203,727	209,973	209,973	6,246
<u>Public Safety</u>							
Sheriff's Department	1,815,739	(2,563)	0	1,813,176	1,916,421	1,963,550	150,374
Traffic Control	3,069	0	0	3,069	3,050	3,550	481
Drug Enforcement	38,178	0	0	38,178	38,599	38,599	421
Administration of the Sexual Offender Registry	3,901	0	0	3,901	5,300	5,300	1,399
Jail	2,101,295	0	1,879	2,103,174	2,056,379	2,231,379	128,205
Juvenile Services	55,636	0	0	55,636	70,011	87,032	31,396
Fire Prevention and Control	17,001	(561)	0	16,440	16,848	16,666	226
Rescue Squad	230,000	0	0	230,000	230,000	230,000	0
Other Emergency Management	278,236	(37,746)	0	240,490	218,728	253,978	13,488
County Coroner/Medical Examiner	56,230	0	0	56,230	50,000	58,000	1,770
Other Public Safety	16,846	0	0	16,846	17,053	17,235	389
<u>Public Health and Welfare</u>							
Local Health Center	66,448	0	100	66,548	69,650	72,150	5,602
Rabies and Animal Control	62,866	0	0	62,866	69,993	69,993	7,127
Ambulance/Emergency Medical Services	2,362,635	(91,068)	16,703	2,288,270	2,373,940	2,375,808	87,538
Alcohol and Drug Programs	17,227	0	0	17,227	34,198	34,198	16,971
Regional Mental Health Center	20,700	0	0	20,700	20,700	20,700	0
Other Local Welfare Services	40,524	0	0	40,524	40,724	43,539	3,015
Sanitation Management	70,006	0	0	70,006	70,006	70,006	0
Convenience Centers	485,142	0	0	485,142	0	501,884	16,742
Transfer Stations	126,842	(4,000)	0	122,842	153,800	122,870	28
Recycling Center	45,419	0	0	45,419	0	45,430	11
Other Public Health and Welfare	285,285	0	0	285,285	337,500	337,500	52,215
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	23,060	0	0	23,060	23,060	23,060	0

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services (Cont.)</u>							
Libraries	\$ 127,296	\$ 0	\$ 0	\$ 127,296	\$ 127,296	\$ 127,296	\$ 0
Parks and Fair Boards	52,889	0	0	52,889	53,300	54,300	1,411
Other Social, Cultural, and Recreational	62,492	0	0	62,492	67,083	67,083	4,591
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	148,682	0	0	148,682	146,718	154,718	6,036
Forest Service	3,009	0	0	3,009	3,000	3,050	41
Soil Conservation	88,999	0	0	88,999	104,719	104,719	15,720
Flood Control	37,295	0	0	37,295	37,448	37,448	153
<u>Other Operations</u>							
Industrial Development	76,650	0	0	76,650	76,650	76,650	0
Other Economic and Community Development	30,783	0	0	30,783	30,783	30,783	0
Airport	57,540	0	0	57,540	50,000	60,000	2,460
Veterans' Services	13,570	0	0	13,570	17,220	18,220	4,650
Other Charges	586,442	0	0	586,442	621,572	599,852	13,410
Contributions to Other Agencies	118,166	0	0	118,166	112,000	118,166	0
Employee Benefits	101,306	0	0	101,306	110,745	110,745	9,439
Miscellaneous	0	0	0	0	1,000	1,000	1,000
<u>Capital Projects</u>							
Administration of Justice Projects	137,593	(108,787)	0	28,806	0	49,100	20,294
Total Expenditures	\$ 12,929,807	\$ (274,174)	\$ 23,336	\$ 12,678,969	\$ 12,384,156	\$ 13,622,164	\$ 943,195
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 260,239	\$ 274,174	\$ (23,336)	\$ 511,077	\$ 0	\$ (845,715)	\$ 1,356,792
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 1,615	\$ 0	\$ 0	\$ 1,615	\$ 0	\$ 1,615	\$ 0
Transfers In	134,000	0	0	134,000	0	150,000	(16,000)
Total Other Financing Sources	\$ 135,615	\$ 0	\$ 0	\$ 135,615	\$ 0	\$ 151,615	\$ (16,000)

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 395,854	\$ 274,174	\$ (23,336)	\$ 646,692	\$ 0	\$ (694,100)	\$ 1,340,792
Fund Balance, July 1, 2015	8,735,372	(274,174)	0	8,461,198	8,704,843	8,461,198	0
Fund Balance, June 30, 2016	\$ 9,131,226	\$ 0	\$ (23,336)	\$ 9,107,890	\$ 8,704,843	\$ 7,767,098	\$ 1,340,792

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

Exhibit C-6

Giles 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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,214,811	\$ 0	\$ 0	\$ 2,214,811	\$ 2,146,586	\$ 2,146,586	\$ 68,225
Other Local Revenues	114,519	0	0	114,519	4,000	113,065	1,454
State of Tennessee	2,743,547	0	0	2,743,547	2,477,000	2,485,687	257,860
Federal Government	74,646	0	0	74,646	0	74,327	319
Other Governments and Citizens Groups	81,322	0	0	81,322	10,000	65,500	15,822
Total Revenues	\$ 5,228,845	\$ 0	\$ 0	\$ 5,228,845	\$ 4,637,586	\$ 4,885,165	\$ 343,680
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 166,855	\$ 0	\$ 612	\$ 167,467	\$ 183,918	\$ 173,268	\$ 5,801
Highway and Bridge Maintenance	2,895,181	0	0	2,895,181	2,931,629	2,999,564	104,383
Operation and Maintenance of Equipment	601,530	0	59	601,589	705,455	647,935	46,346
Litter and Trash Collection	42,710	0	0	42,710	42,000	44,100	1,390
Other Charges	201,262	0	0	201,262	169,895	204,005	2,743
Capital Outlay	872,799	(70,400)	15,112	817,511	827,500	1,042,479	224,968
Total Expenditures	\$ 4,780,337	\$ (70,400)	\$ 15,783	\$ 4,725,720	\$ 4,860,397	\$ 5,111,351	\$ 385,631
Excess (Deficiency) of Revenues Over Expenditures	\$ 448,508	\$ 70,400	\$ (15,783)	\$ 503,125	\$ (222,811)	\$ (226,186)	\$ 729,311
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 3,375	\$ 0	\$ 0	\$ 3,375	\$ 0	\$ 3,375	\$ 0
Total Other Financing Sources	\$ 3,375	\$ 0	\$ 0	\$ 3,375	\$ 0	\$ 3,375	\$ 0
Net Change in Fund Balance	\$ 451,883	\$ 70,400	\$ (15,783)	\$ 506,500	\$ (222,811)	\$ (222,811)	\$ 729,311
Fund Balance, July 1, 2015	442,329	(70,400)	0	371,929	227,950	371,929	0
Fund Balance, June 30, 2016	\$ 894,212	\$ 0	\$ (15,783)	\$ 878,429	\$ 5,139	\$ 149,118	\$ 729,311

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

Exhibit D

Giles County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2016

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,243,621
Accounts Receivable	12
Due from Other Governments	<u>556,870</u>
Total Assets	<u>\$ 1,800,503</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 556,870
Due to Litigants, Heirs, and Others	<u>1,243,633</u>
Total Liabilities	<u>\$ 1,800,503</u>

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

GILES COUNTY, TENNESSEE
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GILES COUNTY, TENNESSEE
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GILES COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Giles County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Giles County (the primary government) and its component units. The financial statements of the Giles County Emergency Communications District, a component unit requiring discreet presentation was excluded from this report due to materiality calculations; therefore, the effect of its omission is not material to the aggregate discretely presented component units' opinion and will not affect our opinions. 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 Giles County School Department operates the public school system in the county, and the voters of Giles 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 Giles County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Giles County, and the Giles County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Giles County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report

The Giles 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. Complete financial statements of the Giles County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Giles County Emergency Communications District
P.O. Box 307
Pulaski, TN 38478

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 Giles 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 Giles 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.

Giles County issues all debt for the discretely presented Giles County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2016.

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

Giles County reports the following major governmental funds:

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

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

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

Additionally, Giles 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, local sales taxes received by the state to be forwarded to the various cities in Giles County, and loan proceeds received and expended on behalf of the Minor Hill Utility District and Fairview Utility District. 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 Giles County School Department reports the following major governmental funds:

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

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for financial resources to be used for building construction and renovations.

Additionally, the Giles 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 Giles 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. Giles 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

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to one 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.

3. Inventories

Inventories of the Giles 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 three 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	5 - 40
Other Capital Assets	3 - 20
Infrastructure:	
Roads	10 - 25
Bridges	40

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

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial element, inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in investment earnings, pension changes in experience, pension changes in the proportionate share of net pension liability, 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 (excluding the Highway Department) to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Giles County does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Discretely Presented Giles County School Department

The School Department does not have a policy to permit employees to accumulate earned but unused vacation benefits. The general policy of the School Department permits all professional personnel (teachers) to accumulate an unlimited number of unused sick leave days. There is no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the government.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is

reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

8. Net Position and Fund Balance

In the government-wide financial statements, 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 \$1,395,318 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, 2016, Giles County had \$33,632 in outstanding debt for capital purposes for the discretely presented Giles County School Department. This debt is a liability of Giles County, but the capital

assets acquired are reported in the financial statements of the School Department. Therefore, Giles County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other

funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

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

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, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

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

Investment Balances. As of June 30, 2016, Giles County had the following investments carried at amortized cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Giles County and the discretely presented Giles County School Department since both pool their deposits and investments through the county trustee.

<u>Investment</u>	<u>Weighted Average Maturity (days)</u>	<u>Maturities</u>	<u>Amortized Cost</u>
State Treasurer's Investment Pool	4 to 117	N/A	\$ 7,120,685

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. Giles 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. Giles County has no investment policy that would further limit its investment choices. As of June 30, 2016, Giles County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2016, was as follows:

Primary Government - Governmental Activities:

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Capital Assets Not Depreciated:				
Land	\$ 367,929	\$ 0	\$ 0	\$ 367,929
Construction in Progress	387,858	0	(387,858)	0
Total Capital Assets Not Depreciated	\$ 755,787	\$ 0	\$ (387,858)	\$ 367,929
Capital Assets Depreciated:				
Buildings and Improvements	\$ 8,623,383	\$ 792,024	\$ 0	\$ 9,415,407
Infrastructure	34,965,882	1,758,230	0	36,724,112
Other Capital Assets	5,868,284	954,265	(950,090)	5,872,459
Total Capital Assets Depreciated	\$ 49,457,549	\$ 3,504,519	\$ (950,090)	\$ 52,011,978
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,069,455	\$ 260,424	\$ 0	\$ 4,329,879
Infrastructure	22,957,062	1,376,533	0	24,333,595
Other Capital Assets	4,881,996	344,472	(939,280)	4,287,188
Total Accumulated Depreciation	\$ 31,908,513	\$ 1,981,429	\$ (939,280)	\$ 32,950,662
Total Capital Assets Depreciated, Net	\$ 17,549,036	\$ 1,523,090	\$ (10,810)	\$ 19,061,316
Governmental Activities Capital Assets, Net	\$ 18,304,823	\$ 1,523,090	\$ (398,668)	\$ 19,429,245

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

Governmental Activities:

General Government	\$ 40,364
Finance	21,506
Administration of Justice	2,107
Public Safety	297,704
Public Health and Welfare	95,473
Social, Cultural, and Recreational Services	6,361
Agriculture and Natural Resources	11,250
Highways/Public Works	<u>1,506,664</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,981,429</u></u>

Discretely Presented Giles County School Department

Governmental Activities:

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Capital Assets Not Depreciated:				
Land	\$ 621,198	\$ 0	\$ 0	\$ 621,198
Total Capital Assets Not Depreciated	<u>\$ 621,198</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 621,198</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 30,086,035	\$ 682,266	\$ 0	\$ 30,768,301
Other Capital Assets	6,935,983	761,773	(325,281)	7,372,475
Total Capital Assets Depreciated	<u>\$ 37,022,018</u>	<u>\$ 1,444,039</u>	<u>\$ (325,281)</u>	<u>\$ 38,140,776</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 16,573,260	\$ 734,450	\$ 0	\$ 17,307,710
Other Capital Assets	4,622,446	442,317	(325,281)	4,739,482
Total Accumulated Depreciation	<u>\$ 21,195,706</u>	<u>\$ 1,176,767</u>	<u>\$ (325,281)</u>	<u>\$ 22,047,192</u>
Total Capital Assets Depreciated, Net	<u>\$ 15,826,312</u>	<u>\$ 267,272</u>	<u>\$ 0</u>	<u>\$ 16,093,584</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 16,447,510</u></u>	<u><u>\$ 267,272</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 16,714,782</u></u>

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

Governmental Activities:

Instruction	\$ 825,555
Support Services	349,645
Operation of Non-instructional Services	<u>1,567</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,176,767</u></u>

C. Construction Commitments

At June 30, 2016, the School Department had uncompleted construction contracts of approximately \$59,050 for school building renovation projects. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2016, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	\$ 30,018

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2016, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Fund	General Debt Service Fund
General Debt Service Fund	\$ 134,000	\$ 0
Nonmajor Governmental Funds	0	1,519,556
Total	\$ 134,000	\$ 1,519,556

Discretely Presented Giles County School Department

Transfer Out	Transfer In
	Education Capital Projects Fund
General Purpose School Fund	\$ 2,264,000

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

The county made a one-time transfer of \$134,000 from the General Debt Service Fund to the General Fund to provide funds for a capital purchase.

The School Department made a one-time transfer of \$2,264,000 from the General Purpose School Fund to the Education Capital Projects Fund to provide funds for school renovation projects.

E. Long-term Obligations

Primary Government

General Obligation Bonds and Notes

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to four years for bonds and ten years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2016, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2016, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-16
General Obligation Bonds - Refunding	1.71 %	4-1-17	\$ 1,267,560	\$ 330,000
Capital Outlay Notes	0 to 2.65	6-30-21	1,176,500	366,461

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2016, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2017	\$ 330,000	\$ 5,643	\$ 335,643
Total	\$ 330,000	\$ 5,643	\$ 335,643

Year Ending June 30	Notes		
	Principal	Interest	Total
2017	\$ 127,212	\$ 8,820	\$ 136,032
2018	112,420	6,117	118,537
2019	107,000	3,361	110,361
2020	19,829	526	20,355
Total	\$ 366,461	\$ 18,824	\$ 385,285

There is \$2,599,700 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and notes totaled \$24, based on the 2010 federal census.

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

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-16</u>
<u>Notes Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficient Schools Initiative	\$ 33,632

Other Long-term Obligations

In prior years, Giles County entered into interlocal agreements with Minor Hill Utility District and Fairview Utility District, whereby the districts agreed to apply for funding through the State Revolving Fund Loan Program (SRF) on behalf of the county for the construction of water line extensions in the districts service and adjacent areas. The agreements stipulate that the county will be responsible for all aspects of the programs. The districts will coordinate with the county's engineers and contractors during the design and construction phase and accept ownership after construction and installation approval. The districts will be responsible for the ongoing operation and maintenance costs including depreciation.

