

**ANNUAL FINANCIAL REPORT**  
**WHITE COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2016**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



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

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

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

***STEVE REEDER, CPA, CGFM, CFE  
Audit Manager***

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***JAMES D. HODGES, CFE  
TYLER MUSIC  
KELLEY J. McNEAL, CPA, CGFM  
State Auditors***

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

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# ***Summary of Audit Findings***

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

## ***Scope***

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

## ***Results***

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

Our audit resulted in one finding and recommendation, which we have reviewed with White 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 FINANCE DIRECTOR**

- ◆ The Solid Waste Disposal Fund had a deficit in unrestricted net position at June 30, 2016.

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# INTRODUCTORY SECTION

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# White County Officials

## June 30, 2016

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### **Officials**

Denny Wayne Robinson, County Executive  
Clay Parker, Road Superintendent  
Kurt Dronebarger, Director of Schools  
Phyllis Humphrey, Trustee  
Paytina Miller, Assessor of Property  
Connie Jolley, County Clerk  
Beverly Jolley, Circuit and General Sessions Courts Clerk  
Gena Brock, Clerk and Master  
Martha Bumbalough, Register of Deeds  
Oddie Shoupe, Sheriff  
Chad Marcum, Finance Director

### **Board of County Commissioners**

Terry Alley, Chairman  
Robert Dale Bennett  
David Copeland  
Howard England  
Bruce Frasier  
Russell Gooch  
Diane Haston

Daniel Johnson  
Karen LaFever  
B.K. Luna  
Matthew McBride  
Stanley Neal  
Bruce Null  
Cain Rogers

### **Board of Education**

Edd Cantrell II, Chairman  
Richard McBride  
Jayson McDonald  
Kenneth Robinson

Gary Sparkman  
Janet Webb  
Roy Whited

### **Financial Management Committee**

Matthew McBride, Chairman  
Denny Wayne Robinson, County Executive  
Clay Parker, Road Superintendent  
Kurt Dronebarger, Director of Schools  
Diane Haston  
Russell Gooch  
Cain Rogers

### **Audit Committee**

Cain Rogers, Chairman  
Terry Alley  
Ben Holland  
Stanley Neal  
Bruce Null

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# FINANCIAL SECTION

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

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of White 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of White County, Tennessee, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As described in Note V.B., White County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*; 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 contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefit plan on pages 86-93 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 White County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the White 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, combining and individual fund financial statements of the White 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 combining and individual fund financial statements of the White 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 September 27, 2016, on our consideration of White 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 White County's internal control over financial reporting and compliance.

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury

Nashville, Tennessee

September 27, 2016

JPW/kp

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

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

	Primary Government			Component Unit
	Governmental	Business-type	Total	White
	Activities	Activities		County
				School
				Department
<u>ASSETS</u>				
Cash	\$ 264,256	\$ 92,406	\$ 356,662	\$ 0
Equity in Pooled Cash and Investments	3,687,589	643,244	4,330,833	20,567,029
Accounts Receivable	2,157,261	107,635	2,264,896	1,040
Allowance for Uncollectibles	(1,148,318)	(2,466)	(1,150,784)	0
Due from Other Governments	790,927	405	791,332	490,102
Due from Primary Government	0	0	0	34,606
Property Taxes Receivable	5,884,642	0	5,884,642	3,394,986
Allowance for Uncollectible Property Taxes	(172,026)	0	(172,026)	(99,246)
Accrued Interest Receivable	4,505	0	4,505	0
Notes Receivable - Long-term	406,779	0	406,779	0
Net Pension Asset - Teacher Retirement Plan	0	0	0	2,507
Capital Assets:				
Assets Not Depreciated:				
Land	1,227,365	596,203	1,823,568	1,411,392
Construction in Progress	0	0	0	6,035,121
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	7,428,188	740,387	8,168,575	17,130,082
Infrastructure	7,123,746	0	7,123,746	0
Other Capital Assets	1,397,961	283,519	1,681,480	975,237
Total Assets	\$ 29,052,875	\$ 2,461,333	\$ 31,514,208	\$ 49,942,856

(Continued)

Exhibit A

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

	Primary Government			Component Unit
	Governmental	Business-type	Total	White
	Activities	Activities		County School Department
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Pension Changes in Experience	\$ 376,817	\$ 16,849	\$ 393,666	\$ 381,196
Pension Change in Investment Earnings	396,623	17,735	414,358	3,089,959
Pensions - Other Deferrals	0	0	0	47,505
Pension Changes in Contributions after Measurement Date	344,025	17,590	361,615	1,527,419
Total Deferred Outflows of Resources	<u>\$ 1,117,465</u>	<u>\$ 52,174</u>	<u>\$ 1,169,639</u>	<u>\$ 5,046,079</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 17,728	\$ 24,366	\$ 42,094	\$ 133
Accrued Payroll	17,743	0	17,743	0
Accrued Interest Payable	19,643	0	19,643	0
Payroll Deductions Payable	0	0	0	412,472
Contracts Payable	0	0	0	477,211
Retainage Payable	0	0	0	25,132
Due to Component Units	34,606	0	34,606	0
Due to Litigants, Heirs, and Others	4,063	0	4,063	0
Due to State of Tennessee	0	4,905	4,905	0
Noncurrent Liabilities:				
Due Within One Year	1,240,000	70,594	1,310,594	93,457
Due in More Than One Year	4,737,782	1,448,927	6,186,709	1,038,959
Total Liabilities	<u>\$ 6,071,565</u>	<u>\$ 1,548,792</u>	<u>\$ 7,620,357</u>	<u>\$ 2,047,364</u>

(Continued)

Exhibit A

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

	Primary Government			Component Unit
	Governmental	Business-type	Total	White
	Activities	Activities		County
				School
				Department
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 5,491,648	\$ 0	\$ 5,491,648	\$ 3,168,258
Pension Changes in Experience	290,351	12,983	303,334	2,629,214
Pension Changes in Investment Earnings	520,023	23,252	543,275	4,182,010
Total Deferred Inflows of Resources	<u>\$ 6,302,022</u>	<u>\$ 36,235</u>	<u>\$ 6,338,257</u>	<u>\$ 9,979,482</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 14,432,210	\$ 1,620,109	\$ 16,052,319	\$ 25,551,832
Restricted for:				
General Government	620,385	0	620,385	0
Finance	35,183	0	35,183	0
Administration of Justice	261,225	0	261,225	0
Public Safety	226,561	0	226,561	0
Public Health and Welfare	19,406	0	19,406	0
Social, Cultural, and Recreational Services	9,155	0	9,155	0
Highway/Public Works	485,197	0	485,197	0
Debt Service	78,143	0	78,143	0
Education	0	0	0	1,642,697
Unrestricted	1,629,288	(691,629)	937,659	15,767,260
Total Net Position	<u>\$ 17,796,753</u>	<u>\$ 928,480</u>	<u>\$ 18,725,233</u>	<u>\$ 42,961,789</u>

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Total Governmental Activities	Business- type Activities	Total	White County School Department
Primary Government:								
Governmental Activities:								
General Government	\$ 2,986,391	\$ 553,236	\$ 46,558	\$ 0	\$ (2,386,597)	\$ 0	\$ (2,386,597)	\$ 0
Finance	1,079,204	601,866	0	0	(477,338)	0	(477,338)	0
Administration of Justice	783,535	608,596	9,000	0	(165,939)	0	(165,939)	0
Public Safety	5,120,918	646,044	104,246	0	(4,370,628)	0	(4,370,628)	0
Public Health and Welfare	2,052,758	1,116,507	185,125	1,506,003	754,877	0	754,877	0
Social, Cultural, and Recreational Services	(440,944)	7,072	25,124	0	473,140	0	473,140	0
Agriculture and Natural Resources	152,884	0	0	0	(152,884)	0	(152,884)	0
Highways/Public Works	1,443,981	0	1,710,840	179,031	445,890	0	445,890	0
Interest on Long-term Debt	279,356	0	0	0	(279,356)	0	(279,356)	0
Total Governmental Activities	\$ 13,458,083	\$ 3,533,321	\$ 2,080,893	\$ 1,685,034	\$ (6,158,835)	\$ 0	\$ (6,158,835)	\$ 0
Business-type Activities:								
Solid Waste Disposal	\$ 1,353,768	\$ 1,190,513	\$ 0	\$ 0	\$ 0	\$ (163,255)	\$ (163,255)	\$ 0
Total Primary Government	\$ 14,811,851	\$ 4,723,834	\$ 2,080,893	\$ 1,685,034	\$ (6,158,835)	\$ (163,255)	\$ (6,322,090)	\$ 0
Component Unit:								
School Department	\$ 29,882,494	\$ 499,790	\$ 4,341,845	\$ 0	\$ 0	\$ 0	\$ 0	\$ (25,040,859)
Total Component Unit	\$ 29,882,494	\$ 499,790	\$ 4,341,845	\$ 0	\$ 0	\$ 0	\$ 0	\$ (25,040,859)

(Continued)

Exhibit B

White County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position			Component Unit
					Primary Government		Total	White County School Department
					Total Governmental Activities	Business- type Activities		
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 5,175,703	\$ 0	\$ 5,175,703	\$ 3,289,597
Property Taxes Levied for Debt Service					477,103	0	477,103	0
Local Option Sales Taxes					1,352,988	0	1,352,988	1,567,767
Litigation Tax - General					58,181	0	58,181	0
Litigation Tax - Special Purpose					45,476	0	45,476	0
Litigation Tax - Jail/Workhouse					21,790	0	21,790	0
Wholesale Beer Tax					180,502	0	180,502	0
Mineral Severance Tax					40,348	0	40,348	0
Business Tax					214,614	0	214,614	0
Wheel Tax					572,844	0	572,844	419,696
Hotel/Motel Tax					15,980	0	15,980	0
Grants and Contributions Not Restricted to Specific Programs					962,828	0	962,828	22,528,057
Unrestricted Investment Earnings					75,356	0	75,356	1,177
Sale of Equipment					49,908	0	49,908	0
Miscellaneous					73,880	1,198	75,078	61,233
Pension Income					0	0	0	1,072
<b>Total General Revenues</b>					<b>\$ 9,317,501</b>	<b>\$ 1,198</b>	<b>\$ 9,318,699</b>	<b>\$ 27,868,599</b>
Insurance Recovery					\$ 13,535	\$ 0	\$ 13,535	\$ 11,028
Change in Net Position					\$ 3,172,201	\$ (162,057)	\$ 3,010,144	\$ 2,838,768
Net Position, July 1, 2015					14,624,552	1,090,537	15,715,089	40,123,021
Net Position, June 30, 2016					<b>\$ 17,796,753</b>	<b>\$ 928,480</b>	<b>\$ 18,725,233</b>	<b>\$ 42,961,789</b>

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

Exhibit C-1

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

	Major Funds		Nonmajor Funds	Total
	General	Highway / Public Works	Other Govern- mental Funds	Governmental Funds
<u>ASSETS</u>				
Cash	\$ 240,648	\$ 14,239	\$ 9,369	\$ 264,256
Equity in Pooled Cash and Investments	2,268,923	683,957	734,709	3,687,589
Accounts Receivable	2,157,064	0	197	2,157,261
Allowance for Uncollectibles	(1,148,318)	0	0	(1,148,318)
Due from Other Governments	320,397	311,145	159,385	790,927
Due from Other Funds	9,566	0	0	9,566
Property Taxes Receivable	5,386,711	0	497,931	5,884,642
Allowance for Uncollectible Property Taxes	(157,470)	0	(14,556)	(172,026)
Accrued Interest Receivable	0	0	4,505	4,505
Notes Receivable - Long-term	0	0	406,779	406,779
Total Assets	<u>\$ 9,077,521</u>	<u>\$ 1,009,341</u>	<u>\$ 1,798,319</u>	<u>\$ 11,885,181</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 17,728	\$ 0	\$ 0	\$ 17,728
Accrued Payroll	17,743	0	0	17,743
Due to Other Funds	0	0	9,566	9,566
Due to Component Units	0	0	34,606	34,606
Due to Litigants, Heirs, and Others	0	0	4,063	4,063
Total Liabilities	<u>\$ 35,471</u>	<u>\$ 0</u>	<u>\$ 48,235</u>	<u>\$ 83,706</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 5,026,970	\$ 0	\$ 464,678	\$ 5,491,648
Deferred Delinquent Property Taxes	196,525	0	18,166	214,691

(Continued)

Exhibit C-1

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>				
Other Deferred/Unavailable Revenue	\$ 886,433	\$ 150,977	\$ 79,620	\$ 1,117,030
Total Deferred Inflows of Resources	\$ 6,109,928	\$ 150,977	\$ 562,464	\$ 6,823,369
<u>FUND BALANCES</u>				
Restricted:				
Restricted for General Government	\$ 31,069	\$ 0	\$ 0	\$ 31,069
Restricted for Finance	35,183	0	0	35,183
Restricted for Administration of Justice	261,225	0	0	261,225
Restricted for Public Safety	9,641	0	216,920	226,561
Restricted for Public Health and Welfare	19,406	0	0	19,406
Restricted for Social, Cultural, and Recreational Services	9,155	0	0	9,155
Restricted for Other Operations	0	0	589,316	589,316
Restricted for Highways/Public Works	0	334,220	0	334,220
Committed:				
Committed for Social, Cultural, and Recreational Services	87,347	0	0	87,347
Committed for Other Operations	7,406	0	0	7,406
Committed for Highways/Public Works	0	524,144	0	524,144
Committed for Debt Service	0	0	381,384	381,384
Assigned:				
Assigned for General Government	160,260	0	0	160,260
Assigned for Administration of Justice	648	0	0	648
Assigned for Public Safety	33,938	0	0	33,938
Assigned for Social, Cultural, and Recreational Services	102	0	0	102
Assigned for Other Operations	537,331	0	0	537,331
Unassigned	1,739,411	0	0	1,739,411
Total Fund Balances	\$ 2,932,122	\$ 858,364	\$ 1,187,620	\$ 4,978,106
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,077,521	\$ 1,009,341	\$ 1,798,319	\$ 11,885,181

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

Exhibit C-2

White 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)		\$	4,978,106
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,227,365	
Add: buildings and improvements net of accumulated depreciation		7,428,188	
Add: infrastructure net of accumulated depreciation		7,123,746	
Add: other capital assets net of accumulated depreciation		<u>1,397,961</u>	17,177,260
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(5,605,000)	
Less: accrued interest on bonds		(19,643)	
Less: net pension liability		<u>(372,782)</u>	(5,997,425)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pensions expense in future years:			
Add: deferred outflows of resources related to pensions	\$	1,117,465	
Less: deferred inflows of resources related to pensions		<u>(810,374)</u>	307,091
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,331,721</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>17,796,753</u></u>