Giles County will make payments to the Minor Hill Utility District and Fairview Utility District to cover all debt service requirements of the SRF loans. The total loan commitment related to Minor Hill Utility District is \$3,000,000, which includes principal forgiveness of \$600,000. The total loan commitment related to Fairview Utility District is \$1,250,000, which includes principal forgiveness of \$250,000. Each loan is for a term of 20 years and is secured by the revenues of the respective district as well as pledges by Giles County of ad valorem and unobligated state-shared taxes. The county has committed to fund debt service requirements on these loans pursuant by interlocal agreements. The amount due to districts pursuant to the agreements to cover the loans outstanding as of June 30, 2016, is reflected as a long-term payable on the Statement of Net Position. The amounts paid by the county to or on behalf of districts pursuant to the agreements will be reflected as contribution expenditures in the General Debt Service Fund.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2016, was as follows:

Governmental Activities:	Bonds	Notes	Other Long-term Liabilities
Balance, July 1, 2015	\$ 650,000	\$ 2,109,844	\$ 2,880,057
Additions	0	0	132,246
Reductions	(320,000)	(1,743,383)	(864,666)
Balance, June 30, 2016	<u>\$ 330,000</u>	<u>\$ 366,461</u>	<u>\$ 2,147,637</u>
Balance Due Within One Year	<u>\$ 330,000</u>	<u>\$ 127,212</u>	<u>\$ 117,516</u>

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2015	\$ 248,700	\$ 408,268
Additions	282,074	53,939
Reductions	(292,378)	(10,185)
Balance, June 30, 2016	<u>\$ 238,396</u>	<u>\$ 452,022</u>
Balance Due Within One Year	<u>\$ 238,396</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 3,534,516
Less: Balance Due Within One Year	<u>(813,124)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,721,392</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Discretely Presented Giles County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Giles County School Department for the year ended June 30, 2016, was as follows:

Governmental Activities:

	Other Postemployment Benefits	Pension Liability Legacy Plan *
Balance, July 1, 2015	\$ 5,035,947	\$ (60,066)
Additions	901,242	2,742,286
Reductions	(496,339)	(2,529,512)
Balance, June 30, 2016	<u>\$ 5,440,850</u>	<u>\$ 152,708</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

* - The Legacy Plan had a Net Pension Asset balance on July 1, 2015.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 5,593,558
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 5,593,558</u>

Other post-employment benefits and net pension liability will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Giles 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, 2016, were \$189,648 and \$62,375, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

Giles County issued tax anticipation notes from the General Debt Service Fund in advance of property tax collections and deposited the proceeds in the Highway/Public Works Fund. These notes were necessary because funds were not available to meet payroll and other operating expenditures coming due before current tax collections. Short-term debt activity for the year ended June 30, 2016, was as follows:

	Balance 7-1-15	Issued	Paid	Balance 6-30-16
Tax Anticipation Notes	\$ 0	\$ 500,000	\$ (500,000)	\$ 0

V. **OTHER INFORMATION**

A. **Risk Management**

Primary Government

The county is exposed to various risks related to general liability, property, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums.

Giles County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established by the Tennessee County Services Association, an association of member counties, to provide for liabilities arising under the workers' compensation law. In accordance with Sections 12-9-101 through 12-9-109, *Tennessee Code Annotated (TCA)*, inclusive, local governments are eligible to participate. The creation of the LGWCF provides for it to be self-sustaining through member premiums.

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

Discretely Presented Giles County School Department

The discretely presented Giles County School Department is exposed to various risks related to liability, property, and casualty losses. The School Department decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability,

property, and casualty coverage. The School Department joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The School Department pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums.

The School Department continues to carry commercial insurance for other risks of loss, including property. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School Department participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established by the Tennessee County Services Association, an association of member counties, to provide for liabilities arising under the workers' compensation law. In accordance with Sections 12-9-101 through 12-9-109, *Tennessee Code Annotated (TCA)*, inclusive, local governments are eligible to participate. The creation of the LGWCF provides for it to be self-sustaining through member premiums.

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and Statement No. 79, *Certain External Investment Pools and Pool Participants* became effective for the year ended June 30, 2016.

GASB Statement No. 72, establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. This standard supersedes previous statements as they relate to measuring fair value of certain assets and liabilities.

GASB Statement No. 73, established accounting and reporting requirements for pensions that are not administered through a trust account and also addresses changes made to Statements No. 67 and No. 68. The changes to Statements No. 67 and No. 68 require new RSI disclosures concerning plan investments, address specific payables to defined benefit plans, and address specific payables to defined benefit plans.

GASB Statement No. 76, addresses changes made to the hierarchy of generally accepted accounting principles. This standard supersedes Statement No. 55 and reduces the hierarchy from four to two categories.

GASB Statement No. 79, addresses issues related to certain external investment pools and pool participants because of changes in Security and Exchange rules relative to money market funds. This standard establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost rather than fair value for financial reporting purposes standards.

C. Subsequent Event

On August 17, 2016, the county's General Debt Service Fund issued a \$500,000 tax anticipation note to the Highway/Public Works Fund for temporary operating funds.

D. Contingent Liabilities

The county is involved in several pending lawsuits. The county's acting legal counsel and management estimate 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. Joint Ventures

The Economic Development Commission for Pulaski-Giles County, Tennessee, Inc., is a joint venture between Giles County and the City of Pulaski and is governed by a 14-member board. The purpose of the board is to promote and facilitate the economic development of the City of Pulaski and Giles County, Tennessee. Giles County and the City of Pulaski provide the majority of funding for the board. Each of these entities is required to fund 40 percent of the board's annual operating budget. Giles County contributed \$76,650 to the operations of the Economic Development Commission during the year ended June 30, 2016.

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. Giles County did not contribute any funds to the DTF for the year ended June 30, 2016.

Giles County does not retain an equity interest in either of the above-noted joint ventures. Complete financial statements for the Economic Development Commission and the Twenty-second Judicial District DTF can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Economic Development Commission
203 South First Street
P.O. Box 633
Pulaski, TN 38478

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

F. Jointly Governed Organizations

Industrial Development Board

The Industrial Development Board of Giles County and the City of Pulaski was created by Giles County and the City of Pulaski. The Industrial Development Board comprises eight members. The county and the city each appoint four members. However, the county does not have any ongoing financial interest or responsibility for the entity. Giles County contributed \$45,070 from the General Debt Service Fund to the Industrial Development Board for the year ended June 30, 2016.

Tennessee Southern Railroad Authority

The Tennessee Southern Railroad Authority (TSRA) was created by the county in conjunction with Lawrence and Maury counties, and its board comprises the county mayors/executives and a representative appointed by the respective County Commissions from each of the three counties and a representative from the cities of Mt. Pleasant and Lawrenceburg. However, Giles County does not have any ongoing financial interest or responsibility for the entity. The majority of TSRA's funding is received from various grants from the Tennessee Department of Transportation. Giles County made no appropriations to the Tennessee Southern Railroad Authority for the year ended June 30, 2016.

G. Commitments

Airport

Giles County and the City of Pulaski jointly own the Abernathy Field Airport; however, the day-to-day operation of the airport is administered by the City of Pulaski. The financial activity of the airport is reported in the General Fund financial statements of the City of Pulaski. Giles County is committed to contributing one-half of the operating expenses of the Abernathy Field Airport. Giles County contributed \$57,540 to airport operations during the year ended June 30, 2016.

Industrial Park

On October 20, 1997, the County Commission adopted a resolution “to participate and fund the county’s share or one-half of the costs and expenses associated with the development of the new industrial park” Based on this resolution, the county will participate with the City of Pulaski to develop an industrial park. A written contract documenting this arrangement has been approved by a County Commission resolution. As of June 30, 2016, the City of Pulaski had borrowed certain funds and also funded part of this project from its local funds. Giles County contributed \$72,576 to the City of Pulaski to pay its portion of these obligations during the year ended June 30, 2016, from the General Debt Service Fund.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Giles County and non-certified employees of the discretely presented Giles County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 65.71 percent and the non-certified employees of the discretely presented School Department comprised 34.29 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2015, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	232
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	336
Active Employees	415
 Total	 <u>983</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 their salary. Giles County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, the Actuarial Determined Contribution (ADC) for Giles County was \$488,022 based on a rate of 4.18 percent of covered payroll. By law, employer contributions are required to be paid.

The TCRS may intercept Giles County’s state shared taxes if required employer contributions are not remitted. The employer’s 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)

Giles County’s net pension liability (asset) was measured as of June 30, 2015, 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, 2015, 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, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Giles 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, 2014	\$ 34,082,008	\$ 37,565,184	\$ (3,483,176)
Changes for the Year:			
Service Cost	\$ 982,440	\$ 0	\$ 982,440
Interest	2,565,618	0	2,565,618
Differences Between Expected and Actual Experience	5,047	0	5,047
Contributions-Employer	0	488,022	(488,022)
Contributions-Employees	0	580,117	(580,117)
Net Investment Income	0	1,146,737	(1,146,737)
Benefit Payments, Including Refunds of Employee Contributions	(1,712,421)	(1,712,421)	0
Administrative Expense	0	(21,498)	21,498
Other Changes	0	0	0
Net Changes	\$ 1,840,684	\$ 480,957	\$ 1,359,727
Balance, June 30, 2015	\$ 35,922,692	\$ 38,046,141	\$ (2,123,449)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	65.71%	\$ 23,604,801	\$ 25,000,119	\$ (1,395,318)
School Department	34.29%	12,317,891	13,046,022	(728,131)
Total		\$ 35,922,692	\$ 38,046,141	\$ (2,123,449)

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

Giles County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 2,423,914	\$ (2,123,449)	\$ (5,893,675)

Negative Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Negative Pension Expense. For the year ended June 30, 2016, Giles County recognized negative pension expense of \$221,682.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, Giles 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
Difference Between Expected and Actual Experience	\$ 4,038	\$ 486,371
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,316,548	1,760,163
Contributions Subsequent to the Measurement Date of June 30, 2015 (1)	498,413	N/A
Total	\$ 1,818,999	\$ 2,246,534

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2015,” 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	\$ 1,184,943	\$ 1,476,197
School Department	<u>634,056</u>	<u>770,337</u>
Total	<u>\$ 1,818,999</u>	<u>\$ 2,246,534</u>

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

Year Ending June 30	Amount
2017	\$ (418,699)
2018	(418,699)
2019	(418,699)
2020	330,146
2021	0
Thereafter	0

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

Payable to the Pension Plan

Giles County reported a payable of \$50,184 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2016.

Discretely Presented Giles County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Giles County and non-certified employees of the discretely presented Giles County School Department are provided a defined

benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 65.71 percent and the non-certified employees of the discretely presented School Department comprise 34.29 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit 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. 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 60 or pursuant to the rule of 80. 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 percent and one percent. Members who leave 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 or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. 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, 2016, to the Teacher Retirement Plan were \$59,760, which is four percent of covered 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 (Assets). At June 30, 2016, the Giles County School Department reported an asset of \$14,021 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Giles County School Department's proportion of the net pension asset was based on the Giles County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Giles County School Department's proportion was .348523 percent.

Pension Expense. For the year ended June 30, 2016, the Giles County School Department recognized pension expense of \$18,375.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, the Giles County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 4,564
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,133	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	59,760	N/A
Total	<u>\$ 60,893</u>	<u>\$ 4,564</u>

The Giles County School Department's employer contributions of \$59,760, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2017. 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
2017	\$ (97)
2018	(97)
2019	(97)
2020	(97)
2021	(380)
Thereafter	(2,662)

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

Actuarial Assumptions. The total pension liability in the June 30, 2015, 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 included an adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, 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
	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 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 the Giles 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 the Giles 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	Current Discount Rate	1% Increase
	6.5%	7.5%	8.5%

Net Pension Liability \$ 2,486 \$ (14,021) \$ (26,128)

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

Payable to the Pension Plan

At June 30, 2016, the Giles County School Department reported a payable of \$10,171 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability

benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs 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 are required to contribute five percent of their salaries. 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 Giles County School Department for the year ended June 30, 2016, to the Teacher Legacy Pension Plan were \$1,239,805, which is 9.04 percent of covered 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 (Assets). At June 30, 2016, the Giles County School Department reported a liability of \$152,708 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Giles County School Department's proportion of the net pension liability was based on the Giles County School Department's

long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Giles County School Department's proportion was .372792 percent. The proportion measured at June 30, 2014, was .369647 percent.

Negative Pension Expense. For the year ended June 30, 2016, the Giles County School Department recognized negative pension expense of \$166,251.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, the Giles 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
Difference Between Expected and Actual Experience	\$ 122,555	\$ 2,376,927
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,757,434	3,743,367
Changes in Proportion of Net Pension Liability (Asset)	33,623	220,257
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	1,239,805	N/A
Total	<u>\$ 4,153,417</u>	<u>\$ 6,340,551</u>

The Giles County School Department's employer contributions of \$1,239,805 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, 2017. 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
2017	\$ (1,046,632)
2018	(1,046,632)
2019	(1,046,632)
2020	201,157
2021	(488,201)
Thereafter	0

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, 2015, 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 adjustments for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	6.46	%	33	%
Developed Market				
International Equity	6.26		17	
Emerging Market				
International Equity	6.40		5	
Private Equity and				
Strategic Lending	4.61		8	
U.S. Fixed Income	0.98		29	
Real Estate	4.73		7	
Short-term Securities	0.00		1	
			100	%
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 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 the Giles 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 the Giles 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	\$ 10,411,138	\$ 152,708	\$ (8,340,061)

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

Payable to the Pension Plan

At June 30, 2016, the Giles County School Department reported a payable of \$195,738 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2016.

2. Deferred Compensation

Giles County offers its employees a deferred compensation plan established pursuant to IRC Section 457, and the Giles County School Department offers its employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 403(b) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 403(b) and 457 establish participation, contribution, and withdrawal provisions for the plans.

Teachers hired after July 1, 2014, by the discretely presented Giles 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 Giles 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 Giles County School Department contributed \$74,759 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

I. Other Postemployment Benefits (OPEB)

Plan Description

Giles County and the School Department participate in the state-administered Local Education Group Insurance Plan, Local Government Group Insurance Plan, and Medicare Supplement Plan for health care benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees, Section 8-27-207, *TCA*, for local governments, and Section 8-27-701, *TCA*, for the Medicare Supplement. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization plan for health care benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 members in the Medicare Supplement Plan. Giles County and the School Department recognized expenditures of \$10,185 and \$496,339, respectively, for postemployment health care during the year ended June 30, 2016.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan	Medicare Supplement Plan
ARC	\$ 902,000	\$ 54,000	\$ 0
Interest on the NOPEBO	188,848	15,273	0
Adjustment to the ARC	(189,606)	(15,334)	0
Annual OPEB cost	\$ 901,242	\$ 53,939	\$ 0
Amount of contribution	(496,339)	(9,185)	(1,000)
Increase/decrease in NOPEBO	\$ 404,903	\$ 44,754	\$ (1,000)
Net OPEB obligation, 7-1-15	5,035,947	407,268	1,000
Net OPEB obligation, 6-30-16	\$ 5,440,850	\$ 452,022	\$ 0

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year-End
6-30-14	Local Education Group	\$ 632,800	71 %	\$ 4,842,686
6-30-15	"	654,989	70	5,035,947
6-30-16	"	901,242	55	5,440,850
6-30-14	Local Government Group	30,381	17	395,600
6-30-15	"	31,408	63	407,268
6-30-16	"	53,939	17	452,022
6-30-15	Medicare Supplement	1,000	0	1,000
6-30-16	"	0	0	0

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

(dollars in thousands)

	Local Education Group Plan	Local Government Group Plan	Medicare Supplement Plan
Actuarial valuation date	7-1-15	7-1-15	7-1-15
Actuarial accrued liability (AAL)	\$ 8,872	\$ 431	\$ 0
Actuarial value of plan assets	\$ 0	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 8,872	\$ 431	\$ 0
Actuarial value of assets as a % of the AAL	0%	0%	0%
Covered payroll (active plan members)	\$ 19,215	\$ 7,599	N/A
UAAL as a % of covered payroll	46%	6%	N/A

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary

information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

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

In the July 1, 2015, actuarial valuation for the Local Education Plan and the Local Government Plan, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 6.5 percent initially. The trend rate will decrease to six percent in fiscal year 2016, and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2050. The annual health care cost trend rate for the Medicare Supplement Plan was six percent in fiscal year 2016 and then will be reduced by decrements to an ultimate rate of 4.2 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning July 1, 2007. Payroll is assumed to grow at a rate of three percent.

J. Office of Central Accounting and Budgeting

Giles County operates under provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act also provides for the creation of a Finance Department operated under the direction of the finance director.