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

Exhibit C-3

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 6,652,276	\$ 109,484	\$ 1,462,045	\$ 8,223,805
Licenses and Permits	118,550	0	0	118,550
Fines, Forfeitures, and Penalties	185,498	0	64,466	249,964
Charges for Current Services	1,479,051	6,418	0	1,485,469
Other Local Revenues	108,833	29,637	76,837	215,307
Fees Received From County Officials	1,082,992	0	0	1,082,992
State of Tennessee	1,581,430	1,891,838	32,091	3,505,359
Federal Government	1,528,048	53,841	0	1,581,889
Other Governments and Citizens Groups	74,993	0	15,394	90,387
<b>Total Revenues</b>	<b>\$ 12,811,671</b>	<b>\$ 2,091,218</b>	<b>\$ 1,650,833</b>	<b>\$ 16,553,722</b>
<u>Expenditures</u>				
Current:				
General Government	\$ 1,246,296	\$ 0	\$ 0	\$ 1,246,296
Finance	1,052,818	0	0	1,052,818
Administration of Justice	838,985	0	0	838,985
Public Safety	5,147,256	0	21,382	5,168,638
Public Health and Welfare	2,001,667	0	0	2,001,667
Social, Cultural, and Recreational Services	356,129	0	0	356,129
Agriculture and Natural Resources	121,873	0	0	121,873
Other Operations	1,599,421	0	413	1,599,834
Highways	0	2,015,575	0	2,015,575
Debt Service:				
Principal on Debt	0	0	1,190,000	1,190,000
Interest on Debt	0	0	283,323	283,323
Other Debt Service	0	0	22,699	22,699
<b>Total Expenditures</b>	<b>\$ 12,364,445</b>	<b>\$ 2,015,575</b>	<b>\$ 1,517,817</b>	<b>\$ 15,897,837</b>

(Continued)

Exhibit C-3

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

	Major Funds		Nonmajor Funds	Total
	General	Highway / Public Works	Other Govern- mental Funds	Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 447,226	\$ 75,643	\$ 133,016	\$ 655,885
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 4,485	\$ 9,050	\$ 0	\$ 13,535
Transfers In	86,000	0	0	86,000
Transfers Out	0	(86,000)	0	(86,000)
Total Other Financing Sources (Uses)	\$ 90,485	\$ (76,950)	\$ 0	\$ 13,535
Net Change in Fund Balances	\$ 537,711	\$ (1,307)	\$ 133,016	\$ 669,420
Fund Balance, July 1, 2015	2,394,411	859,671	1,054,604	4,308,686
Fund Balance, June 30, 2016	\$ 2,932,122	\$ 858,364	\$ 1,187,620	\$ 4,978,106

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

Exhibit C-4

White 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)		\$ 669,420
(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	\$ 1,977,496	
Less: current-year depreciation expense	<u>(654,997)</u>	1,322,499
(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	\$ 1,331,721	
Less: deferred delinquent property taxes and other deferred June 30, 2015	<u>(1,587,504)</u>	(255,783)
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on bonds		1,190,000
(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 accrued interest payable	\$ 3,967	
Change in deferred outflows of resources related to pensions	785,105	
Change in deferred inflows of resources related to pensions	154,171	
Change in net pension liability	<u>(697,178)</u>	<u>246,065</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,172,201</u>

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

Exhibit C-5

White 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	
<u>Revenues</u>							
Local Taxes	\$ 6,652,276	\$ 0	\$ 0	\$ 6,652,276	\$ 6,720,716	\$ 6,720,716	\$ (68,440)
Licenses and Permits	118,550	0	0	118,550	114,000	114,000	4,550
Fines, Forfeitures, and Penalties	185,498	0	0	185,498	177,800	186,312	(814)
Charges for Current Services	1,479,051	0	0	1,479,051	1,562,400	1,562,400	(83,349)
Other Local Revenues	108,833	0	0	108,833	91,600	94,136	14,697
Fees Received From County Officials	1,082,992	0	0	1,082,992	1,012,000	1,012,000	70,992
State of Tennessee	1,581,430	0	0	1,581,430	1,128,414	1,471,652	109,778
Federal Government	1,528,048	0	0	1,528,048	313,136	680,531	847,517
Other Governments and Citizens Groups	74,993	0	0	74,993	80,715	95,715	(20,722)
<b>Total Revenues</b>	<b>\$ 12,811,671</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 12,811,671</b>	<b>\$ 11,200,781</b>	<b>\$ 11,937,462</b>	<b>\$ 874,209</b>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 62,689	\$ 0	\$ 0	\$ 62,689	\$ 64,551	\$ 64,551	\$ 1,862
County Mayor/Executive	146,182	0	0	146,182	176,395	176,395	30,213
County Attorney	25,373	0	0	25,373	25,375	25,375	2
Election Commission	169,842	0	0	169,842	189,319	189,319	19,477
Register of Deeds	161,193	0	0	161,193	192,461	192,461	31,268
Development	25,000	0	0	25,000	25,000	25,000	0
County Buildings	597,419	(559)	16,650	613,510	623,195	626,420	12,910
Preservation of Records	58,598	0	0	58,598	64,874	64,874	6,276
<u>Finance</u>							
Accounting and Budgeting	359,506	0	0	359,506	364,439	365,239	5,733
Property Assessor's Office	216,385	0	0	216,385	224,733	227,233	10,848
Reappraisal Program	43,121	0	0	43,121	45,762	45,762	2,641
County Trustee's Office	184,630	0	0	184,630	188,104	188,604	3,974
County Clerk's Office	249,176	0	0	249,176	256,316	259,316	10,140
<u>Administration of Justice</u>							
Circuit Court	330,880	0	0	330,880	341,194	340,694	9,814
General Sessions Court	216,194	0	0	216,194	218,212	218,212	2,018

(Continued)

Exhibit C-5

White 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>							
Drug Court	\$ 60,558	\$ 0	\$ 0	\$ 60,558	\$ 57,000	\$ 65,512	\$ 4,954
Chancery Court	152,727	0	648	153,375	166,711	166,711	13,336
Judicial Commissioners	59,053	0	0	59,053	60,624	60,624	1,571
Other Administration of Justice	19,573	0	0	19,573	19,500	20,000	427
<u>Public Safety</u>							
Sheriff's Department	1,722,969	(1,248)	404	1,722,125	1,837,975	1,837,975	115,850
Special Patrols	47,404	0	0	47,404	49,875	49,875	2,471
Traffic Control	30,823	0	0	30,823	25,026	30,906	83
Jail	2,117,141	(180)	31,598	2,148,559	2,207,596	2,207,596	59,037
Juvenile Services	53,139	0	0	53,139	54,042	54,042	903
Fire Prevention and Control	218,338	0	0	218,338	240,898	240,898	22,560
Civil Defense	6,424	0	400	6,824	8,300	8,300	1,476
Rescue Squad	16,770	0	0	16,770	18,273	18,273	1,503
Disaster Relief	366,929	0	0	366,929	0	411,738	44,809
County Coroner/Medical Examiner	63,275	0	0	63,275	69,210	69,210	5,935
Other Public Safety	504,044	0	0	504,044	213,110	505,717	1,673
<u>Public Health and Welfare</u>							
Local Health Center	222,928	0	0	222,928	222,948	261,286	38,358
Rabies and Animal Control	81,945	0	0	81,945	90,805	93,265	11,320
Ambulance/Emergency Medical Services	1,613,784	0	0	1,613,784	1,675,733	1,690,733	76,949
Sanitation Education/Information	23,578	0	0	23,578	36,800	36,800	13,222
Waste Pickup	25,592	0	0	25,592	34,764	28,014	2,422
Landfill Operation and Maintenance	33,840	0	0	33,840	35,500	45,500	11,660
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	41,500	0	0	41,500	41,500	41,500	0
Libraries	229,156	0	0	229,156	222,643	232,231	3,075
Parks and Fair Boards	71,871	0	0	71,871	83,000	116,579	44,708
Other Social, Cultural, and Recreational	13,602	0	102	13,704	12,000	20,400	6,696

(Continued)

Exhibit C-5

White 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>Agriculture and Natural Resources</u>							
Agricultural Extension Service	\$ 93,078	\$ 0	\$ 0	\$ 93,078	\$ 96,204	\$ 96,204	\$ 3,126
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	26,795	0	0	26,795	27,252	27,252	457
<u>Other Operations</u>							
Tourism	3,378	0	0	3,378	6,000	6,000	2,622
Industrial Development	879,923	0	2,500	882,423	167,410	1,258,593	376,170
Other Economic and Community Development	10,000	0	0	10,000	0	10,000	0
Airport	28,000	0	0	28,000	28,000	28,000	0
Veterans' Services	60,321	0	0	60,321	58,325	62,325	2,004
Other Charges	391,981	0	0	391,981	382,579	403,829	11,848
Contributions to Other Agencies	40,960	0	0	40,960	42,748	42,748	1,788
Employee Benefits	43,943	0	0	43,943	117,498	64,698	20,755
Miscellaneous	140,915	0	0	140,915	125,000	145,000	4,085
Total Expenditures	\$ 12,364,445	\$ (1,987)	\$ 52,302	\$ 12,414,760	\$ 11,536,779	\$ 13,469,789	\$ 1,055,029
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 447,226	\$ 1,987	\$ (52,302)	\$ 396,911	\$ (335,998)	\$ (1,532,327)	\$ 1,929,238
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 4,485	\$ 0	\$ 0	\$ 4,485	\$ 0	\$ 0	\$ 4,485
Transfers In	86,000	0	0	86,000	86,000	86,000	0
Total Other Financing Sources	\$ 90,485	\$ 0	\$ 0	\$ 90,485	\$ 86,000	\$ 86,000	\$ 4,485
Net Change in Fund Balance	\$ 537,711	\$ 1,987	\$ (52,302)	\$ 487,396	\$ (249,998)	\$ (1,446,327)	\$ 1,933,723
Fund Balance, July 1, 2015	2,394,411	(1,987)	0	2,392,424	2,394,411	2,394,411	(1,987)
Fund Balance, June 30, 2016	\$ 2,932,122	\$ 0	\$ (52,302)	\$ 2,879,820	\$ 2,144,413	\$ 948,084	\$ 1,931,736

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

Exhibit C-6

White County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 109,484	\$ 117,941	\$ 117,941	\$ (8,457)
Charges for Current Services	6,418	170,000	170,000	(163,582)
Other Local Revenues	29,637	19,000	19,000	10,637
State of Tennessee	1,891,838	1,873,600	1,873,600	18,238
Federal Government	53,841	0	0	53,841
Total Revenues	<u>\$ 2,091,218</u>	<u>\$ 2,180,541</u>	<u>\$ 2,180,541</u>	<u>\$ (89,323)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 168,321	\$ 171,847	\$ 172,494	\$ 4,173
Highway and Bridge Maintenance	1,251,445	1,240,270	1,282,618	31,173
Operation and Maintenance of Equipment	89,833	156,500	156,500	66,667
Other Charges	81,373	81,272	83,212	1,839
Employee Benefits	8,323	14,441	14,441	6,118
Capital Outlay	416,280	430,000	655,000	238,720
Total Expenditures	<u>\$ 2,015,575</u>	<u>\$ 2,094,330</u>	<u>\$ 2,364,265</u>	<u>\$ 348,690</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 75,643</u>	<u>\$ 86,211</u>	<u>\$ (183,724)</u>	<u>\$ 259,367</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 9,050	\$ 0	\$ 0	\$ 9,050
Transfers Out	(86,000)	(86,000)	(86,000)	0
Total Other Financing Sources	<u>\$ (76,950)</u>	<u>\$ (86,000)</u>	<u>\$ (86,000)</u>	<u>\$ 9,050</u>
Net Change in Fund Balance	\$ (1,307)	\$ 211	\$ (269,724)	\$ 268,417
Fund Balance, July 1, 2015	<u>859,671</u>	<u>859,671</u>	<u>859,671</u>	<u>0</u>
Fund Balance, June 30, 2016	<u>\$ 858,364</u>	<u>\$ 859,882</u>	<u>\$ 589,947</u>	<u>\$ 268,417</u>

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

Exhibit D-1

White County, Tennessee  
Statement of Net Position  
Proprietary Fund  
June 30, 2016

	Business-type Activities - Enterprise Fund
	<u>Solid Waste Disposal Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 92,406
Equity in Pooled Cash and Investments	643,244
Accounts Receivable	107,635
Allowance for Uncollectibles	(2,466)
Due from Other Governments	405
Total Current Assets	<u>\$ 841,224</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 596,203
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	740,387
Other Capital Assets	283,519
Total Noncurrent Assets	<u>\$ 1,620,109</u>
Total Assets	<u>\$ 2,461,333</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows of Resources:	
Pension Changes in Experience	\$ 16,849
Pension Changes in Investment Earnings	17,735
Pension Contributions After Measurement Date	17,590
Total Deferred Outflows of Resources	<u>\$ 52,174</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 2,513,507</u>

(Continued)

Exhibit D-1

White County, Tennessee  
Statement of Net Position  
Proprietary Fund (Cont.)

	Business-type Activities - <u>Enterprise Fund</u> Solid Waste Disposal <u>Fund</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 24,366
Due to State of Tennessee	4,905
Total Current Liabilities	<u>\$ 29,271</u>
Noncurrent Liabilities:	
Accrued Liability for Landfill Closure/Postclosure Care Costs	\$ 1,502,853
Net Pension Liability	16,668
Total Noncurrent Liabilities	<u>\$ 1,519,521</u>
Total Liabilities	<u>\$ 1,548,792</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Inflows of Resources:	
Pension Changes in Experience	\$ 12,983
Pension Changes in Investment Earnings	23,252
Total Deferred Inflows of Resources	<u>\$ 36,235</u>
<u>NET POSITION</u>	
Unrestricted	\$ (691,629)
Net Investment in Capital Assets	<u>1,620,109</u>
Total Net Position	<u>\$ 928,480</u>

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

Exhibit D-2

White County, Tennessee  
Statement of Revenues, Expenses, and Changes  
in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2016

	Business-type Activities - <u>Enterprise Fund</u>	Governmental Activities - <u>Internal Service Fund</u>
	Solid Waste Disposal <u>Fund</u>	<u>Central Service Fund</u>
<u>Operating Revenues</u>		
Charges for Services	\$ 1,165,411	\$ 0
Local Revenues	26,300	318,810
Total Operating Revenues	<u>\$ 1,191,711</u>	<u>\$ 318,810</u>
<u>Operating Expenses</u>		
Salaries and Benefits	\$ 497,896	\$ 0
Communications	7,295	0
Contracts with Private Agencies	28,393	0
Engineering Services	64,515	0
Evaluation and Testing	411	0
Maintenance Agreements	1,800	0
Maintenance and Repair Services - Buildings	365	0
Maintenance and Repair Services - Equipment	38,982	0
Travel	730	0
Permits	29,206	0
Custodial Supplies	795	0
Diesel Fuel	67,372	179,880
Equipment and Machinery Parts	64,481	0
Garage Supplies	7,274	0
Gasoline	3,358	138,805
Lubricants	21,997	0
Office Supplies	2,218	0
Small Tools	3,796	0
Tires and Tubes	14,669	0
Uniforms	9,989	0
Utilities	18,886	0
Gravel and Chert	9,691	0
Supplies and Material	9,251	0
Building and Contents Insurance	1,277	0
Trustee's Commission	11,719	0
Refunds	50	125
Vehicle and Equipment Insurance	11,144	0

(Continued)

Exhibit D-2

White County, Tennessee  
Statement of Revenues, Expenses, and Changes  
in Net Position  
Proprietary Funds (Cont.)