K. Purchasing Laws

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by her to serve as the county purchasing agent. The finance director serves as the purchasing agent for Giles County. All purchase orders are issued by the Finance Department. Purchases exceeding \$25,000 are required to be competitively bid.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Giles 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>	<u>2015</u>
Total Pension Liability (Asset)		
Service Cost	\$ 952,702	\$ 982,440
Interest	2,489,941	2,565,618
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	(810,619)	5,047
Changes in Assumptions	0	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,593,055)</u>	<u>(1,712,421)</u>
Net Change in Total Pension Liability (Asset)	\$ 1,038,969	\$ 1,840,684
Total Pension Liability (Asset), Beginning	<u>33,043,039</u>	<u>34,082,008</u>
 Total Pension Liability (Asset), Ending (a)	 <u>\$ 34,082,008</u>	 <u>\$ 35,922,692</u>
 Plan Fiduciary Net Position		
Contributions - Employer	\$ 908,191	\$ 488,022
Contributions - Employee	548,876	580,117
Net Investment Income	5,355,070	1,146,737
Benefit Payments, Including Refunds of Employee Contributions	(1,593,055)	(1,712,421)
Administrative Expense	<u>(16,188)</u>	<u>(21,498)</u>
Net Change in Plan Fiduciary Net Position	\$ 5,202,894	\$ 480,957
Plan Fiduciary Net Position, Beginning	<u>32,362,290</u>	<u>37,565,184</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 37,565,184</u>	 <u>\$ 38,046,141</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u>\$ (3,483,176)</u>	 <u>\$ (2,123,449)</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 110.22%	 105.91%
Covered Payroll	\$ 10,968,489	\$ 11,675,167
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(31.76)%	(18.19)%

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

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

Exhibit E-2

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

	2014	2015	2016
Actuarially Determined Contribution	\$ 908,191	\$ 488,022	\$ 498,413
Less Contributions in Relation to the Actuarially Determined Contribution	(908,191)	(488,022)	(498,413)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 10,968,489	\$ 11,675,167	\$ 12,162,884
Contributions as a Percentage of Covered Payroll	8.28%	4.18%	4.18%

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

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

Exhibit E-3

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

	<u>2015</u>	<u>2016</u>
Contractually Determined Contribution	\$ 18,103	\$ 37,349
Less Contributions in Relation to the Contractually Determined Contribution	<u>(28,966)</u>	<u>(59,760)</u>
Contribution Deficiency (Excess)	<u>\$ (10,863)</u>	<u>\$ (22,411)</u>
Covered Payroll	\$ 724,130	\$ 1,493,979
Contributions as a Percentage of Covered Payroll	4.00%	4.00%

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

Exhibit E-4

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually Determined Contribution	\$ 1,288,367	\$ 1,261,575	\$ 1,239,805
Less Contributions in Relation to the Contractually Determined Contribution	<u>(1,288,367)</u>	<u>(1,261,575)</u>	<u>(1,239,805)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 14,508,633	\$ 13,955,478	\$ 13,716,007
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%

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

Exhibit E-5

Giles County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Retirement Pension Plan of TCRS
Discretely Presented Giles County School Department
For the Fiscal Year Ended June 30 *

	<u>2016</u>
School Department's Proportion of the Net Pension Liability (Asset)	0.348523%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (14,021)
Covered Payroll	\$ 724,130
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%

* 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

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

	<u>2015</u>	<u>2016</u>
School Department's Proportion of the Net Pension Liability (Asset)	0.369647%	0.372792%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (60,066)	\$ 152,708
Covered Payroll	\$ 14,508,632	\$ 13,955,478
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%

* 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-7

Giles County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Giles County School Department
June 30, 2016

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-11	\$ 0	\$ 489	\$ 489	0 %	\$ 7,060	7 %
"	7-1-13	0	203	203	0	7,399	3
"	7-1-15	0	431	431	0	7,599	6
Medicare Supplement	7-1-13	0	22	22	0	N/A	N/A
"	7-1-15	0	0	0	0	N/A	N/A
<u>DISCRETELY PRESENTED GILES COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-11	0	7,596	7,596	0	19,343	39
"	7-1-13	0	6,357	6,357	0	19,736	32
"	7-1-15	0	8,872	8,872	0	19,215	46

GILES COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2016

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2016 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	1 Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

Capital Projects Funds

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

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

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

Exhibit F-1

Giles County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2016

	Special Revenue Funds			Capital Projects Funds
	Drug Control	Constitu- tional Officers - Fees	Total	General Capital Projects
<u>ASSETS</u>				
Cash	\$ 0	\$ 247,284	\$ 247,284	\$ 0
Equity in Pooled Cash and Investments	97,425	0	97,425	6,185
Accounts Receivable	3,205	2,530	5,735	0
Property Taxes Receivable	0	0	0	0
Allowance for Uncollectible Property Taxes	0	0	0	0
Total Assets	\$ 100,630	\$ 249,814	\$ 350,444	\$ 6,185
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Deferred Delinquent Property Taxes	0	0	0	0
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 100,630	\$ 0	\$ 100,630	\$ 0
Restricted for Capital Outlay	0	0	0	6,185
Committed:				
Committed for General Government	0	26,777	26,777	0
Committed for Finance	0	65,000	65,000	0
Committed for Administration of Justice	0	158,037	158,037	0
Total Fund Balances	\$ 100,630	\$ 249,814	\$ 350,444	\$ 6,185
Total Deferred Inflows of Resources and Fund Balances	\$ 100,630	\$ 249,814	\$ 350,444	\$ 6,185

(Continued)

Exhibit F-1

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

	<u>Capital Projects Funds (Cont.)</u>		
	<u>Highway Capital Projects</u>	<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 247,284
Equity in Pooled Cash and Investments	10,588	16,773	114,198
Accounts Receivable	0	0	5,735
Property Taxes Receivable	252,411	252,411	252,411
Allowance for Uncollectible Property Taxes	(5,898)	(5,898)	(5,898)
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 257,101	\$ 263,286	\$ 613,730
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 238,527	\$ 238,527	\$ 238,527
Deferred Delinquent Property Taxes	7,509	7,509	7,509
Total Deferred Inflows of Resources	<hr/>	<hr/>	<hr/>
	\$ 246,036	\$ 246,036	\$ 246,036
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Public Safety	\$ 0	\$ 0	\$ 100,630
Restricted for Capital Outlay	11,065	17,250	17,250
Committed:			
Committed for General Government	0	0	26,777
Committed for Finance	0	0	65,000
Committed for Administration of Justice	0	0	158,037
Total Fund Balances	<hr/>	<hr/>	<hr/>
	\$ 11,065	\$ 17,250	\$ 367,694
Total Deferred Inflows of Resources and Fund Balances	<hr/>	<hr/>	<hr/>
	\$ 257,101	\$ 263,286	\$ 613,730

Exhibit F-2

Giles County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	Special Revenue Funds			Capital
	Drug Control	Constitutional Officers - Fees	Total	Projects Funds
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	60,768	0	60,768	0
Charges for Current Services	0	869,385	869,385	0
Other Local Revenues	9,325	0	9,325	0
Federal Government	0	0	0	28,000
Other Governments and Citizens Groups	500	0	500	0
Total Revenues	<u>\$ 70,593</u>	<u>\$ 869,385</u>	<u>\$ 939,978</u>	<u>\$ 28,000</u>
<u>Expenditures</u>				
Current:				
Finance	\$ 0	\$ 411,511	\$ 411,511	\$ 0
Administration of Justice	0	440,195	440,195	0
Public Safety	67,847	0	67,847	0
Capital Projects	0	0	0	179,242
Total Expenditures	<u>\$ 67,847</u>	<u>\$ 851,706</u>	<u>\$ 919,553</u>	<u>\$ 179,242</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,746</u>	<u>\$ 17,679</u>	<u>\$ 20,425</u>	<u>\$ (151,242)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ 0	\$ 0	\$ (1,519,556)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,519,556)</u>
Net Change in Fund Balances	\$ 2,746	\$ 17,679	\$ 20,425	\$ (1,670,798)
Fund Balance, July 1, 2015	97,884	232,135	330,019	1,676,983
Fund Balance, June 30, 2016	<u>\$ 100,630</u>	<u>\$ 249,814</u>	<u>\$ 350,444</u>	<u>\$ 6,185</u>

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Highway Capital Projects	Total	Nonmajor Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 477	\$ 477	\$ 477
Fines, Forfeitures, and Penalties	0	0	60,768
Charges for Current Services	0	0	869,385
Other Local Revenues	0	0	9,325
Federal Government	0	28,000	28,000
Other Governments and Citizens Groups	0	0	500
Total Revenues	<u>\$ 477</u>	<u>\$ 28,477</u>	<u>\$ 968,455</u>
<u>Expenditures</u>			
Current:			
Finance	\$ 0	\$ 0	\$ 411,511
Administration of Justice	0	0	440,195
Public Safety	0	0	67,847
Capital Projects	58,820	238,062	238,062
Total Expenditures	<u>\$ 58,820</u>	<u>\$ 238,062</u>	<u>\$ 1,157,615</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (58,343)</u>	<u>\$ (209,585)</u>	<u>\$ (189,160)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ 0	\$ (1,519,556)	\$ (1,519,556)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (1,519,556)</u>	<u>\$ (1,519,556)</u>
Net Change in Fund Balances	\$ (58,343)	\$ (1,729,141)	\$ (1,708,716)
Fund Balance, July 1, 2015	69,408	1,746,391	2,076,410
Fund Balance, June 30, 2016	<u>\$ 11,065</u>	<u>\$ 17,250</u>	<u>\$ 367,694</u>

Exhibit F-3

Giles County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 60,768	\$ 60,000	\$ 60,000	\$ 768
Other Local Revenues	9,325	0	0	9,325
Federal Government	0	10,000	10,000	(10,000)
Other Governments and Citizens Groups	500	1,500	1,500	(1,000)
Total Revenues	<u>\$ 70,593</u>	<u>\$ 71,500</u>	<u>\$ 71,500</u>	<u>\$ (907)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 67,847	\$ 80,205	\$ 80,205	\$ 12,358
Total Expenditures	<u>\$ 67,847</u>	<u>\$ 80,205</u>	<u>\$ 80,205</u>	<u>\$ 12,358</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,746</u>	<u>\$ (8,705)</u>	<u>\$ (8,705)</u>	<u>\$ 11,451</u>
Net Change in Fund Balance	\$ 2,746	\$ (8,705)	\$ (8,705)	\$ 11,451
Fund Balance, July 1, 2015	<u>97,884</u>	<u>99,790</u>	<u>97,884</u>	<u>0</u>
Fund Balance, June 30, 2016	<u>\$ 100,630</u>	<u>\$ 91,085</u>	<u>\$ 89,179</u>	<u>\$ 11,451</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Giles County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,204,144	\$ 1,049,720	\$ 1,049,720	\$ 154,424
Other Governments and Citizens Groups	25,212	0	25,212	0
Total Revenues	\$ 1,229,356	\$ 1,049,720	\$ 1,074,932	\$ 154,424
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,736,000	\$ 588,000	\$ 2,100,448	\$ 364,448
Highways and Streets	302,171	99,000	302,171	0
Education	25,212	0	25,212	0
<u>Interest on Debt</u>				
General Government	29,811	96,615	65,487	35,676
Highways and Streets	16,214	16,828	16,828	614
<u>Other Debt Service</u>				
General Government	1,082,848	201,000	1,131,624	48,776
Total Expenditures	\$ 3,192,256	\$ 1,001,443	\$ 3,641,770	\$ 449,514
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,962,900)	\$ 48,277	\$ (2,566,838)	\$ 603,938
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 1,519,556	\$ 0	\$ 1,615,115	\$ (95,559)
Transfers Out	(134,000)	0	(150,000)	16,000
Total Other Financing Sources	\$ 1,385,556	\$ 0	\$ 1,465,115	\$ (79,559)
Net Change in Fund Balance	\$ (577,344)	\$ 48,277	\$ (1,101,723)	\$ 524,379
Fund Balance, July 1, 2015	3,177,044	2,238,710	3,177,044	0
Fund Balance, June 30, 2016	\$ 2,599,700	\$ 2,286,987	\$ 2,075,321	\$ 524,379

Fiduciary Funds

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

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Community Development - Agency Fund – The Community Development - Agency Fund is used to account for loan proceeds received and disbursed by the county on behalf of the Minor Hill and Fairview Utility Districts for the purpose of constructing water line extensions.

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

Exhibit H-1

Giles County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2016

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,243,621	\$ 1,243,621
Accounts Receivable	0	12	12
Due from Other Governments	556,870	0	556,870
Total Assets	<u>\$ 556,870</u>	<u>\$ 1,243,633</u>	<u>\$ 1,800,503</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 556,870	\$ 0	\$ 556,870
Due to Litigants, Heirs, and Others	0	1,243,633	1,243,633
Total Liabilities	<u>\$ 556,870</u>	<u>\$ 1,243,633</u>	<u>\$ 1,800,503</u>

Exhibit H-2

Giles County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,843,408	\$ 2,843,408	\$ 0
Due from Other Governments	455,670	556,870	455,670	556,870
Total Assets	\$ 455,670	\$ 3,400,278	\$ 3,299,078	\$ 556,870
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 455,670	\$ 3,400,278	\$ 3,299,078	\$ 556,870
Total Liabilities	\$ 455,670	\$ 3,400,278	\$ 3,299,078	\$ 556,870
<u>Community Development - Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 72,472	\$ 72,472	\$ 0
Loan Proceeds Receivable	32,443	0	32,443	0
Total Assets	\$ 32,443	\$ 72,472	\$ 104,915	\$ 0
<u>Liabilities</u>				
Accounts Payable	\$ 32,443	\$ 0	\$ 32,443	\$ 0
Due to Litigants, Heirs, and Others	0	72,472	72,472	0
Total Liabilities	\$ 32,443	\$ 72,472	\$ 104,915	\$ 0
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,575,857	\$ 7,267,902	\$ 7,600,138	\$ 1,243,621
Accounts Receivable	60	12	60	12
Total Assets	\$ 1,575,917	\$ 7,267,914	\$ 7,600,198	\$ 1,243,633
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,575,917	\$ 7,267,914	\$ 7,600,198	\$ 1,243,633
Total Liabilities	\$ 1,575,917	\$ 7,267,914	\$ 7,600,198	\$ 1,243,633

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,575,857	\$ 7,267,902	\$ 7,600,138	\$ 1,243,621
Equity in Pooled Cash and Investments	0	2,915,880	2,915,880	0
Accounts Receivable	60	12	60	12
Due from Other Governments	455,670	556,870	455,670	556,870
Loan Proceeds Receivable	32,443	0	32,443	0
Total Assets	<u>\$ 2,064,030</u>	<u>\$ 10,740,664</u>	<u>\$ 11,004,191</u>	<u>\$ 1,800,503</u>
<u>Liabilities</u>				
Accounts Payable	\$ 32,443	\$ 0	\$ 32,443	\$ 0
Due to Other Taxing Units	455,670	3,400,278	3,299,078	556,870
Due to Litigants, Heirs, and Others	1,575,917	7,340,386	7,672,670	1,243,633
Total Liabilities	<u>\$ 2,064,030</u>	<u>\$ 10,740,664</u>	<u>\$ 11,004,191</u>	<u>\$ 1,800,503</u>

Giles County School Department

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

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

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

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

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

Exhibit I-1

Giles County, Tennessee
Statement of Activities
Discretely Presented Giles County School Department
For the Year Ended June 30, 2016

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	\$ 19,212,795	\$ 32,083	\$ 1,676,114	\$ (17,504,598)
Support Services	11,907,220	84,378	348,798	(11,474,044)
Operation of Non-instructional Services	2,957,040	141,567	2,714,915	(100,558)
Total Governmental Activities	<u>\$ 34,077,055</u>	<u>\$ 258,028</u>	<u>\$ 4,739,827</u>	<u>\$ (29,079,200)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 6,630,019
Local Option Sales Tax				3,876,890
Other Local Taxes				2,596
Grants and Contributions Not Restricted to Specific Programs				20,679,395
Unrestricted Investment Earnings				1,373
Miscellaneous				33,119
Total General Revenues				<u>\$ 31,223,392</u>
Change in Net Position				\$ 2,144,192
Net Position, July 1, 2015				<u>15,861,741</u>
Net Position, June 30, 2016				<u>\$ 18,005,933</u>

Exhibit I-2

Giles County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Giles County School Department
June 30, 2016

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
			<u>Other</u>	
<u>Purpose</u>	<u>Capital</u>	<u>Govern-</u>	<u>Governmental</u>	
<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>Funds</u>	
				<u>Funds</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 5,649,374	\$ 1,755,468	\$ 1,099,030	\$ 8,503,872
Inventories	0	0	42,079	42,079
Accounts Receivable	1,698	0	5,970	7,668
Due from Other Governments	725,955	0	79,584	805,539
Due from Other Funds	30,018	0	0	30,018
Property Taxes Receivable	6,345,041	0	0	6,345,041
Allowance for Uncollectible Property Taxes	(148,260)	0	0	(148,260)
Total Assets	<u>\$ 12,603,826</u>	<u>\$ 1,755,468</u>	<u>\$ 1,226,663</u>	<u>\$ 15,585,957</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 2,620	\$ 0	\$ 0	\$ 2,620
Payroll Deductions Payable	976,714	0	130,962	1,107,676
Other Withholding Taxes	6,262	0	76	6,338
Due to Other Funds	0	0	30,018	30,018
Total Liabilities	<u>\$ 985,596</u>	<u>\$ 0</u>	<u>\$ 161,056</u>	<u>\$ 1,146,652</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 5,996,031	\$ 0	\$ 0	\$ 5,996,031
Deferred Delinquent Property Taxes	188,757	0	0	188,757
Other Deferred/Unavailable Revenue	325,789	0	0	325,789
Total Deferred Inflows of Resources	<u>\$ 6,510,577</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,510,577</u>

(Continued)

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
			<u>Other</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 0	\$ 42,079	\$ 42,079
Restricted:				
Restricted for Education	49,897	0	873,528	923,425
Committed:				
Committed for Education	0	0	150,000	150,000
Committed for Capital Outlay	0	1,755,468	0	1,755,468
Assigned:				
Assigned for Education	56,432	0	0	56,432
Unassigned	5,001,324	0	0	5,001,324
Total Fund Balances	<u>\$ 5,107,653</u>	<u>\$ 1,755,468</u>	<u>\$ 1,065,607</u>	<u>\$ 7,928,728</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,603,826</u>	<u>\$ 1,755,468</u>	<u>\$ 1,226,663</u>	<u>\$ 15,585,957</u>

Exhibit I-3

Giles County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Giles County School Department
June 30, 2016

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)		\$	7,928,728
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	621,198	
Add: buildings and improvements net of accumulated depreciation		13,460,591	
Add: other capital assets net of accumulated depreciation		<u>2,632,993</u>	16,714,782
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: contributions due on primary government debt for notes	\$	(33,632)	
Less: other postemployment benefits liability		(5,440,850)	
Less: net pension liability - teacher legacy pension plan		<u>(152,708)</u>	(5,627,190)
(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	\$	4,848,367	
Less: deferred inflows of resources related to pensions		<u>(7,115,452)</u>	(2,267,085)
(4) Net pension assets of the agent and teacher retirement pension plans are not current financial resources and therefore are not reported in the governmental funds.			742,152
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>514,546</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>18,005,933</u></u>

Exhibit I-4

Giles County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Giles County School Department
For the Year Ended June 30, 2016

	Major Funds		Nonmajor	Total
	General Purpose School	Education Capital Projects	Other Governmental Funds	
<u>Revenues</u>				
Local Taxes	\$ 10,514,704	\$ 0	\$ 0	\$ 10,514,704
Licenses and Permits	2,413	0	0	2,413
Charges for Current Services	123,204	0	134,824	258,028
Other Local Revenues	31,790	0	1,373	33,163
State of Tennessee	20,497,329	0	24,191	20,521,520
Federal Government	207,372	0	4,647,047	4,854,419
Other Governments and Citizens Groups	25,090	0	0	25,090
Total Revenues	\$ 31,401,902	\$ 0	\$ 4,807,435	\$ 36,209,337
<u>Expenditures</u>				
Current:				
Instruction	\$ 17,780,949	\$ 0	\$ 1,928,293	\$ 19,709,242
Support Services	11,279,148	0	492,066	11,771,214
Operation of Non-instructional Services	722,056	0	2,334,609	3,056,665
Debt Service:				
Other Debt Service	25,212	0	0	25,212
Capital Projects	0	1,025,419	0	1,025,419
Total Expenditures	\$ 29,807,365	\$ 1,025,419	\$ 4,754,968	\$ 35,587,752
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 1,594,537	\$ (1,025,419)	\$ 52,467	\$ 621,585
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 4,348	\$ 0	\$ 0	\$ 4,348
Transfers In	0	2,264,000	0	2,264,000
Transfers Out	(2,264,000)	0	0	(2,264,000)
Total Other Financing Sources (Uses)	\$ (2,259,652)	\$ 2,264,000	\$ 0	\$ 4,348
Net Change in Fund Balances	\$ (665,115)	\$ 1,238,581	\$ 52,467	\$ 625,933
Fund Balance, July 1, 2015	5,772,768	516,887	1,013,140	7,302,795
Fund Balance, June 30, 2016	\$ 5,107,653	\$ 1,755,468	\$ 1,065,607	\$ 7,928,728

Exhibit I-5

Giles County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Giles County School Department
For the Year Ended June 30, 2016

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)		\$ 625,933
(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	\$ 1,444,039	
Less: current-year depreciation expense	<u>(1,176,767)</u>	267,272
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2016	\$ 514,546	
Less: deferred delinquent property taxes and other deferred June 30, 2015	<u>(506,984)</u>	7,562
(3) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on notes to primary government		25,212
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net pension asset - agent pension plan	\$ (991,861)	
Change in net pension asset - teacher retirement pension plan	14,021	
Change in net pension liability - teacher legacy pension plan	(212,774)	
Change in deferred outflows of resources related to pensions	3,236,699	
Change in deferred inflows of resources related to pensions	(422,969)	
Change in other postemployment benefits liability	<u>(404,903)</u>	1,218,213
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,144,192</u>

Exhibit I-6

Giles County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Giles County School Department
June 30, 2016

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 199,359	\$ 899,671	\$ 1,099,030
Inventories	0	42,079	42,079
Accounts Receivable	0	5,970	5,970
Due from Other Governments	79,584	0	79,584
Total Assets	<u>\$ 278,943</u>	<u>\$ 947,720</u>	<u>\$ 1,226,663</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 90,355	\$ 40,607	\$ 130,962
Other Withholding Taxes	76	0	76
Due to Other Funds	30,018	0	30,018
Total Liabilities	<u>\$ 120,449</u>	<u>\$ 40,607</u>	<u>\$ 161,056</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 42,079	\$ 42,079
Restricted:			
Restricted for Education	8,494	865,034	873,528
Committed:			
Committed for Education	150,000	0	150,000
Total Fund Balances	<u>\$ 158,494</u>	<u>\$ 907,113</u>	<u>\$ 1,065,607</u>
Total Liabilities and Fund Balances	<u>\$ 278,943</u>	<u>\$ 947,720</u>	<u>\$ 1,226,663</u>

Exhibit I-7

Giles County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Giles County School Department
For the Year Ended June 30, 2016

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 134,824	\$ 134,824
Other Local Revenues	0	1,373	1,373
State of Tennessee	0	24,191	24,191
Federal Government	2,424,257	2,222,790	4,647,047
Total Revenues	<u>\$ 2,424,257</u>	<u>\$ 2,383,178</u>	<u>\$ 4,807,435</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,928,293	\$ 0	\$ 1,928,293
Support Services	492,066	0	492,066
Operation of Non-instructional Services	0	2,334,609	2,334,609
Total Expenditures	<u>\$ 2,420,359</u>	<u>\$ 2,334,609</u>	<u>\$ 4,754,968</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,898</u>	<u>\$ 48,569</u>	<u>\$ 52,467</u>
Net Change in Fund Balances	\$ 3,898	\$ 48,569	\$ 52,467
Fund Balance, July 1, 2015	154,596	858,544	1,013,140
Fund Balance, June 30, 2016	<u>\$ 158,494</u>	<u>\$ 907,113</u>	<u>\$ 1,065,607</u>

Exhibit I-8

Giles County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Giles County School Department
 General Purpose School Fund
 For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 10,514,704	\$ 0	\$ 0	\$ 10,514,704	\$ 9,632,792	\$ 9,642,792	\$ 871,912
Licenses and Permits	2,413	0	0	2,413	2,200	2,200	213
Charges for Current Services	123,204	0	0	123,204	133,000	133,000	(9,796)
Other Local Revenues	31,790	0	0	31,790	32,500	32,500	(710)
State of Tennessee	20,497,329	0	0	20,497,329	20,214,038	20,430,971	66,358
Federal Government	207,372	0	0	207,372	192,000	192,000	15,372
Other Governments and Citizens Groups	25,090	0	0	25,090	0	25,090	0
Total Revenues	\$ 31,401,902	\$ 0	\$ 0	\$ 31,401,902	\$ 30,206,530	\$ 30,458,553	\$ 943,349
Expenditures							
Instruction							
Regular Instruction Program	\$ 14,135,551	\$ (11,880)	\$ 4,899	\$ 14,128,570	\$ 14,732,886	\$ 14,708,616	\$ 580,046
Special Education Program	2,687,278	0	0	2,687,278	2,689,753	2,689,753	2,475
Vocational Education Program	958,120	(557)	0	957,563	1,034,765	1,034,765	77,202
Support Services							
Attendance	127,857	0	0	127,857	116,006	140,276	12,419
Health Services	522,495	0	0	522,495	535,805	535,805	13,310
Other Student Support	777,271	0	0	777,271	824,188	824,188	46,917
Regular Instruction Program	1,170,203	0	0	1,170,203	1,304,282	1,262,382	92,179
Special Education Program	276,775	(4,620)	0	272,155	277,091	277,091	4,936
Vocational Education Program	73,433	0	0	73,433	74,707	110,565	37,132
Other Programs	252,023	0	0	252,023	0	252,023	0
Board of Education	886,626	0	0	886,626	905,235	905,235	18,609
Director of Schools	358,352	(682)	0	357,670	361,520	361,520	3,850
Office of the Principal	1,575,262	0	0	1,575,262	1,506,690	1,597,732	22,470
Operation of Plant	2,141,029	0	0	2,141,029	2,361,785	2,361,785	220,756
Maintenance of Plant	689,210	0	51,533	740,743	774,619	814,619	73,876
Transportation	2,428,612	(326,336)	0	2,102,276	1,947,536	2,273,925	171,649

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Operation of Non-instructional Services</u>							
Community Services	\$ 141,426	\$ 0	\$ 0	\$ 141,426	\$ 150,000	\$ 150,000	\$ 8,574
Early Childhood Education	580,630	(849)	0	579,781	584,450	584,450	4,669
<u>Principal on Debt</u>							
Education	0	0	0	0	25,212	0	0
<u>Other Debt Service</u>							
Education	25,212	0	0	25,212	0	25,212	0
Total Expenditures	\$ 29,807,365	\$ (344,924)	\$ 56,432	\$ 29,518,873	\$ 30,206,530	\$ 30,909,942	\$ 1,391,069
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,594,537	\$ 344,924	\$ (56,432)	\$ 1,883,029	\$ 0	\$ (451,389)	\$ 2,334,418
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 4,348	\$ 0	\$ 0	\$ 4,348	\$ 0	\$ 0	\$ 4,348
Transfers Out	(2,264,000)	0	0	(2,264,000)	0	(2,264,000)	0
Total Other Financing Sources	\$ (2,259,652)	\$ 0	\$ 0	\$ (2,259,652)	\$ 0	\$ (2,264,000)	\$ 4,348
Net Change in Fund Balance	\$ (665,115)	\$ 344,924	\$ (56,432)	\$ (376,623)	\$ 0	\$ (2,715,389)	\$ 2,338,766
Fund Balance, July 1, 2015	5,772,768	(344,924)	0	5,427,844	4,873,871	5,427,844	0
Fund Balance, June 30, 2016	\$ 5,107,653	\$ 0	\$ (56,432)	\$ 5,051,221	\$ 4,873,871	\$ 2,712,455	\$ 2,338,766

Exhibit I-9

Giles County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Giles County School Department
School Federal Projects Fund
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 2,424,257	\$ 0	\$ 0	\$ 2,424,257	\$ 2,281,092	\$ 3,299,735	\$ (875,478)
Total Revenues	\$ 2,424,257	\$ 0	\$ 0	\$ 2,424,257	\$ 2,281,092	\$ 3,299,735	\$ (875,478)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,127,927	\$ 0	\$ 0	\$ 1,127,927	\$ 1,010,849	\$ 1,408,180	\$ 280,253
Special Education Program	750,394	0	0	750,394	811,271	934,132	183,738
Vocational Education Program	49,972	(4,596)	8,186	53,562	61,268	62,201	8,639
<u>Support Services</u>							
Health Services	98,406	0	0	98,406	44,000	100,000	1,594
Other Student Support	48,991	0	0	48,991	51,838	60,485	11,494
Regular Instruction Program	143,210	0	0	143,210	225,108	313,102	169,892
Special Education Program	198,925	0	0	198,925	73,758	419,101	220,176
Vocational Education Program	2,534	0	0	2,534	3,000	2,534	0
Total Expenditures	\$ 2,420,359	\$ (4,596)	\$ 8,186	\$ 2,423,949	\$ 2,281,092	\$ 3,299,735	\$ 875,786
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,898	\$ 4,596	\$ (8,186)	\$ 308	\$ 0	\$ 0	\$ 308
Net Change in Fund Balance	\$ 3,898	\$ 4,596	\$ (8,186)	\$ 308	\$ 0	\$ 0	\$ 308
Fund Balance, July 1, 2015	154,596	(4,596)	0	150,000	0	0	150,000
Fund Balance, June 30, 2016	\$ 158,494	\$ 0	\$ (8,186)	\$ 150,308	\$ 0	\$ 0	\$ 150,308

Exhibit I-10

Giles County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Giles County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 134,824	\$ 113,800	\$ 134,700	\$ 124
Other Local Revenues	1,373	750	1,305	68
State of Tennessee	24,191	23,434	24,191	0
Federal Government	2,222,790	2,110,991	2,261,277	(38,487)
Total Revenues	<u>\$ 2,383,178</u>	<u>\$ 2,248,975</u>	<u>\$ 2,421,473</u>	<u>\$ (38,295)</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 0	\$ 50	\$ 0	0
<u>Operation of Non-instructional Services</u>				
Food Service	2,334,609	2,248,925	2,421,473	86,864
Total Expenditures	<u>\$ 2,334,609</u>	<u>\$ 2,248,975</u>	<u>\$ 2,421,473</u>	<u>\$ 86,864</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 48,569</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 48,569</u>
Net Change in Fund Balance	\$ 48,569	\$ 0	\$ 0	48,569
Fund Balance, July 1, 2015	858,544	813,975	813,975	44,569
Fund Balance, June 30, 2016	<u>\$ 907,113</u>	<u>\$ 813,975</u>	<u>\$ 813,975</u>	<u>\$ 93,138</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Giles County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2016

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-15	Paid and/or Matured During Period	Outstanding 6-30-16
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Sewer Project, Series 2011	\$ 2,000,000	3.19 %	5-6-11	9-30-15	\$ 1,416,000	\$ 1,416,000	\$ 0
Highway Capital Outlay Notes, Series 2011	1,000,000	2.65	7-22-11	6-30-20	635,000	302,171	332,829
Total Payable through General Debt Service Fund					<u>\$ 2,051,000</u>	<u>\$ 1,718,171</u>	<u>\$ 332,829</u>
<u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u>							
Energy Efficient Schools Initiative	176,500	0	7-13-10	10-1-17	\$ 58,844	\$ 25,212	\$ 33,632
Total Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund					<u>\$ 58,844</u>	<u>\$ 25,212</u>	<u>\$ 33,632</u>
Total Notes Payable					<u>\$ 2,109,844</u>	<u>\$ 1,743,383</u>	<u>\$ 366,461</u>
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Refunding General Obligation	1,267,560	1.71	5-1-13	4-1-17	\$ 650,000	\$ 320,000	\$ 330,000
Total Bonds Payable					<u>\$ 650,000</u>	<u>\$ 320,000</u>	<u>\$ 330,000</u>

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2017	\$ 127,212	\$ 8,820	\$ 136,032
2018	112,420	6,117	118,537
2019	107,000	3,361	110,361
2020	19,829	526	20,355
Total	<u>\$ 366,461</u>	<u>\$ 18,824</u>	<u>\$ 385,285</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2017	\$ 330,000	\$ 5,643	\$ 335,643
Total	<u>\$ 330,000</u>	<u>\$ 5,643</u>	<u>\$ 335,643</u>

Exhibit J-3

Giles County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Giles County School Department
For the Year Ended June 30, 2016

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General Debt Service	General	Capital expenditures	\$ 134,000
General Capital Projects	General Debt Service	Unused Debt Proceeds	<u>1,519,556</u>
Total Transfers Primary Government			<u>\$ 1,653,556</u>
<u>DISCRETELY PRESENTED GILES COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Education Capital Projects	Renovation projects	<u>\$ 2,264,000</u>
Total Transfers Discretely Presented Giles County School Department			<u>\$ 2,264,000</u>

Exhibit J-4

Giles County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Giles County School Department
For the Year Ended June 30, 2016

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, TCA	\$ 78,358	\$ 100,000	RLI Insurance Company
Highway Commissioner	Section 8-24-102, TCA	74,628	100,000	State Automobile Mutual Insurance Company
Director of Schools	State Board of Education and County Board of Education	100,000 (1)	100,000	RLI Insurance Company
Finance Director	County Commission	74,783 (2)	100,000	State Automobile Mutual Insurance Company
Trustee	Section 8-24-102, TCA	67,843	1,500,000	Auto-Owners Mutual Insurance Company
Assessor of Property	Section 8-24-102, TCA	67,843	10,000	State Automobile Mutual Insurance Company
County Clerk	Section 8-24-102, TCA	67,843 (3)	100,000	RLI Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	67,843 (3)	100,000	"
Clerk and Master	Section 8-24-102, TCA	67,843 (4)	50,000	State Automobile Mutual Insurance Company
Register of Deeds	Section 8-24-102, TCA	67,843 (3)	100,000	RLI Insurance Company
Sheriff	Section 8-24-102, TCA	74,628 (5)	100,000	"
Employee Blanket Bonds				
Public Employee Dishonesty - County Departments			150,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Department			150,000	"

(1) Does not include travel allowance of \$6,000.