	Business-type Activities - <u>Enterprise Fund</u> Solid Waste Disposal <u>Fund</u>	Governmental Activities - <u>Internal Service Fund</u> Central Service <u>Fund</u>
Workers' Compensation Insurance	\$ 31,298	\$ 0
Depreciation	94,990	0
Landfill Closure/Postclosure Care Costs	255,763	0
Inservice/Staff Development	1,335	0
Solid Waste Equipment	41,607	0
Total Operating Expenses	<u>\$ 1,352,553</u>	<u>\$ 318,810</u>
Operating Income (Loss)	<u>\$ (160,842)</u>	<u>\$ 0</u>
 <u>Nonoperating Revenues (Expenses)</u>		
Interest on Notes	<u>\$ (1,215)</u>	<u>\$ 0</u>
Total Nonoperating Revenues (Expenses)	<u>\$ (1,215)</u>	<u>\$ 0</u>
Change in Net Position	\$ (162,057)	\$ 0
Net Position, June 30, 2015	<u>1,090,537</u>	<u>0</u>
Net Position, June 30, 2016	<u><u>\$ 928,480</u></u>	<u><u>\$ 0</u></u>

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

Exhibit D-3

White County, Tennessee  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2016

	Business-type Activities - <u>Enterprise Fund</u> Solid Waste Disposal Fund	Governmental Activities - <u>Internal Service Fund</u> Central Service Fund
<u>Cash Flows from Operating Activities</u>		
Receipts from Customers and Users	\$ 1,184,489	\$ 318,810
Payments to Vendors	(462,915)	(318,685)
Payments to Employees	(510,875)	0
Other Payments	(11,719)	(125)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 198,980</u>	<u>\$ 0</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Principal Paid on Capital Outlay Notes	\$ (104,163)	\$ 0
Interest Paid on Capital Outlay Notes	(1,215)	0
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (105,378)</u>	<u>\$ 0</u>
Net Increase (Decrease) in Cash	\$ 93,602	\$ 0
Cash, July 1, 2015	<u>642,048</u>	<u>0</u>
Cash, June 30, 2016	<u><u>\$ 735,650</u></u>	<u><u>\$ 0</u></u>
<u>Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>		
Operating Income (Loss)	\$ (160,842)	\$ 0
Adjustment to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:		
Net Change in Pension Related Deferred Inflows and Outflows	(44,119)	0
Depreciation	94,990	0
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(7,717)	0
(Increase) Decrease in Due From Other Funds	900	0
(Increase) Decrease in Due From Other Governments	(405)	0
Increase (Decrease) in Net Pension Liability	31,138	0
Increase (Decrease) in Accounts Payable	24,366	0
Increase (Decrease) in Due to State of Tennessee	4,906	0
Increase (Decrease) in Landfill Closure/Postclosure Care Costs	<u>255,763</u>	<u>0</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 198,980</u></u>	<u><u>\$ 0</u></u>
<u>Reconciliation of Cash With the Statement of Net Position</u>		
Cash Per Net Position	\$ 92,406	\$ 0
Equity in Pooled Cash and Investments Per Net Position	<u>643,244</u>	<u>0</u>
Cash, June 30, 2016	<u><u>\$ 735,650</u></u>	<u><u>\$ 0</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 478,870
Accounts Receivable	7,927
Due from Other Governments	<u>294,008</u>
Total Assets	<u>\$ 780,805</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 294,008
Due to Litigants, Heirs, and Others	<u>486,797</u>
Total Liabilities	<u>\$ 780,805</u>

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

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**WHITE COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

White 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 White County:

**A. Reporting Entity**

White County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present White County (the primary government) and its component units. The financial statements of the White County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission is not material to the opinion unit and will not affect our opinion thereon. 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 White County School Department operates the public school system in the county, and the voters of White 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 White County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of White County, and the White 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 White County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The White 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 White County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

White County Emergency  
Communications District  
403 Mose Drive  
P.O. Box 911  
Sparta, TN 38583

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

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

White County issues all debt for the discretely presented White 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, proprietary funds (internal service and enterprise), and fiduciary funds. The internal service fund is reported with the governmental activities in the

government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

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

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

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

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

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

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

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

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

White 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.

White County reports the following major proprietary fund:

**Solid Waste Disposal Fund** – This fund accounts for the county’s solid waste landfill operations.

Additionally, White County reports the following fund types:

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

**Internal Service Fund** – The Central Service Fund is used to account for transactions of the county’s centralized fuel distribution facility.

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

however, use the accrual basis of accounting to recognize receivables and payables.

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

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

Additionally, White County reports the following fund types:

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

**Capital Projects Fund** – The Education Capital Projects Fund is used to account for funds transferred from the General Purpose School Fund to be used for building construction and renovation.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has two proprietary funds, a major enterprise fund used to account for the operations of the county's landfill and an internal service fund used to account for the transactions at the county's central fuel distribution facility. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's proprietary funds are charges for services.

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

**1. Deposits and Investments**

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

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

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

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

## **2. Receivables and Payables**

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

Notes receivable in the Industrial/Economic Development Fund represent loans made by the county to local industries in the current and prior years and are included in the restricted fund balance.

All ambulance service, solid waste, and property taxes receivables are shown with an allowance for uncollectibles. Ambulance and solid waste receivables allowances for uncollectibles are based on historical collection data. The allowance for uncollectible property taxes is equal to 1.55 percent of total taxes levied.

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

estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

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

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

Most payables are disaggregated on the face of the financial statements.

Retainage payable in the discretely presented White County School Department's General Purpose School and Education Capital Projects funds represents amounts withheld from payments made on respective contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the General Purpose School and Education Capital Projects funds.

### **3. Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$20,000 or more and an estimated useful life exceeding five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 40
Other Capital Assets	5 - 15
Infrastructure:	
Roads	40

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

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

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

**5. Compensated Absences**

It is the county’s policy not to allow for the accumulation of unused vacation days beyond year-end.

County employees may accumulate up to 60 days of sick leave. The granting of sick leave generally has no guaranteed payment attached and is not required to be accrued or recorded. However, county policy allows employees who retire with 30 years of continuous service to

receive payment for 100 percent of their accumulated sick days based on their ending daily wage. The county did not determine and record the dollar value of these guaranteed payments for sick leave. Dollar values for compensated absences should be reported in the government-wide statements; however, due to the limited terms under which payment will be required for this leave, the amount would be immaterial to the financial statements of White County.

The general policy of the discretely presented School Department does not allow for the accumulation of vacation days beyond year-end for non-professional personnel. Professional personnel (teachers) receive two vacation days per year, which they are allowed to accumulate beyond year-end. Vacation pay is accrued when incurred in the government-wide financial statements for the discretely presented School Department.

The School Department's policy allows employees to accumulate sick days at varying rates depending upon their position. All professional personnel (teachers) of the School Department are allowed to accumulate unlimited sick leave days. The granting of sick leave for professional personnel has no guaranteed payment attached and therefore is not required to be accrued or recorded. Nonteaching personnel may accumulate up to 60 days sick leave. Based on their daily wage, nonteaching personnel resigning or retiring with ten or more years of service are paid for 50 percent of their accumulated sick leave, while those resigning or retiring with 30 or more years of service receive 100 percent of their accumulated sick leave. All sick days for nonteaching personnel are accrued when incurred in the government-wide statements for the School Department.

A liability for vacation leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Vested or accumulated vacation leave is accrued when incurred in proprietary funds using the accrual basis of accounting. White County's proprietary fund did not have a policy for accruing vested or accumulated vacation leave when it was incurred. However, these amounts would be immaterial to the financial statements of White County.

## **6. Long-term Obligations**

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance

costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

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

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

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

As of June 30, 2016, White County had \$2,859,950 in outstanding debt for capital purposes for the discretely presented White County School Department. This debt is a liability of White County; however, the

capital assets acquired are reported in the financial statements of the School Department. Therefore, White 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 Financial Management Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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

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

**8. Minimum Fund Balance Policy**

According to the policies and procedures manual for White County Government, each of the county's funds strives to maintain a minimum fund balance of no less than ten percent of its total appropriations.

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

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

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

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the discretely presented White County School Department's Education Capital Projects Fund, which adopts a project length budget. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be

sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

At June 30, 2016, the White County School Department reported the following significant encumbrances:

Funds	Description	Amount
School Department:		
Major Fund:		
General Purpose School	Building Improvements	\$ 301,948
"	Network Cabling	17,502
"	WCHS Career Academy	1,162,692
"	Equipment	34,940
"	Maintenance of Equipment	19,581

**B. Net Position Deficit**

The Solid Waste Disposal Fund had a deficit of \$691,629 in unrestricted net position at June 30, 2016. This deficit resulted from the recognition of a liability of \$1,502,853 in the financial statements for costs associated with closing the county's landfill and monitoring the landfill for 30 years after closure.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

White County and the White 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, White County had the following investment carried at amortized cost, which approximates fair value level 1 within the fair value hierarchy established by generally accepted accounting principles. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for White County and the discretely presented White County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturity	Amortized Cost
State Treasurer's Investment Pool	4 to 117	N/A	\$ 14,666,715

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

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

**B. Notes Receivable**

Notes receivable of \$406,779 in the Industrial/Economic Development Fund resulted from loans issued by the county to local industries in the current and prior years.