(2) Does not include one time payment made to all county employees of \$500.

(3) Does not include certified public administrators incentive pay of \$96.

(4) Does not include certified public administrators incentive pay of \$96 and special commissioner fees of \$1,700.

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

Exhibit J-5

Giles County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2016

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 6,317,849	\$ 0	\$ 0	\$ 2,083,217	\$ 226,627	\$ 0
Trustee's Collections - Prior Year	192,826	0	0	60,298	6,879	0
Trustee's Collections - Bankruptcy	2,932	0	0	927	105	0
Circuit Clerk/Clerk and Master Collections - Prior Years	94,016	0	0	30,570	3,354	0
Interest and Penalty	29,778	0	0	9,450	1,066	0
Payments in-Lieu-of Taxes - Local Utilities	326,205	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	73	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	966,113	0
Hotel/Motel Tax	132,912	0	0	0	0	0
Litigation Tax - General	352,375	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	408,309	0	0	0	0	0
Business Tax	266,928	0	0	0	0	0
Mixed Drink Tax	2,008	0	0	0	0	0
Mineral Severance Tax	0	0	0	30,349	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	177,605	0	0	0	0	0
Wholesale Beer Tax	209,256	0	0	0	0	0
Interstate Telecommunications Tax	1,673	0	0	0	0	0
Other Statutory Local Taxes	213	0	0	0	0	0
Total Local Taxes	\$ 8,514,958	\$ 0	\$ 0	\$ 2,214,811	\$ 1,204,144	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Vaccination	\$ 3,080	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	17,909	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service	Capital
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Fund General Debt Service	Projects Funds General Capital Projects
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 3,372	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Permits	667	0	0	0	0	0
Total Licenses and Permits	\$ 25,028	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Officers Costs	\$ 27,235	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Drug Control Fines	0	20,043	0	0	0	0
Drug Court Fees	3,952	0	0	0	0	0
Jail Fees	5,296	0	0	0	0	0
DUI Treatment Fines	3,790	0	0	0	0	0
Data Entry Fee - Circuit Court	2,320	0	0	0	0	0
Courtroom Security Fee	461	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	27,958	0	0	0	0	0
Fines for Littering	674	0	0	0	0	0
Officers Costs	44,062	0	0	0	0	0
Game and Fish Fines	578	0	0	0	0	0
Drug Control Fines	0	4,418	0	0	0	0
Drug Court Fees	10,721	0	0	0	0	0
Jail Fees	17,107	0	0	0	0	0
DUI Treatment Fines	8,530	0	0	0	0	0
Data Entry Fee - General Sessions Court	37,933	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	1,185	0	0	0	0	0
Data Entry Fee - Chancery Court	3,240	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	\$ 0	\$ 36,307	\$ 0	\$ 0	\$ 0	\$ 0
Total Fines, Forfeitures, and Penalties	\$ 195,042	\$ 60,768	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Waste Tire Disposal	\$ 3,115	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	1,712,243	0	0	0	0	0
Service Charges	34,176	0	0	0	0	0
<u>Fees</u>						
Copy Fees	362	0	0	0	0	0
Greenbelt Late Application Fee	200	0	0	0	0	0
Telephone Commissions	29,723	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	869,385	0	0	0
Data Processing Fee - Register	9,094	0	0	0	0	0
Data Processing Fee - Sheriff	4,323	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,500	0	0	0	0	0
Data Processing Fee - County Clerk	3,696	0	0	0	0	0
Total Charges for Current Services	\$ 1,801,432	\$ 0	\$ 869,385	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 20,347	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	124,233	0	0	0	0	0
Sale of Materials and Supplies	3,366	4,210	0	0	0	0
Commissary Sales	54,695	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service	Capital
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Fund	Projects Funds
					General Debt Service	General Capital Projects
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Sale of Recycled Materials	\$ 2,417	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Miscellaneous Refunds	2,334	0	0	5,454	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	12,703	5,115	0	109,065	0	0
Contributions and Gifts	3,543	0	0	0	0	0
Performance Bond Forfeitures	4,191	0	0	0	0	0
Total Other Local Revenues	\$ 227,829	\$ 9,325	\$ 0	\$ 114,519	\$ 0	\$ 0
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 73,124	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	102,981	0	0	0	0	0
Register	107,294	0	0	0	0	0
Trustee	367,878	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
Clerk and Master	102,457	0	0	0	0	0
Sheriff	12,579	0	0	0	0	0
Total Fees Received From County Officials	\$ 766,313	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	212,490	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	17,400	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service	Capital
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Fund	Projects Funds
					General Debt Service	General Capital Projects
<u>State of Tennessee (Cont.)</u>						
<u>Health and Welfare Grants</u>						
Health Department Programs	\$ 154,555	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	88,624	0	0
State Aid Program	0	0	0	587,801	0	0
Litter Program	0	0	0	40,858	0	0
<u>Other State Revenues</u>						
Income Tax	80,418	0	0	0	0	0
Beer Tax	18,488	0	0	0	0	0
Vehicle Certificate of Title Fees	6,430	0	0	0	0	0
Alcoholic Beverage Tax	73,604	0	0	0	0	0
Contracted Prisoner Boarding	555,185	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	1,998,402	0	0
Petroleum Special Tax	0	0	0	21,275	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	9,994	0	0	6,587	0	0
Other State Revenues	71,860	0	0	0	0	0
Total State of Tennessee	\$ 1,224,588	\$ 0	\$ 0	\$ 2,743,547	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	28,000
Disaster Relief	0	0	0	74,646	0	0
Homeland Security Grants	66,128	0	0	0	0	0
Other Federal through State	170,174	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service	Capital
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Fund General Debt Service	Projects Funds General Capital Projects
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Public Safety Partnership and Community Policing - COPS	\$ 8,083	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Direct Federal Revenue	17,187	0	0	0	0	0
Total Federal Government	\$ 261,572	\$ 0	\$ 0	\$ 74,646	\$ 0	\$ 28,000
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 81,322	\$ 0	\$ 0
Contributions	171,603	0	0	0	25,212	0
Contracted Services	1,681	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	0	500	0	0	0	0
Total Other Governments and Citizens Groups	\$ 173,284	\$ 500	\$ 0	\$ 81,322	\$ 25,212	\$ 0
Total	\$ 13,190,046	\$ 70,593	\$ 869,385	\$ 5,228,845	\$ 1,229,356	\$ 28,000

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>	
	Highway Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 477	\$ 8,628,170
Trustee's Collections - Prior Year	0	260,003
Trustee's Collections - Bankruptcy	0	3,964
Circuit Clerk/Clerk and Master Collections - Prior Years	0	127,940
Interest and Penalty	0	40,294
Payments in-Lieu-of Taxes - Local Utilities	0	326,205
Payments in-Lieu-of Taxes - Other	0	73
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	966,113
Hotel/Motel Tax	0	132,912
Litigation Tax - General	0	352,375
Litigation Tax - Jail, Workhouse, or Courthouse	0	408,309
Business Tax	0	266,928
Mixed Drink Tax	0	2,008
Mineral Severance Tax	0	30,349
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	177,605
Wholesale Beer Tax	0	209,256
Interstate Telecommunications Tax	0	1,673
Other Statutory Local Taxes	0	213
Total Local Taxes	<u>\$ 477</u>	<u>\$ 11,934,390</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Animal Vaccination	\$ 0	\$ 3,080
Cable TV Franchise	0	17,909

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>		
	Highway Capital Projects		Total
<u>Licenses and Permits (Cont.)</u>			
<u>Permits</u>			
Beer Permits	\$ 0	\$	3,372
Other Permits	0		667
Total Licenses and Permits	<u>\$ 0</u>	<u>\$</u>	<u>25,028</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Officers Costs	\$ 0	\$	27,235
Drug Control Fines	0		20,043
Drug Court Fees	0		3,952
Jail Fees	0		5,296
DUI Treatment Fines	0		3,790
Data Entry Fee - Circuit Court	0		2,320
Courtroom Security Fee	0		461
<u>General Sessions Court</u>			
Fines	0		27,958
Fines for Littering	0		674
Officers Costs	0		44,062
Game and Fish Fines	0		578
Drug Control Fines	0		4,418
Drug Court Fees	0		10,721
Jail Fees	0		17,107
DUI Treatment Fines	0		8,530
Data Entry Fee - General Sessions Court	0		37,933
<u>Chancery Court</u>			
Officers Costs	0		1,185
Data Entry Fee - Chancery Court	0		3,240

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>	
	Highway Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>Other Fines, Forfeitures, and Penalties</u>		
Proceeds from Confiscated Property	\$ 0	\$ 36,307
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 255,810</u>
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Surcharge - Waste Tire Disposal	\$ 0	\$ 3,115
Patient Charges	0	1,712,243
Service Charges	0	34,176
<u>Fees</u>		
Copy Fees	0	362
Greenbelt Late Application Fee	0	200
Telephone Commissions	0	29,723
Constitutional Officers' Fees and Commissions	0	869,385
Data Processing Fee - Register	0	9,094
Data Processing Fee - Sheriff	0	4,323
Sexual Offender Registration Fee - Sheriff	0	4,500
Data Processing Fee - County Clerk	0	3,696
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 2,670,817</u>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 0	\$ 20,347
Lease/Rentals	0	124,233
Sale of Materials and Supplies	0	7,576
Commissary Sales	0	54,695

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>	
	Highway Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>		
<u>Recurring Items (Cont.)</u>		
Sale of Recycled Materials	\$ 0	\$ 2,417
Miscellaneous Refunds	0	7,788
<u>Nonrecurring Items</u>		
Sale of Equipment	0	126,883
Contributions and Gifts	0	3,543
Performance Bond Forfeitures	0	4,191
Total Other Local Revenues	\$ 0	\$ 351,673
<u>Fees Received From County Officials</u>		
<u>Excess Fees</u>		
County Clerk	\$ 0	\$ 73,124
Circuit Court Clerk	0	102,981
Register	0	107,294
Trustee	0	367,878
<u>Fees In-Lieu-of Salary</u>		
Clerk and Master	0	102,457
Sheriff	0	12,579
Total Fees Received From County Officials	\$ 0	\$ 766,313
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	\$ 0	\$ 9,000
Solid Waste Grants	0	212,490
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	0	17,400

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>		
	Highway Capital Projects		Total
<u>State of Tennessee (Cont.)</u>			
<u>Health and Welfare Grants</u>			
Health Department Programs	\$	0	\$ 154,555
<u>Public Works Grants</u>			
Bridge Program		0	88,624
State Aid Program		0	587,801
Litter Program		0	40,858
<u>Other State Revenues</u>			
Income Tax		0	80,418
Beer Tax		0	18,488
Vehicle Certificate of Title Fees		0	6,430
Alcoholic Beverage Tax		0	73,604
Contracted Prisoner Boarding		0	555,185
Gasoline and Motor Fuel Tax		0	1,998,402
Petroleum Special Tax		0	21,275
Registrar's Salary Supplement		0	15,164
Other State Grants		0	16,581
Other State Revenues		0	71,860
Total State of Tennessee	<u>\$</u>	<u>0</u>	<u>\$ 3,968,135</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
Community Development	\$	0	\$ 28,000
Disaster Relief		0	74,646
Homeland Security Grants		0	66,128
Other Federal through State		0	170,174

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>	
	Highway Capital Projects	Total
<hr/>		
<u>Federal Government (Cont.)</u>		
<u>Direct Federal Revenue</u>		
Public Safety Partnership and Community Policing - COPS	\$ 0	\$ 8,083
Other Direct Federal Revenue	0	17,187
Total Federal Government	<u>\$ 0</u>	<u>\$ 364,218</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Paving and Maintenance	\$ 0	\$ 81,322
Contributions	0	196,815
Contracted Services	0	1,681
<u>Citizens Groups</u>		
Donations	0	500
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 280,318</u>
Total	<u>\$ 477</u>	<u>\$ 20,616,702</u>

Exhibit J-6

Giles County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Giles County School Department
For the Year Ended June 30, 2016

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 6,313,927	\$ 0	\$ 0	\$ 6,313,927
Trustee's Collections - Prior Year	199,297	0	0	199,297
Trustee's Collections - Bankruptcy	2,966	0	0	2,966
Circuit Clerk/Clerk and Master Collections - Prior Years	94,410	0	0	94,410
Interest and Penalty	30,143	0	0	30,143
<u>County Local Option Taxes</u>				
Local Option Sales Tax	3,858,604	0	0	3,858,604
Mixed Drink Tax	12,761	0	0	12,761
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	2,596	0	0	2,596
Total Local Taxes	<u>\$ 10,514,704</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,514,704</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 2,413	\$ 0	\$ 0	\$ 2,413
Total Licenses and Permits	<u>\$ 2,413</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,413</u>
<u>Charges for Current Services</u>				
<u>Fees</u>				
Copy Fees	\$ 10	\$ 0	\$ 0	\$ 10
<u>Education Charges</u>				
Tuition - Out-of-state Systems	32,083	0	0	32,083
Lunch Payments - Adults	0	0	40,281	40,281
Income from Breakfast	0	0	7,610	7,610

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			Total
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
A la Carte Sales	\$ 0	\$ 0	\$ 86,933	\$ 86,933
Receipts from Individual Schools	84,378	0	0	84,378
Other Charges for Services	6,733	0	0	6,733
Total Charges for Current Services	<u>\$ 123,204</u>	<u>\$ 0</u>	<u>\$ 134,824</u>	<u>\$ 258,028</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 1,373	\$ 1,373
Sale of Materials and Supplies	2,032	0	0	2,032
Miscellaneous Refunds	3,971	0	0	3,971
<u>Nonrecurring Items</u>				
Sale of Equipment	22,417	0	0	22,417
Damages Recovered from Individuals	196	0	0	196
Contributions and Gifts	3,019	0	0	3,019
<u>Other Local Revenues</u>				
Other Local Revenues	155	0	0	155
Total Other Local Revenues	<u>\$ 31,790</u>	<u>\$ 0</u>	<u>\$ 1,373</u>	<u>\$ 33,163</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 252,023	\$ 0	\$ 0	\$ 252,023
<u>State Education Funds</u>				
Basic Education Program	18,547,941	0	0	18,547,941
Early Childhood Education	467,934	0	0	467,934

(Continued)

Exhibit J-6

Giles County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Giles 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 (Cont.)</u>				
School Food Service	\$ 0	\$ 0	\$ 24,191	\$ 24,191
Driver Education	14,410	0	0	14,410
Other State Education Funds	268,223	0	0	268,223
Career Ladder Program	111,389	0	0	111,389
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	827,896	0	0	827,896
Other State Revenues	7,513	0	0	7,513
Total State of Tennessee	<u>\$ 20,497,329</u>	<u>\$ 0</u>	<u>\$ 24,191</u>	<u>\$ 20,521,520</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,459,686	\$ 1,459,686
USDA - Commodities	0	0	156,262	156,262
Breakfast	0	0	606,842	606,842
Vocational Education - Basic Grants to States	0	66,404	0	66,404
Title I Grants to Local Education Agencies	0	1,008,252	0	1,008,252
Special Education - Grants to States	164,872	1,024,435	0	1,189,307
Special Education Preschool Grants	0	23,292	0	23,292
English Language Acquisition Grants	0	2,914	0	2,914
Rural Education	0	106,908	0	106,908
Eisenhower Professional Development State Grants	0	161,490	0	161,490
Other Federal through State	42,500	30,562	0	73,062
Total Federal Government	<u>\$ 207,372</u>	<u>\$ 2,424,257</u>	<u>\$ 2,222,790</u>	<u>\$ 4,854,419</u>

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			Total
	General Purpose School	School Federal Projects	Central Cafeteria	
<hr/>				
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contracted Services	\$ 25,090	\$ 0	\$ 0	\$ 25,090
Total Other Governments and Citizens Groups	<u>\$ 25,090</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,090</u>
 Total	 <u>\$ 31,401,902</u>	 <u>\$ 2,424,257</u>	 <u>\$ 2,383,178</u>	 <u>\$ 36,209,337</u>

Exhibit J-7

Giles County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2016

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	39,490	
Social Security		2,221	
Employer Medicare		573	
Dues and Memberships		1,750	
Travel		12,342	
Other Supplies and Materials		1,804	
Total County Commission			\$ 58,180

County Mayor/Executive

County Official/Administrative Officer	\$	78,358	
Secretary(ies)		30,282	
Other Salaries and Wages		11,263	
Social Security		7,004	
Pensions		4,625	
Medical Insurance		15,075	
Employer Medicare		1,638	
Advertising		1,917	
Communication		1,443	
Dues and Memberships		1,750	
Postal Charges		500	
Other Supplies and Materials		5,224	
Other Charges		4,148	
Total County Mayor/Executive			163,227

County Attorney

Legal Services	\$	66,242	
Total County Attorney			66,242

Election Commission

County Official/Administrative Officer	\$	61,059
Deputy(ies)		31,907
Clerical Personnel		28,601
Election Commission		2,805
Election Workers		16,310
Social Security		7,637
Pensions		5,081
Medical Insurance		22,500
Employer Medicare		1,799
Communication		1,480
Data Processing Services		2,900
Dues and Memberships		250
Legal Notices, Recording, and Court Costs		2,416
Maintenance Agreements		9,920
Postal Charges		1,983
Travel		3,291
Other Supplies and Materials		2,526
Other Charges		2,363

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Office Equipment	\$	3,029	
Voting Machines		9,390	
Total Election Commission			\$ 217,247

Register of Deeds

County Official/Administrative Officer	\$	67,843	
Deputy(ies)		30,828	
Other Salaries and Wages		9,784	
In-service Training		200	
Social Security		6,632	
Pensions		4,124	
Medical Insurance		14,998	
Employer Medicare		1,551	
Communication		1,262	
Data Processing Services		6,388	
Dues and Memberships		654	
Postal Charges		574	
Rentals		1,073	
Travel		969	
Other Supplies and Materials		3,935	
Total Register of Deeds			150,815

Codes Compliance

County Official/Administrative Officer	\$	5,820	
Assistant(s)		5,543	
Social Security		691	
Pensions		475	
Medical Insurance		1,428	
Employer Medicare		161	
Other Charges		1,429	
Total Codes Compliance			15,547

County Buildings

Custodial Personnel	\$	92,953	
Social Security		5,624	
Pensions		3,885	
Medical Insurance		22,188	
Employer Medicare		1,315	
Architects		17,118	
Communication		15,930	
Maintenance and Repair Services - Buildings		68,803	
Maintenance and Repair Services - Equipment		6,558	
Pest Control		1,998	
Custodial Supplies		13,322	
Gasoline		780	
Utilities		70,519	
Other Supplies and Materials		598	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Other Charges	\$	478	
Building Improvements		321,719	
Total County Buildings			\$ 643,788

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	74,783	
Accountants/Bookkeepers		216,999	
Social Security		17,218	
Pensions		12,197	
Medical Insurance		50,497	
Employer Medicare		4,036	
Advertising		2,132	
Audit Services		8,846	
Communication		1,610	
Data Processing Services		25,326	
Postal Charges		3,982	
Rentals		3,005	
Travel		2,370	
Other Contracted Services		38	
Other Supplies and Materials		6,739	
In Service/Staff Development		622	
Data Processing Equipment		3,621	
Total Accounting and Budgeting			434,021

Property Assessor's Office

County Official/Administrative Officer	\$	67,843	
Deputy(ies)		211,270	
Board and Committee Members Fees		2,250	
Social Security		16,741	
Pensions		11,356	
Medical Insurance		40,876	
Employer Medicare		3,915	
Communication		2,374	
Dues and Memberships		1,750	
Maintenance and Repair Services - Equipment		2,732	
Maintenance and Repair Services - Vehicles		324	
Postal Charges		2,000	
Rentals		4,168	
Travel		813	
Gasoline		1,856	
Other Supplies and Materials		6,844	
Vehicle and Equipment Insurance		950	
Other Charges		563	
Total Property Assessor's Office			378,625

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Contracts with Government Agencies	\$	4,530	
Data Processing Services		21,591	
Total Reappraisal Program			\$ 26,121

County Trustee's Office

Pensions	\$	5,386	
Medical Insurance		22,500	
Communication		1,037	
Data Processing Services		9,074	
Postal Charges		3,046	
Travel		100	
Other Supplies and Materials		4,376	
Office Equipment		897	
Total County Trustee's Office			46,416

County Clerk's Office

Pensions	\$	9,223	
Medical Insurance		45,000	
Communication		1,793	
Dues and Memberships		804	
Legal Notices, Recording, and Court Costs		317	
Maintenance Agreements		16,846	
Postal Charges		6,263	
Travel		2,893	
Other Supplies and Materials		6,187	
Other Charges		730	
Office Equipment		8,136	
Total County Clerk's Office			98,192

Administration of Justice

Circuit Court

Jury and Witness Expense	\$	18,871	
In-service Training		2,127	
Pensions		16,400	
Medical Insurance		57,669	
Employer Medicare		61	
Communication		1,739	
Dues and Memberships		529	
Operating Lease Payments		5,019	
Postal Charges		2,282	
Rentals		23,754	
Travel		3,410	
Remittance of Revenue Collected		12,497	
Other Contracted Services		75	
Other Supplies and Materials		16,301	
Data Processing Equipment		3,738	
Total Circuit Court			164,472

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Judge(s)	\$	109,031	
Other Salaries and Wages		27,317	
Social Security		8,454	
Pensions		5,699	
Medical Insurance		6,589	
Employer Medicare		1,977	
Communication		1,021	
Travel		528	
Other Contracted Services		240	
Other Supplies and Materials		783	
Other Charges		410	
Total General Sessions Court			\$ 162,049

Chancery Court

County Official/Administrative Officer	\$	67,843	
Deputy(ies)		60,770	
Other Salaries and Wages		10,332	
Social Security		7,751	
Pensions		5,376	
Medical Insurance		22,500	
Employer Medicare		1,963	
Communication		1,341	
Data Processing Services		7,120	
Dues and Memberships		719	
Postal Charges		1,630	
Rentals		1,558	
Travel		682	
Other Supplies and Materials		2,738	
Other Charges		194	
Total Chancery Court			192,517

Judicial Commissioners

Other Salaries and Wages	\$	29,560	
Social Security		1,833	
Employer Medicare		429	
Travel		5,538	
Other Charges		150	
Total Judicial Commissioners			37,510

Other Administration of Justice

Other Salaries and Wages	\$	5,400	
Social Security		186	
Employer Medicare		78	
Other Supplies and Materials		450	
Total Other Administration of Justice			6,114

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Courtroom Security

Deputy(ies)	\$	145,953	
Sergeant(s)		9,605	
In-service Training		120	
Social Security		9,408	
Pensions		6,488	
Medical Insurance		29,279	
Employer Medicare		2,200	
Uniforms		674	
Total Courtroom Security			\$ 203,727

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	74,628	
Deputy(ies)		341,062	
Investigator(s)		219,234	
Captain(s)		56,743	
Lieutenant(s)		123,307	
Sergeant(s)		156,028	
Accountants/Bookkeepers		57,967	
Salary Supplements		17,400	
School Resource Officer		55,297	
Overtime Pay		49,010	
In-service Training		12,785	
Social Security		69,108	
Pensions		47,378	
Medical Insurance		193,720	
Employer Medicare		16,182	
Communication		19,144	
Dues and Memberships		4,029	
Maintenance Agreements		2,030	
Maintenance and Repair Services - Equipment		2,139	
Maintenance and Repair Services - Vehicles		32,148	
Postal Charges		1,064	
Towing Services		350	
Travel		11,426	
Data Processing Supplies		15,906	
Gasoline		66,902	
Tires and Tubes		3,451	
Uniforms		8,500	
Other Supplies and Materials		9,012	
Vehicle and Equipment Insurance		30,860	
Other Charges		3,862	
Law Enforcement Equipment		39,404	
Motor Vehicles		75,663	
Total Sheriff's Department			1,815,739

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Traffic Control

Maintenance and Repair Services - Equipment	\$	942	
Utilities		2,127	
Total Traffic Control			\$ 3,069

Drug Enforcement

County Official/Administrative Officer	\$	11,639	
Assistant(s)		11,085	
Social Security		1,381	
Pensions		950	
Medical Insurance		2,857	
Employer Medicare		323	
Other Charges		9,943	
Total Drug Enforcement			38,178

Administration of the Sexual Offender Registry

Other Charges	\$	2,032	
Law Enforcement Equipment		1,869	
Total Administration of the Sexual Offender Registry			3,901

Jail

Supervisor/Director	\$	36,344	
Sergeant(s)		116,465	
Accountants/Bookkeepers		27,267	
Foremen		27,316	
Guards		615,503	
Cafeteria Personnel		54,300	
Maintenance Personnel		31,340	
Overtime Pay		39,558	
Social Security		56,621	
Pensions		39,546	
Medical Insurance		198,343	
Employer Medicare		13,227	
Evaluation and Testing		5,445	
Maintenance Agreements		18,241	
Maintenance and Repair Services - Buildings		46,457	
Medical and Dental Services		370,871	
Pest Control		1,232	
Transportation - Other than Students		2,668	
Remittance of Revenue Collected		7,980	
Custodial Supplies		11,485	
Drugs and Medical Supplies		76,407	
Food Preparation Supplies		1,447	
Food Supplies		186,547	
Prisoners Clothing		3,842	
Uniforms		4,140	
Utilities		100,058	
Other Supplies and Materials		2,475	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Other Charges	\$	1,768	
Furniture and Fixtures		4,402	
Total Jail			\$ 2,101,295

Juvenile Services

Supervisor/Director	\$	41,000	
Part-time Personnel		2,582	
Other Salaries and Wages		1,124	
Social Security		2,741	
Pensions		1,714	
Employer Medicare		641	
Communication		807	
Travel		2,642	
Other Contracted Services		788	
Other Supplies and Materials		482	
Other Charges		477	
Other Equipment		638	
Total Juvenile Services			55,636

Fire Prevention and Control

County Official/Administrative Officer	\$	5,820	
Assistant(s)		5,543	
Social Security		691	
Pensions		475	
Medical Insurance		1,428	
Employer Medicare		161	
Dues and Memberships		225	
Travel		1,518	
Other Supplies and Materials		1,140	
Total Fire Prevention and Control			17,001

Rescue Squad

Contributions	\$	230,000	
Total Rescue Squad			230,000

Other Emergency Management

County Official/Administrative Officer	\$	23,279	
Assistant(s)		22,171	
Overtime Pay		7,582	
Other Salaries and Wages		25,000	
Social Security		4,715	
Pensions		3,262	
Medical Insurance		13,929	
Employer Medicare		1,103	
Communication		9,706	
Maintenance and Repair Services - Vehicles		4,338	
Rentals		3,814	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Travel	\$	1,993	
Other Contracted Services		9,990	
Gasoline		3,739	
Uniforms		1,065	
Other Supplies and Materials		2,545	
Vehicle and Equipment Insurance		2,200	
Other Charges		28,969	
Communication Equipment		19,612	
Furniture and Fixtures		10,078	
Motor Vehicles		27,926	
Other Equipment		51,220	
Total Other Emergency Management			\$ 278,236

County Coroner/Medical Examiner

Medical and Dental Services	\$	31,230	
Other Contracted Services		25,000	
Total County Coroner/Medical Examiner			56,230

Other Public Safety

County Official/Administrative Officer	\$	5,820	
Assistant(s)		5,543	
Social Security		691	
Pensions		475	
Medical Insurance		1,428	
Employer Medicare		161	
Communication		781	
Instructional Supplies and Materials		960	
Other Supplies and Materials		987	
Total Other Public Safety			16,846

Public Health and Welfare

Local Health Center

Communication	\$	2,993	
Janitorial Services		14,035	
Maintenance and Repair Services - Buildings		5,993	
Pest Control		455	
Other Contracted Services		21,056	
Utilities		14,144	
Other Supplies and Materials		2,619	
Other Charges		684	
Furniture and Fixtures		1,971	
Other Equipment		2,498	
Total Local Health Center			66,448

Rabies and Animal Control

Supervisor/Director	\$	29,108	
Part-time Personnel		6,561	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Social Security	\$	2,164	
Pensions		1,217	
Medical Insurance		7,500	
Employer Medicare		506	
Communication		2,238	
Maintenance and Repair Services - Buildings		1,801	
Maintenance and Repair Services - Vehicles		726	
Veterinary Services		914	
Other Contracted Services		75	
Animal Food and Supplies		1,816	
Custodial Supplies		1,422	
Gasoline		1,871	
Uniforms		883	
Utilities		2,059	
Other Supplies and Materials		841	
Vehicle and Equipment Insurance		800	
Other Charges		364	
Total Rabies and Animal Control			\$ 62,866

Ambulance/Emergency Medical Services

Supervisor/Director	\$	62,000
Sergeant(s)		158,386
Medical Personnel		795,116
Secretary(ies)		26,565
Part-time Personnel		84,120
Overtime Pay		140,158
In-service Training		6,180
Social Security		75,411
Pensions		49,300
Life Insurance		526
Medical Insurance		180,213
Unemployment Compensation		2,686
Employer Medicare		17,637
Communication		18,779
Data Processing Services		121,252
Dues and Memberships		640
Licenses		3,190
Maintenance and Repair Services - Buildings		7,463
Maintenance and Repair Services - Equipment		3,072
Maintenance and Repair Services - Vehicles		48,424
Medical and Dental Services		2,850
Postal Charges		264
Travel		838
Disposal Fees		1,724
Other Contracted Services		6,831
Custodial Supplies		5,330
Drugs and Medical Supplies		101,200

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Gasoline	\$	53,712	
Lubricants		8,698	
Tires and Tubes		7,666	
Uniforms		6,535	
Utilities		15,081	
Other Supplies and Materials		10,858	
Building and Contents Insurance		315	
Liability Insurance		23,105	
Premiums on Corporate Surety Bonds		12	
Refunds		5,604	
Vehicle and Equipment Insurance		9,500	
Other Charges		876	
Furniture and Fixtures		2,327	
Motor Vehicles		254,891	
Other Equipment		43,300	
Total Ambulance/Emergency Medical Services			\$ 2,362,635

Alcohol and Drug Programs

Instructional Supplies and Materials	\$	8,276	
Other Supplies and Materials		8,951	
Total Alcohol and Drug Programs			17,227