**C. Capital Assets**

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

## Primary Government

### Governmental Activities:

	Balance 7-1-15	Increases	Balance 6-30-16
	<hr/>		<hr/>
Capital Assets			
Not Depreciated:			
Land	\$ 1,004,978	\$ 222,387	\$ 1,227,365
Total Capital Assets	<hr/>		<hr/>
Not Depreciated	\$ 1,004,978	\$ 222,387	\$ 1,227,365
	<hr/>		<hr/>
Capital Assets			
Depreciated:			
Buildings and			
Improvements	\$ 11,500,126	\$ 586,183	\$ 12,086,309
Infrastructure	7,995,289	544,615	8,539,904
Other Capital Assets	3,563,662	624,311	4,187,973
Total Capital Assets	<hr/>		<hr/>
Depreciated	\$ 23,059,077	\$ 1,755,109	\$ 24,814,186
	<hr/>		<hr/>
Less Accumulated			
Depreciation For:			
Buildings and			
Improvements	\$ 4,394,991	\$ 263,130	\$ 4,658,121
Infrastructure	1,212,845	203,313	1,416,158
Other Capital Assets	2,601,458	188,554	2,790,012
Total Accumulated	<hr/>		<hr/>
Depreciation	\$ 8,209,294	\$ 654,997	\$ 8,864,291
	<hr/>		<hr/>
Total Capital Assets			
Depreciated, Net	\$ 14,849,783	\$ 1,100,112	\$ 15,949,895
	<hr/>		<hr/>
Governmental Activities			
Capital Assets, Net	\$ 15,854,761	\$ 1,322,499	\$ 17,177,260
	<hr/>		<hr/>

There were no decreases in capital assets to report during the year ended June 30, 2016.

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

**Governmental Activities:**

General Government	\$ 289,872
Public Safety	56,020
Public Health and Welfare	68,223
Highways/Public Works	<u>240,882</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 654,997</u></u>

**Business-type Activities:**

	Balance 7-1-15	Increases	Balance 6-30-16
Capital Assets			
Not Depreciated:			
Land	\$ 596,203	\$ 0	\$ 596,203
Total Capital Assets Not Depreciated	<u>\$ 596,203</u>	<u>\$ 0</u>	<u>\$ 596,203</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 1,829,736	\$ 0	\$ 1,829,736
Other Capital Assets	1,525,130	0	1,525,130
Total Capital Assets Depreciated	<u>\$ 3,354,866</u>	<u>\$ 0</u>	<u>\$ 3,354,866</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 1,053,356	\$ 35,993	\$ 1,089,349
Other Capital Assets	1,182,614	58,997	1,241,611
Total Accumulated Depreciation	<u>\$ 2,235,970</u>	<u>\$ 94,990</u>	<u>\$ 2,330,960</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,118,896</u>	<u>\$ (94,990)</u>	<u>\$ 1,023,906</u>
Business-type Activities Capital Assets, Net	<u><u>\$ 1,715,099</u></u>	<u><u>\$ (94,990)</u></u>	<u><u>\$ 1,620,109</u></u>

The business-type activities had no decreases in capital assets to report during the year ended June 30, 2016.

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

**Business-type Activities:**

Public Health and Welfare	\$ 94,990
Total Depreciation Expense - Business-type Activities	<u>\$ 94,990</u>

**Discretely Presented White County School Department**

Governmental Activities:

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Capital Assets Not Depreciated:				
Land	\$ 1,411,392	\$ 0	\$ 0	\$ 1,411,392
Construction in Progress	2,634,651	3,400,470	0	6,035,121
Total Capital Assets Not Depreciated	<u>\$ 4,046,043</u>	<u>\$ 3,400,470</u>	<u>\$ 0</u>	<u>\$ 7,446,513</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 29,942,125	\$ 0	\$ (84,682)	\$ 29,857,443
Other Capital Assets	2,470,661	78,500	0	2,549,161
Total Capital Assets Depreciated	<u>\$ 32,412,786</u>	<u>\$ 78,500</u>	<u>\$ (84,682)</u>	<u>\$ 32,406,604</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 12,047,932	\$ 712,906	\$ (33,477)	\$ 12,727,361
Other Capital Assets	1,431,263	142,661	0	1,573,924
Total Accumulated Depreciation	<u>\$ 13,479,195</u>	<u>\$ 855,567</u>	<u>\$ (33,477)</u>	<u>\$ 14,301,285</u>
Total Capital Assets Depreciated, Net	<u>\$ 18,933,591</u>	<u>\$ (777,067)</u>	<u>\$ (51,205)</u>	<u>\$ 18,105,319</u>
Governmental Activities Capital Assets, Net	<u>\$ 22,979,634</u>	<u>\$ 2,623,403</u>	<u>\$ (51,205)</u>	<u>\$ 25,551,832</u>

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

**Governmental Activities:**

Instruction	\$	715,356
Support Services		140,211
Total Depreciation Expense - Governmental Activities	\$	<u>855,567</u>

**D. Construction Commitments**

At June 30, 2016, the School Department had uncompleted construction contracts for renovations at the White County High Career Academy (\$1,028,174) and Cassville Elementary School (\$225,141). Funding has been received for these future expenditures.

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

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

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General	Nonmajor governmental	\$ 9,566
Discretely Presented School Department: Nonmajor governmental	General Purpose School	11,602

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

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component Unit: School Department: General Purpose School	Primary Government: General Debt Service	\$ 34,606

**Interfund Transfers:**

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

**Primary Government**

	<u>Transfer In</u> General Fund
Transfer Out	
Highway/Public Works Fund	\$ 86,000

**Discretely Presented White County School Department**

	<u>Transfer In</u> General Purpose School Fund
Transfer Out	
Nonmajor governmental funds	\$ 20,468

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.

**F. Long-term Obligations**

**Primary Government**

**General Obligation Bonds and Notes**

White 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 loans. Capital outlay notes are 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 outstanding were issued for original terms of up to 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2016, will be retired from the General Debt Service Fund.

General obligation bonds 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 Bond	4 to 4.4	%	6-15-25	\$ 1,000,000	\$ 560,000
General Obligation Bonds - Refunding	3.85 to 4.24		6-1-20	13,295,000	5,045,000

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2017	\$ 1,240,000	\$ 235,723	\$ 1,475,723
2018	1,290,000	185,028	1,475,028
2019	1,340,000	131,390	1,471,390
2020	1,400,000	74,640	1,474,640
2021	60,000	14,520	74,520
2022-2025	275,000	30,825	305,825
Total	\$ 5,605,000	\$ 672,126	\$ 6,277,126

There is \$381,384 available in the General Debt Service Fund to service long-term debt. Debt per capita for the bonds totaled \$217, based on the 2010 federal census.