Regional Mental Health Center

Contributions	\$	20,700	
Total Regional Mental Health Center			20,700

Other Local Welfare Services

Contributions	\$	30,574	
Pauper Burials		9,600	
Permits		350	
Total Other Local Welfare Services			40,524

Sanitation Management

Contracts with Private Agencies	\$	70,006	
Total Sanitation Management			70,006

Convenience Centers

Truck Drivers	\$	5,311	
Part-time Personnel		8,276	
Social Security		829	
Pensions		222	
Medical Insurance		1,250	
Employer Medicare		194	
Permits		11,527	
Contracts for Development Costs		8,848	
Other Contracted Services		14,868	
Instructional Supplies and Materials		1,469	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Utilities	\$	550	
Motor Vehicles		153,851	
Site Development		89,976	
Building Purchases		5,400	
Solid Waste Equipment		182,571	
Total Convenience Centers			\$ 485,142

Transfer Stations

Supervisor/Director	\$	50,000	
Social Security		2,824	
Pensions		2,090	
Medical Insurance		5,269	
Employer Medicare		660	
Advertising		999	
Communication		1,335	
Dues and Memberships		175	
Travel		1,018	
Other Contracted Services		59,713	
Other Supplies and Materials		1,978	
Other Charges		781	
Total Transfer Stations			126,842

Recycling Center

Part-time Personnel	\$	5,420	
Social Security		336	
Employer Medicare		79	
Freight Expenses		10,295	
Other Contracted Services		3,484	
Gasoline		2,083	
Solid Waste Equipment		23,722	
Total Recycling Center			45,419

Other Public Health and Welfare

Other Salaries and Wages	\$	221,357	
Social Security		13,367	
Pensions		9,252	
Life Insurance		164	
Medical Insurance		29,375	
Unemployment Compensation		574	
Employer Medicare		3,126	
Travel		4,203	
Other Supplies and Materials		1,078	
Workers' Compensation Insurance		2,789	
Total Other Public Health and Welfare			285,285

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 23,060	
Total Senior Citizens Assistance		\$ 23,060

Libraries

Contributions	\$ 127,296	
Total Libraries		127,296

Parks and Fair Boards

Contributions	\$ 19,500	
Maintenance and Repair Services - Buildings	13,289	
Other Contracted Services	4,800	
Custodial Supplies	984	
Utilities	12,769	
Other Supplies and Materials	529	
Other Charges	18	
Other Equipment	1,000	
Total Parks and Fair Boards		52,889

Other Social, Cultural, and Recreational

County Official/Administrative Officer	\$ 34,111	
Other Salaries and Wages	10,894	
Social Security	2,061	
Pensions	1,426	
Medical Insurance	7,500	
Employer Medicare	635	
Communication	815	
Maintenance and Repair Services - Office Equipment	1,768	
Postal Charges	188	
Duplicating Supplies	1,850	
Other Supplies and Materials	945	
Furniture and Fixtures	299	
Total Other Social, Cultural, and Recreational		62,492

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$ 64,845
Secretary(ies)	234
Part-time Personnel	3,355
Other Salaries and Wages	24,720
Board and Committee Members Fees	1,410
Social Security	1,565
Pensions	1,033
Medical Insurance	4,994
Employer Medicare	416
Other Fringe Benefits	15,358
Communication	2,559
Maintenance and Repair Services - Buildings	1,537

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Maintenance and Repair Services - Vehicles	\$	307	
Postal Charges		1,205	
Travel		1,187	
Food Preparation Supplies		1,912	
Gasoline		462	
Instructional Supplies and Materials		2,701	
Utilities		5,589	
Other Supplies and Materials		2,638	
Vehicle and Equipment Insurance		800	
In Service/Staff Development		1,855	
Building Improvements		8,000	
Total Agricultural Extension Service			\$ 148,682

Forest Service

Communication	\$	1,009	
Contracts with Government Agencies		2,000	
Total Forest Service			3,009

Soil Conservation

Clerical Personnel	\$	38,096	
Other Salaries and Wages		28,008	
Social Security		3,995	
Pensions		2,763	
Medical Insurance		13,413	
Employer Medicare		934	
Other Charges		1,790	
Total Soil Conservation			88,999

Flood Control

County Official/Administrative Officer	\$	5,820	
Assistant(s)		5,543	
Social Security		691	
Pensions		475	
Medical Insurance		1,428	
Employer Medicare		161	
Travel		1,619	
Other Contracted Services		15,000	
Other Supplies and Materials		2,604	
Communication Equipment		3,954	
Total Flood Control			37,295

Other Operations

Industrial Development

Contributions	\$	76,650	
Total Industrial Development			76,650

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development

Contributions	\$	24,710	
Dues and Memberships		<u>6,073</u>	
Total Other Economic and Community Development	\$		30,783

Airport

Contributions	\$	<u>57,540</u>	
Total Airport			57,540

Veterans' Services

Supervisor/Director	\$	8,894	
Social Security		551	
Employer Medicare		129	
Communication		1,049	
Dues and Memberships		25	
Maintenance Agreements		399	
Travel		1,142	
Gasoline		200	
Tires and Tubes		800	
Other Charges		<u>381</u>	
Total Veterans' Services			13,570

Other Charges

Building and Contents Insurance	\$	56,572	
Liability Insurance		182,418	
Premiums on Corporate Surety Bonds		958	
Trustee's Commission		172,956	
Workers' Compensation Insurance		<u>173,538</u>	
Total Other Charges			586,442

Contributions to Other Agencies

Contracts with Government Agencies	\$	112,000	
Contributions		<u>6,166</u>	
Total Contributions to Other Agencies			118,166

Employee Benefits

Educational Incentive - Official/Admin Officer	\$	1,134	
Educational Incentive - Other County Employees		11,250	
Bonus Payments		66,000	
Social Security		4,739	
Pensions		2,759	
Life Insurance		2,889	
Unemployment Compensation		11,359	
Employer Medicare		1,108	
Other Supplies and Materials		<u>68</u>	
Total Employee Benefits			101,306

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Capital Projects

Administration of Justice Projects

Building Improvements	\$ 137,593	
Total Administration of Justice Projects		\$ 137,593

Total General Fund \$ 12,929,807

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$ 2,815	
Confidential Drug Enforcement Payments	5,000	
Dues and Memberships	555	
Travel	3,014	
Veterinary Services	157	
Animal Food and Supplies	441	
Other Supplies and Materials	70	
Other Charges	4,451	
Law Enforcement Equipment	26,123	
Motor Vehicles	25,221	
Total Drug Enforcement		\$ 67,847

Total Drug Control Fund 67,847

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 156,146	
Total County Trustee's Office		\$ 156,146

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 255,365	
Total County Clerk's Office		255,365

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$ 438,495	
Total Circuit Court		438,495

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 1,700	
Total Chancery Court		1,700

Total Constitutional Officers - Fees Fund 851,706

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 74,628	
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(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Assistant(s)	\$	31,200	
Social Security		6,366	
Pensions		4,424	
Life Insurance		47	
Medical Insurance		15,394	
Unemployment Compensation		328	
Employer Medicare		1,489	
Communication		5,891	
Dues and Memberships		3,055	
Evaluation and Testing		2,535	
Legal Notices, Recording, and Court Costs		835	
Maintenance and Repair Services - Buildings		1,716	
Maintenance and Repair Services - Office Equipment		201	
Postal Charges		213	
Travel		2,098	
Electricity		13,072	
Office Supplies		2,411	
Other Supplies and Materials		500	
Office Equipment		452	
Total Administration			\$ 166,855

Highway and Bridge Maintenance

Supervisor/Director	\$	184,953	
Equipment Operators - Heavy		247,871	
Equipment Operators - Light		299,518	
Truck Drivers		307,835	
Laborers		155,361	
Social Security		71,708	
Pensions		49,589	
Life Insurance		763	
Medical Insurance		246,357	
Unemployment Compensation		5,727	
Employer Medicare		16,770	
Laundry Service		8,519	
Maintenance and Repair Services - Equipment		3,375	
Asphalt - Hot Mix		100,000	
Asphalt - Liquid		736,262	
Concrete		3,966	
Crushed Stone		402,669	
Fertilizer, Lime, and Seed		3,927	
General Construction Materials		5,316	
Other Road Materials		340	
Pipe		29,485	
Road Signs		14,870	
Total Highway and Bridge Maintenance			2,895,181

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Mechanic(s)	\$	183,737	
Social Security		11,144	
Pensions		7,680	
Life Insurance		100	
Medical Insurance		36,589	
Unemployment Compensation		800	
Employer Medicare		2,606	
Equipment and Machinery Parts		169,146	
Fuel Oil		143,998	
Garage Supplies		5,826	
Tires and Tubes		39,904	
Total Operation and Maintenance of Equipment	\$		601,530

Litter and Trash Collection

Part-time Personnel	\$	13,428	
Social Security		833	
Unemployment Compensation		269	
Employer Medicare		195	
Travel		264	
Instructional Supplies and Materials		18,935	
Other Supplies and Materials		8,786	
Total Litter and Trash Collection			42,710

Other Charges

Bonus Payments	\$	20,500	
Social Security		1,234	
Pensions		857	
Employer Medicare		289	
Building and Contents Insurance		2,727	
Liability Insurance		27,734	
Trustee's Commission		64,334	
Vehicle and Equipment Insurance		24,000	
Workers' Compensation Insurance		59,021	
Liability Claims		566	
Total Other Charges			201,262

Capital Outlay

Engineering Services	\$	11,808	
Matching Share		140,558	
Bridge Construction		74,480	
Highway Equipment		279,965	
State Aid Projects		317,364	
Traffic Control Equipment		48,624	
Total Capital Outlay			872,799

Total Highway/Public Works Fund \$ 4,780,337

(Continued)

Exhibit J-7

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 320,000	
Principal on Notes	1,416,000	
Total General Government		\$ 1,736,000

Highways and Streets

Principal on Notes	\$ 302,171	
Total Highways and Streets		302,171

Education

Principal on Notes	\$ 25,212	
Total Education		25,212

Interest on Debt

General Government

Interest on Bonds	\$ 11,115	
Interest on Notes	18,696	
Total General Government		29,811

Highways and Streets

Interest on Notes	\$ 16,214	
Total Highways and Streets		16,214

Other Debt Service

General Government

Contributions	\$ 1,030,591	
Trustee's Commission	38,098	
Other Debt Service	14,159	
Total General Government		1,082,848

Total General Debt Service Fund \$ 3,192,256

General Capital Projects Fund

Capital Projects

Public Utility Projects

Engineering Services	\$ 10,749	
Legal Services	4,747	
Other Construction	135,746	
Total Public Utility Projects		\$ 151,242

Other General Government Projects

Other Contracted Services	\$ 13,000	
Site Development	15,000	
Total Other General Government Projects		28,000

Total General Capital Projects Fund 179,242

(Continued)

Exhibit J-7

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

<u>Highway Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Highway and Street Capital Projects</u>			
Highway Equipment	\$	58,820	
Total Highway and Street Capital Projects			<u>\$ 58,820</u>
Total Highway Capital Projects Fund			<u>\$ 58,820</u>
Total Governmental Funds - Primary Government			<u>\$ 22,060,015</u>

Exhibit J-8

Giles County, Tennessee
 Schedule of Detailed Expenditures -
 All Governmental Fund Types
 Discretely Presented Giles County School Department
 For the Year Ended June 30, 2016

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 9,603,497	
Career Ladder Program	65,764	
Homebound Teachers	14,570	
Educational Assistants	301,220	
Bonus Payments	84,000	
Certified Substitute Teachers	81,287	
Non-certified Substitute Teachers	110,432	
Social Security	598,483	
Pensions	889,505	
Life Insurance	1,250	
Medical Insurance	1,524,215	
Employer Medicare	140,393	
Tuition	32,083	
Other Contracted Services	52,136	
Instructional Supplies and Materials	169,670	
Textbooks	382,875	
Other Supplies and Materials	16,219	
Regular Instruction Equipment	67,952	
Total Regular Instruction Program		\$ 14,135,551

Special Education Program

Teachers	\$ 1,115,542	
Career Ladder Program	6,000	
Homebound Teachers	13,585	
Educational Assistants	354,438	
Speech Pathologist	111,353	
Bonus Payments	8,500	
Certified Substitute Teachers	8,905	
Non-certified Substitute Teachers	45,604	
Social Security	98,514	
Pensions	124,022	
Medical Insurance	293,746	
Employer Medicare	23,110	
Contracts with Private Agencies	477,082	
Instructional Supplies and Materials	2,283	
Other Supplies and Materials	4,135	
Special Education Equipment	459	
Total Special Education Program		2,687,278

Vocational Education Program

Teachers	\$ 615,012
Career Ladder Program	1,000
Bonus Payments	4,100
Certified Substitute Teachers	2,542
Non-certified Substitute Teachers	10,757
Social Security	36,051

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Pensions	\$	56,856	
Medical Insurance		87,608	
Employer Medicare		8,431	
Contracts with Other Public Agencies		94,339	
Other Contracted Services		11,768	
Instructional Supplies and Materials		8,529	
Textbooks		2,175	
Other Supplies and Materials		8,921	
Vocational Instruction Equipment		10,031	
Total Vocational Education Program			\$ 958,120

Support Services

Attendance

Assistant(s)	\$	59,932	
Other Salaries and Wages		30,310	
Social Security		5,040	
Pensions		3,487	
Medical Insurance		13,157	
Employer Medicare		1,277	
Travel		4,012	
Other Contracted Services		8,668	
Other Supplies and Materials		1,974	
Total Attendance			127,857

Health Services

Supervisor/Director	\$	44,363	
Medical Personnel		297,587	
Clerical Personnel		22,094	
Social Security		20,455	
Pensions		15,217	
Medical Insurance		69,291	
Employer Medicare		4,784	
Travel		2,887	
Drugs and Medical Supplies		1,357	
Other Supplies and Materials		44,460	
Total Health Services			522,495

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		484,593	
Clerical Personnel		31,872	
Bonus Payments		3,300	
Social Security		30,537	
Pensions		45,683	
Medical Insurance		71,774	
Employer Medicare		7,142	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Contracts with Government Agencies	\$	92,232	
Evaluation and Testing		7,138	
Total Other Student Support			\$ 777,271

Regular Instruction Program

Supervisor/Director	\$	128,425	
Career Ladder Program		9,416	
Librarians		358,022	
Assessment Personnel		160,624	
Instructional Computer Personnel		141,722	
Clerical Personnel		49,230	
Bonus Payments		2,700	
Social Security		49,684	
Pensions		69,796	
Medical Insurance		124,756	
Employer Medicare		11,620	
Travel		11,459	
Other Contracted Services		35,667	
Library Books/Media		5,600	
Other Supplies and Materials		5,197	
In Service/Staff Development		2,535	
Other Charges		3,750	
Total Regular Instruction Program			1,170,203

Special Education Program

Supervisor/Director	\$	53,424	
Career Ladder Program		2,000	
Assessment Personnel		108,782	
Secretary(ies)		35,085	
Bonus Payments		300	
Social Security		12,238	
Pensions		16,338	
Medical Insurance		16,371	
Employer Medicare		2,862	
Communication		1,200	
Travel		10,003	
Other Contracted Services		4,128	
Other Supplies and Materials		6,841	
In Service/Staff Development		4,421	
Other Equipment		2,782	
Total Special Education Program			276,775

Vocational Education Program

Supervisor/Director	\$	30,570	
Secretary(ies)		24,516	
Social Security		3,274	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Pensions	\$	3,788	
Medical Insurance		2,772	
Employer Medicare		766	
Travel		7,546	
Other Supplies and Materials		201	
Total Vocational Education Program			\$ 73,433

Other Programs

On-behalf Payments to OPEB	\$	252,023	
Total Other Programs			252,023

Board of Education

Secretary to Board	\$	1,500	
Board and Committee Members Fees		4,092	
In-service Training		2,650	
Social Security		254	
Pensions		63	
Life Insurance		14,223	
Unemployment Compensation		16,416	
Employer Medicare		78	
Other Fringe Benefits		196,766	
Audit Services		5,600	
Dues and Memberships		7,465	
Legal Services		4,892	
Travel		5,898	
Other Supplies and Materials		2,067	
Liability Insurance		92,030	
Trustee's Commission		226,534	
Workers' Compensation Insurance		297,571	
Liability Claims		2,605	
Other Charges		5,922	
Total Board of Education			886,626

Director of Schools

County Official/Administrative Officer	\$	100,000	
Assistant(s)		75,000	
Salary Supplements		6,000	
Secretary(ies)		71,478	
Social Security		14,608	
Pensions		18,808	
Medical Insurance		38,693	
Employer Medicare		3,416	
Advertising		36	
Communication		10,907	
Dues and Memberships		3,628	
Postal Charges		3,185	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Travel	\$	8,176	
Office Supplies		1,362	
Other Supplies and Materials		725	
Premiums on Corporate Surety Bonds		367	
Other Charges		1,664	
Administration Equipment		299	
Total Director of Schools			\$ 358,352

Office of the Principal

Principals	\$	590,500	
Career Ladder Program		8,416	
Assistant Principals		203,317	
Secretary(ies)		304,744	
Clerical Personnel		30,185	
Bonus Payments		2,300	
Other Salaries and Wages		16,056	
Social Security		68,194	
Pensions		87,384	
Medical Insurance		182,748	
Employer Medicare		15,949	
Communication		57,357	
Other Contracted Services		8,112	
Total Office of the Principal			1,575,262

Operation of Plant

Custodial Personnel	\$	393,360	
Other Salaries and Wages		13,806	
Social Security		24,478	
Pensions		16,384	
Medical Insurance		110,483	
Employer Medicare		5,725	
Laundry Service		5,592	
Maintenance and Repair Services - Equipment		1,236	
Pest Control		5,850	
Other Contracted Services		107,662	
Custodial Supplies		53,277	
Electricity		1,076,508	
Natural Gas		72,715	
Propane Gas		20,225	
Water and Sewer		96,834	
Other Supplies and Materials		25	
Building and Contents Insurance		126,958	
Plant Operation Equipment		9,911	
Total Operation of Plant			2,141,029

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Supervisor/Director	\$	53,304	
Maintenance Personnel		246,557	
Social Security		18,301	
Pensions		12,000	
Medical Insurance		61,383	
Employer Medicare		4,280	
Laundry Service		2,511	
Maintenance and Repair Services - Buildings		74,948	
Maintenance and Repair Services - Equipment		9,405	
Travel		1,189	
Other Contracted Services		7,019	
Diesel Fuel		20	
Equipment and Machinery Parts		47,818	
Gasoline		13,786	
Other Supplies and Materials		94,898	
Maintenance Equipment		41,791	
Total Maintenance of Plant			\$ 689,210

Transportation

Mechanic(s)	\$	158,454	
Bus Drivers		663,178	
Clerical Personnel		28,068	
Other Salaries and Wages		57,569	
Social Security		53,778	
Pensions		35,743	
Medical Insurance		332,274	
Employer Medicare		12,577	
Laundry Service		2,220	
Maintenance and Repair Services - Vehicles		13,263	
Medical and Dental Services		3,025	
Travel		2,901	
Other Contracted Services		20,680	
Diesel Fuel		155,452	
Equipment and Machinery Parts		10,087	
Gasoline		9,563	
Lubricants		7,570	
Tires and Tubes		29,212	
Vehicle Parts		75,582	
Other Supplies and Materials		9,751	
Vehicle and Equipment Insurance		61,548	
Transportation Equipment		686,117	
Total Transportation			2,428,612

Operation of Non-instructional Services

Community Services

Teachers	\$	87,639	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Community Services (Cont.)

Educational Assistants	\$	25,808	
Social Security		6,778	
Pensions		8,820	
Employer Medicare		1,585	
Other Contracted Services		210	
Food Supplies		3,356	
Instructional Supplies and Materials		2,499	
Other Supplies and Materials		3,731	
In Service/Staff Development		1,000	
Total Community Services			\$ 141,426

Early Childhood Education

Supervisor/Director	\$	24,251	
Teachers		223,299	
Clerical Personnel		28,308	
Educational Assistants		76,489	
Custodial Personnel		120	
Bonus Payments		1,400	
Certified Substitute Teachers		11,108	
Non-certified Substitute Teachers		6,591	
Social Security		21,821	
Pensions		26,886	
Medical Insurance		83,379	
Employer Medicare		5,104	
Communication		428	
Dues and Memberships		480	
Travel		7,350	
Food Supplies		9,087	
Instructional Supplies and Materials		10,647	
Other Supplies and Materials		9,799	
In Service/Staff Development		5,786	
Other Charges		6,411	
Other Equipment		21,886	
Total Early Childhood Education			580,630

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	25,212	
Total Education			25,212

Total General Purpose School Fund \$ 29,807,365

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	825,127	
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(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Social Security	\$	46,611	
Pensions		74,578	
Medical Insurance		121,065	
Employer Medicare		10,901	
Other Contracted Services		41,065	
Instructional Supplies and Materials		1,086	
Other Supplies and Materials		998	
Regular Instruction Equipment		6,496	
Total Regular Instruction Program			\$ 1,127,927

Special Education Program

Teachers	\$	58,483	
Educational Assistants		426,503	
Speech Pathologist		25,358	
Social Security		30,624	
Pensions		25,082	
Medical Insurance		165,367	
Employer Medicare		7,162	
Instructional Supplies and Materials		525	
Special Education Equipment		11,290	
Total Special Education Program			750,394

Vocational Education Program

Other Supplies and Materials	\$	13,253	
Vocational Instruction Equipment		36,719	
Total Vocational Education Program			49,972

Support Services

Health Services

Other Contracted Services	\$	98,406	
Total Health Services			98,406

Other Student Support

Travel	\$	5,317	
Other Supplies and Materials		28,622	
In Service/Staff Development		6,932	
Other Charges		8,120	
Total Other Student Support			48,991

Regular Instruction Program

Supervisor/Director	\$	17,808	
Secretary(ies)		8,267	
Social Security		1,617	
Pensions		1,955	
Employer Medicare		378	
Communication		481	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Supplies and Materials	\$	11,322	
In Service/Staff Development		28,702	
Other Equipment		72,680	
Total Regular Instruction Program			\$ 143,210

Special Education Program

Other Salaries and Wages	\$	1,500	
In-service Training		262	
Social Security		97	
Pensions		141	
Employer Medicare		23	
Other Contracted Services		174,295	
Other Supplies and Materials		9,300	
In Service/Staff Development		7,155	
Other Equipment		6,152	
Total Special Education Program			198,925

Vocational Education Program

Travel	\$	2,534	
Total Vocational Education Program			<u>2,534</u>

Total School Federal Projects Fund \$ 2,420,359

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	70,386	
Cafeteria Personnel		594,774	
Social Security		40,501	
Pensions		25,279	
Medical Insurance		175,509	
Employer Medicare		9,474	
Communication		5,036	
Maintenance and Repair Services - Equipment		18,099	
Transportation - Other than Students		851	
Travel		4,788	
Other Contracted Services		12,595	
Food Supplies		1,034,180	
Uniforms		3,563	
USDA - Commodities		156,262	
Other Supplies and Materials		103,924	
Trustee's Commission		38	
In Service/Staff Development		878	
Food Service Equipment		78,472	
Total Food Service			<u>\$ 2,334,609</u>

Total Central Cafeteria Fund 2,334,609

(Continued)

Exhibit J-8

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

<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Consultants	\$	85,826
Building Improvements		727,117
Regular Instruction Equipment		180,764
Other Equipment		31,712
Total Education Capital Projects		<u>\$ 1,025,419</u>
Total Education Capital Projects Fund		<u>\$ 1,025,419</u>
Total Governmental Funds - Giles County School Department		<u><u>\$ 35,587,752</u></u>

Exhibit J-9

Giles County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2016

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,843,408
Total Cash Receipts	<u>\$ 2,843,408</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 2,838,358
Trustee's Commission	5,050
Total Cash Disbursements	<u>\$ 2,843,408</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2015	<u>0</u>
 Cash Balance, June 30, 2016	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

**Independent Auditor's 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***

Giles County Executive and
Board of County Commissioners
Giles 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 Giles County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Giles County's basic financial statements, and have issued our report thereon dated August 30, 2016.

Internal Control Over Financial Reporting

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

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

or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal controls, described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

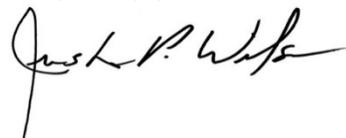
Giles County's Response to Finding

Giles County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Giles County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

August 30, 2016

JPW/sb



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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Independent Auditor's Report

Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance

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

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Giles 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 Giles County's major federal programs for the year ended June 30, 2016. Giles 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 Giles 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for*

Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance 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 Giles 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 Giles County's compliance.

Opinion on Each Major Federal Program

In our opinion, Giles 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, 2016.

Report on Internal Control Over Compliance

Management of Giles 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 Giles 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 the Uniform Guidance, 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 Giles 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

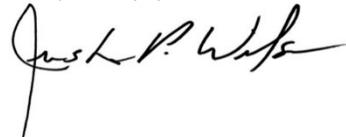
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Giles County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Giles County's basic financial statements. We issued our report thereon dated August 30, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

August 30, 2016

JPW/sb

Giles County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2016

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Soil and Water Conservation	10.902	N/A	\$ 8,587
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	606,842
National School Lunch Program	10.555	N/A	1,459,686 (7)
Passed-through State Department of Agriculture:			
National School Lunch Program (Noncash Assistance)	10.555	N/A	156,262 (7)
Total U.S. Department of Agriculture			<u>\$ 2,231,377</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/State's Program	14.228	(3)	\$ 28,000
Total U.S. Department of Housing and Urban Development			<u>\$ 28,000</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(3)	\$ 3,153
Total U.S. Department of Justice			<u>\$ 3,153</u>
U.S. Department of Labor:			
Passed-through South Central Tennessee Workforce Alliance:			
WIA/WIOA Youth Activities	17.259	(3)	\$ 42,500
Total U.S. Department of Labor			<u>\$ 42,500</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
National Priority Safety Programs	20.616	(4)	\$ 33,793
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	(3)	7,200
Total U.S. Department of Transportation			<u>\$ 40,993</u>
U.S. Environmental Protection Agency:			
Passed-through State Department of Environment and Conservation:			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	(3)	\$ 58,828 (6)
Total U.S. Environmental Protection Agency			<u>\$ 58,828</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,017,386
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,189,307
Special Education - Preschool Grants	84.173	N/A	23,292
Career and Technical Education - Basic Grants to States	84.048	N/A	62,815
Safe and Drug-free Schools and Communities - National Program	84.184	(3)	30,562
Rural Education	84.358	N/A	103,760
English Language Acquisition Grants	84.365	N/A	2,914
Improving Teacher Quality State Grants	84.367	N/A	155,195
Total U.S. Department of Education			<u>\$ 2,585,231</u>

(Continued)

Giles County, Tennessee
 Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Grants to States for Operation of Offices of Rural Health	93.913	GG164599900	\$ 133,228
Total U.S. Department of Health and Human Services			\$ 133,228
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4211-DR-TN	\$ 74,646
Emergency Management Performance Grants	97.042	(3)	23,850
Homeland Security Grant Program	97.067	(3)	35,078
Total U.S. Department of Homeland Security			\$ 133,574
Total Expenditures of Federal Awards			\$ 5,256,884
<u>State Grants</u>		<u>Contract Number</u>	
Health Department Programs - State Department of Health	N/A	(5)	\$ 154,555
Conservation Technical Assistance - State Department of Agriculture	N/A	(3)	9,000
Early Childhood Education - State Department of Education	N/A	(3)	467,934
Coordinated School Health - State Department of Education	N/A	(3)	99,905
Safe Schools Act - State Department of Education	N/A	(3)	20,540
Lottery for Education Afterschool Program - State Department of Education	N/A	(3)	138,715
Litter Program - State Department of Transportation	N/A	(3)	40,858
Convenience Center Grant - State Department of Economic and Community Development	N/A	(3)	171,010
Used Oil Grant - State Department of Economic and Community Development	N/A	(3)	41,480
Act/Explore/Plan - State Department of Education	N/A	(3)	6,063
Capitalization Grants for Drinking Water State Revolving Funds - State Department of Environment and Conservation	N/A	(3)	13,644 (6)
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - State Department of Military	N/A	FEMA-4211-DR-TN	6,587
Archives Development Grant - Tennessee Secretary of State	N/A	(3)	994
Arts Student Ticket Subsidy - Tennessee Arts Commission	N/A	(3)	3,000
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(3)	9,000
Total State Grants			\$ 1,183,285

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) Giles County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Z15GHS135: \$19,033; Z16GHS131: \$14,760.
- (5) GG164739200: \$2,498; GG164599900: \$152,057.
- (6) Loan received during the year:
 In a prior year, Giles County was awarded federal and state loans for water line extensions for the Minor Hill Utility District (\$3,000,000) and the Fairview Utility District (\$1,250,000) from the U.S. Environmental Protection Agency, passed through the State Department of Environment and Conservation. The county expended \$72,472 during the year ended June 30, 2016. Giles County has fully expended the Minor Hill Utility District loan and has \$259,526 remaining to drawdown from the Fairview Utility District loan.
- (7) Total for CFDA No. 10.555 is \$1,615,948.

Giles County, Tennessee
Summary of Schedule of Prior-year Findings
For the Year Ended June 30, 2016

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior year findings whether corrected or uncorrected. Presented below are financial statement findings along with their current status from the Annual Financial Report for Giles County, Tennessee, for the year ended June 30, 2016.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
2015	172	2015-001	The Office of Trustee Did Not Review its Software Audit Logs	N/A	Corrected
2015	172	2015-002	The Offices of Clerk and Master and Register of Deeds had a Lack of Segregation of Duties	N/A	Clerk and Master: Not Corrected - See Explanation on Corrective Action Plan Register of Deeds: Corrected

Prior-year Federal Award Findings

There were no prior year federal award findings to report.

GILES COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Giles County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs: **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of major federal programs:
 - * CFDA Numbers: 10.553 and 10.555 Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * CFDA Numbers: 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants
8. Dollar threshold used to distinguish between type A and Type B Programs: **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

A finding and recommendation, as a result of our audit of the financial statements of Giles County, Tennessee, is presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. A paraphrased written response for the finding is presented following the finding and recommendation. Management's corrective action plan, whether related to the financial statements or federal awards, is presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. The clerk and master provided a corrective action plan for the finding and recommendation.

Findings relating specifically to the audit of federal awards of Giles County, Tennessee, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF CLERK AND MASTER

FINDING 2016-001

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the official and employees in the Office of Clerk and Master. The employee responsible for maintaining accounting records was 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 control 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

The clerk and master should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE – CLERK AND MASTER

When the new law requiring written internal controls became effective, I and my staff attended related training classes and realized changes would be required. My first action was to meet with the budget committee and ask for another employee. My request was approved in committee, but was later denied funding by the full commission. Before commission denial, I had already prepared my written internal control plan based on duties for a new employee. When money was not appropriated for a new employee, I went back and changed my internal controls to reflect controls using our existing staff. As of July 1, 2016, I have implemented this new plan and it is working well so far. There will be times when someone is on vacation or sick when we might have to improvise some, but we are doing the best we can considering the size of our staff.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2016. Our audit followed audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Findings relating specifically to the audit of the financial statements of Giles County, Tennessee, are separately presented under Part II, Findings Relating to the Financial Statements.

**Giles County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2016**

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings are presented below:

Corrective Action - Financial Statement Findings

OFFICE OF CLERK AND MASTER

FINDING 2016-001 **DUTIES WERE NOT SEGREGATED ADEQUATELY**

Response and Corrective Action Plan Prepared by:	Merry Sigmon, Clerk and Master of Giles County, Tennessee
Person Responsible for Implementing the Corrective Action:	Same
Anticipated Completion Date of Corrective Action:	July 1, 2016
Repeat Finding:	Yes
Reason Why Corrective Action was Not Taken – PY	Official did not believe she had the resources to correct this finding.

Planned Corrective Action:

I will implement internal controls to segregate duties to the extent possible using available resources. I will utilize the segregation of duties checklists on the Division of Local Government Audit's website as a guide for how to adequately segregate duties in small offices.