#### Changes in Long-term Obligations

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

#### Governmental Activities:

	Bonds	Net Pension Liability - Agent Plan*
Balance, July 1, 2015	\$ 6,795,000	\$ (324,396)
Additions	0	1,261,844
Reductions	(1,190,000)	(564,666)
Balance, June 30, 2016	\$ 5,605,000	\$ 372,782
Balance Due Within One Year	\$ 1,240,000	\$ 0

\* At July 1, 2015, the agent plan had a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 5,977,782
Less: Balance Due Within One Year	<u>(1,240,000)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,737,782</u>

**White County Solid Waste Disposal Fund (enterprise fund)**

Changes in Long-term Obligations

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2016, was as follows:

Business-type Activities:

	Note	Closure/ Postclosure Care Costs	Net Pension Liability - Agent Plan*
Balance, July 1, 2015	\$ 104,163	\$ 1,247,090	\$ (14,470)
Additions	0	255,763	56,422
Reductions	<u>(104,163)</u>	<u>0</u>	<u>(25,284)</u>
Balance, June 30, 2016	<u>\$ 0</u>	<u>\$ 1,502,853</u>	<u>\$ 16,668</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 70,594</u>	<u>\$ 0</u>

\* At July 1, 2015, the agent plan had a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 1,519,521
Less: Balance Due Within One Year	<u>(70,594)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,448,927</u>

**Discretely Presented White County School Department**

Changes in Long-term Obligations

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

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits	Net Pension Liability*
Balance, July 1, 2015	\$ 253,681	\$ 395,287	\$ (349,008)
Additions	93,457	260,940	2,756,820
Reductions	(70,170)	(210,079)	(1,998,512)
Balance, June 30, 2016	<u>\$ 276,968</u>	<u>\$ 446,148</u>	<u>\$ 409,300</u>
Balance Due Within One Year	<u>\$ 93,457</u>	<u>\$ 0</u>	<u>\$ 0</u>

\* At July 1, 2015, the School Department's Cost-sharing Legacy Plan and non-certified portion of the Agent Plan had asset balances of \$61,505 and \$287,503, respectively.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 1,132,416
Less: Balance Due Within One Year	<u>(93,457)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,038,959</u>

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

**G. On-Behalf Payments**

**Discretely Presented White County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the White 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 \$107,059 and \$38,388, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

## V. OTHER INFORMATION

### A. Risk Management

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

White County offers its general government employees a select benefits limited health plan purchased through a commercial carrier. This is a fully insured fixed rate limited plan in which all employees are eligible to participate; however, pre-65 age retirees are not allowed to remain on the program. Settled claims have not exceeded this commercial coverage.

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, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

### B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 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 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*; Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; 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 31, 2016, Paytina Miller left the Office of Assessor of Property and was succeeded by Earl (Junior) Jones.

**D. Contingent Liabilities**

The attorney representing White County stated that the county is currently involved in lawsuits alleging civil rights violations. The county's insurance company is defending the suit; however, the insurance policy does not provide funding for judgments resulting from certain causes of action against individuals who violate certain statutes involving a denial of a person's civil rights.

On August 5, 2016, Sheriff Oddie Shoupe filed a salary lawsuit against the county seeking funding for additional personnel, training, equipment, and vehicles. The county has no applicable insurance coverage for this suit and will ultimately bear any expenses associated with this litigation.

The attorney for the county and the School Department was not aware of any other pending or threatened litigation wherein the county has any liability exposure other than what might be covered by insurance.

**E. Change in Administration**

On May 31, 2016, Sandra Crouch left the Office of Director of Schools and was succeeded by Kurt Dronebarger.

**F. Landfill Closure and Postclosure Care Costs**

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

State and federal laws and regulations require White County to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,502,853 reported as landfill closure and postclosure care liability at June 30, 2016, represents the cumulative amount reported to date based on the use of 88 percent of the estimated capacity of the landfill. The county will recognize the remaining estimated costs of \$204,935 for closure and postclosure care as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**G. Joint Ventures**

The Upper Cumberland Regional Airport was established as a joint venture between White County, Putnam County, the City of Cookeville, and the City of Sparta. The Upper Cumberland Regional Airport operates the regional airport for the two-county area. The five-member board of the airport is comprised of one member appointed by each of the four participating governments with the fifth member of the board being the chief executive of one of the participating governments. This fifth board position serves a one-year term and rotates among the four participating governments in a prescribed order. Each participant retains a 25 percent ownership in the airport. White County contributed \$28,000 to the Upper Cumberland Regional Airport for the year ended June 30, 2016.

The Thirteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Thirteenth Judicial District, Clay, Cumberland, DeKalb, Overton, Pickett, Putnam, and Overton counties, and participating municipalities within the district. 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. White County did not make appropriations to the DTF for the year ended June 30, 2016.

On June 30, 2011, White County entered into an interlocal agreement with Putnam County and the Cities of Algood, Monterey, and Sparta to provide planning services for the area that were formerly provided by the Regional Planning Offices operated by the State of Tennessee. The Planning Services Executive Committee is comprised of each of the county/city

mayors/executives for the participating entities. Each county/city agreed to an annual contribution for planning services to be administered by the Putnam County Executive in accordance with a budget approved by the Executive Committee. White County contributed \$25,000 for Planning Services for the year ended June 30, 2016.

White County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Upper Cumberland Regional Airport, the DTF, and Planning Services can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Upper Cumberland Regional Airport  
750 Airport Road  
Sparta, TN 38583-8077

Office of District Attorney General  
Thirteenth Judicial District Drug Task Force  
1519A East Spring Street  
Cookeville, TN 38506

Planning Services  
c/o Putnam County Executive  
300 East Spring Street, Room 8  
Cookeville, TN 38501

**H. Jointly Governed Organization**

The Tri-County Railroad Authority was jointly created by White, Coffee, and Warren counties. The Tri-County Railroad Authority's board comprises the county executive/mayor of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity.

**I. Retirement Commitments**

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

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of White County and non-certified employees of the discretely presented White 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 60.61 percent and the non-certified employees of the discretely presented School Department comprise 39.39 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](http://www.treasury.tn.gov/tcrs).

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

*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	221
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	454
Active Employees	410
 Total	 <u><u>1,085</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of their salary. White 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 White County was \$572,790 based on a rate of 5.84 percent of covered payroll. By law, employer contributions are

required to be paid. The TCRS may intercept White County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (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)**

White 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

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 White 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	\$ 18,633,639	\$ 19,260,008	\$ (626,369)
Changes for the year:			
Service Cost	\$ 680,416	\$ 0	\$ 680,416
Interest	1,412,792	0	1,412,792
Differences Between Expected and Actual Experience	811,882	0	811,882
Contributions-Employer	0	572,790	(572,790)
Contributions-Employees	0	490,562	(490,562)
Net Investment Income	0	593,290	(593,290)
Benefit Payments, Including Refunds of Employee Contributions	(953,655)	(953,655)	0
Administrative Expense	0	(20,473)	20,473
Other Changes	0	0	0
Net Changes	\$ 1,951,435	\$ 682,514	\$ 1,268,921
Balance, June 30, 2015	\$ 20,585,074	\$ 19,942,522	\$ 642,552

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government 60.61%	\$ 12,476,613	\$ 12,087,163	\$ 389,451
School Department 39.39%	8,108,461	7,855,359	253,101
Total	\$ 20,585,074	\$ 19,942,522	\$ 642,552

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

White County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 3,160,875	\$ 642,552	\$ (1,460,154)

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

*Pension Expense.* For the year ended June 30, 2016, White County recognized pension expense of \$42,954.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, White 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	\$ 649,506	\$ 500,468
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	683,646	896,345
Contributions Subsequent to the Measurement Date of June 30, 2015 (1)	593,171	N/A
Total	\$ 1,926,323	\$ 1,396,813

- (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	\$ 1,169,639	\$ 846,608
School Department	756,684	550,205
Total	<u>\$ 1,926,323</u>	<u>\$ 1,396,813</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	\$ (132,318)
2018	(132,318)
2019	(132,318)
2020	333,287
2021	0
Thereafter	0

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

**Discretely Presented White County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of White County and non-certified employees of the discretely presented White 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 60.61 percent and the non-certified employees of the discretely present School Department comprise 39.39 percent of the plan based on contribution data.

## **Certified Employees**

### **Teacher Retirement Plan**

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

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

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members 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 \$21,400, 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, White County School Department reported an asset of \$2,507 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. White County School Department's proportion of the net pension asset was based on the White 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, White County School Department's proportion was .062286 percent.

*Pension Expense.* For the year ended June 30, 2016, White County School Department's recognized pension expense of \$3,284.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, the White 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	\$ 0	\$ 816
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	203	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	<u>21,400</u>	N/A
Total	<u>\$ 21,603</u>	<u>\$ 816</u>

The White County School Department's employer contributions of \$21,400, 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	\$ (17)
2018	(17)
2019	(17)
2020	(17)
2021	(68)
Thereafter	(476)

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 some included 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 White 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 White 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	\$ 444	\$ (2,507)	\$ (4,669)

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

### **Teacher Legacy Pension Plan**

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

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

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

adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. 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 White County School Department for the year ended June 30, 2016, to the Teacher Legacy Pension Plan were \$1,274,463, 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 Liability (Assets).* At June 30, 2016, the White County School Department reported a liability of \$156,199 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The White County School Department's proportion of the net pension liability (asset) was based on the White 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 White County School Department's proportion was .381314 percent. The proportion measured at June 30, 2014, was .378504 percent

*Negative Pension Expense.* For the year ended June 30, 2016, the White County School Department recognized negative pension expense of \$122,372.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, the White 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	\$ 125,356	\$ 2,431,264
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,820,469	3,828,940
Changes in Proportion of Net Pension Liability (Asset)	47,505	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	1,274,463	N/A
Total	<u>\$ 4,267,793</u>	<u>\$ 6,260,204</u>

The White County School Department's employer contributions of \$1,274,463 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	\$ (1,022,877)
2018	(1,022,877)
2019	(1,022,877)
2020	253,437
2021	(451,681)
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 adjustment for expected future improvement in life expectancy.

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

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income Real Estate	4.61	8
	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 four factors described above.

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

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the White 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 White 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    \$ 10,649,138    \$ 156,199    \$ (8,530,717)

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

**2. Deferred Compensation**

White County offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 401(k). The White 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 the plan participants. The Section 401(k), 457 and 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k), 457 and 403(b) establish participation, contribution, and withdrawal provisions for the plans.

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

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan

develops a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The White County School Department provides postretirement benefits, in accordance with contract provisions, to certified employees who retire from the School Department. The School Department pays each retiree \$1,500 per year until the retiree is eligible for Medicare. This benefit is available to employees who retired after July 1, 1998, with a minimum of 30 years' service. During the year examined, approximately 43 retirees met those eligibility requirements, and the School Department contributed a total of \$210,079 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 261,000
Interest on the NOPEBO	14,823
Adjustment to the ARC	(14,883)
Annual OPEB cost	\$ 260,940
Amount of contribution	(210,079)
Increase/decrease in NOPEBO	\$ 50,861
Net OPEB obligation, 7-1-15	<hr/> 395,287 <hr/>
Net OPEB obligation, 6-30-16	<hr/> \$ 446,148 <hr/>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-14	Local Education Group	\$ 188,497	146	% \$ 395,384
6-30-15	"	195,408	100	395,287
6-30-16	"	260,940	81	446,148

### Funded Status and Funding Progress

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

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-15
Actuarial accrued liability (AAL)	\$ 2,714,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 2,714,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 18,750,914
UAAL as a % of covered payroll	14%

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 Group Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual healthcare 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. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

**K. Office of Central Accounting and Budgeting**

Office of Director of Finance

White 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.

**L. Purchasing Law**

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

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

White 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  
Last Fiscal Year Ending June 30

	2014	2015
<b>Total Pension Liability (Asset)</b>		
Service Cost	\$ 680,250	\$ 680,416
Interest	1,388,943	1,412,792
Differences Between Actual and Expected Experience	(834,114)	811,882
Benefit Payments, Including Refunds of Employee Contributions	(880,857)	(953,655)
Net Change in Total Pension Liability (Asset)	\$ 354,222	\$ 1,951,435
Total Pension Liability (Asset), Beginning	18,279,417	18,633,639
Total Pension Liability (Asset), Ending (a)	\$ 18,633,639	\$ 20,585,074
<b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 560,956	\$ 572,790
Contributions - Employee	473,464	490,562
Net Investment Income	2,728,560	593,290
Benefit Payments, Including Refunds of Employee Contributions	(880,857)	(953,655)
Administrative Expense	(14,700)	(20,473)
Net Change in Plan Fiduciary Net Position	\$ 2,867,423	\$ 682,514
Plan Fiduciary Net Position, Beginning	16,392,585	19,260,008
Plan Fiduciary Net Position, Ending (b)	\$ 19,260,008	\$ 19,942,522
Net Pension Liability (Asset), Ending (a - b)	\$ (626,369)	\$ 642,552
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.36%	96.88%
Covered Employee Payroll	\$ 9,459,635	\$ 9,808,041
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	6.62%	6.55%

Note: ten-year information will be presented when available.

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

Exhibit F-2

White County, Tennessee  
Schedule of Contributions Based on Participation in the Public  
Employee Pension Plan of TCRS  
Primary Government  
Last Fiscal Year Ending June 30

	2014	2015	2016
Actuarially Determined Contribution	\$ 560,956	\$ 572,790	\$ 593,171
Less Contributions in Relation to the Actuarially Determined Contribution	(560,956)	(572,790)	(593,171)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 9,459,635	\$ 9,782,892	\$ 10,144,151
Contributions as a Percentage of Covered Payroll	5.93%	5.86%	5.85%

Note: ten-year information will be presented when available.

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

Exhibit F-3

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

	<u>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 3,235	\$ 13,375
Less Contributions in Relation to the Contractually Required Contribution	<u>(5,177)</u>	<u>(21,400)</u>
Contribution Deficiency (Excess)	<u>\$ (1,942)</u>	<u>\$ (8,025)</u>
 Covered Payroll	 \$ 129,411	 \$ 535,004
 Contributions as a Percentage of Covered Payroll	 4.00%	 4.00%

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

Exhibit F-4

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

	2014	2015	2016
Contractually Required Contribution	\$ 1,319,234	\$ 1,290,415	\$ 1,274,463
Less Contributions in Relation to the Contractually Required Contribution	(1,319,234)	(1,290,415)	(1,274,463)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 14,856,244	\$ 14,274,469	\$ 14,098,062
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%

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

Exhibit F-5

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

	<u>2016</u>
School Department's Proportion of the Net Pension Asset	0.062286%
School Department's Proportionate Share of the Net Pension Asset	\$ (2,507)
Covered Employee Payroll	\$ 129,411
School Department's Proportionate Share of the Net Pension 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 F-6

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

	2015	2016
School Department's Proportion of the Net Pension Asset	0.378504%	0.381314%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (61,505)	\$ 156,199
Covered Payroll	\$ 14,856,243	\$ 14,274,469
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.414002)%	1.094256%
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 F-7

White County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Discretely Presented White County School Department  
June 30, 2016

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Plan 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>DISCRETELY PRESENTED WHITE</u>							
<u>COUNTY SCHOOL DEPARTMENT</u>							
Local Education	7-1-11	0	3,237	3,237	0	14,343	23 %
"	7-1-13	0	1,985	1,985	0	16,326	12
"	7-1-15	0	2,714	2,714	0	18,751	14

**WHITE 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	6 Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation,
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

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for transactions involving notes receivable from corporations.

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.

## General Debt Service Fund

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

Exhibit G-1

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

	Special Revenue Funds				Debt Service	Total Nonmajor Governmental Funds
	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	Total	Fund General Debt Service	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 9,369	\$ 9,369	\$ 0	\$ 9,369
Equity in Pooled Cash and Investments	182,537	220,983	0	403,520	331,189	734,709
Accounts Receivable	0	0	197	197	0	197
Due from Other Governments	0	0	0	0	159,385	159,385
Property Taxes Receivable	0	0	0	0	497,931	497,931
Allowance for Uncollectible Property Taxes	0	0	0	0	(14,556)	(14,556)
Accrued Interest Receivable	0	0	0	0	4,505	4,505
Notes Receivable - Long-term	406,779	0	0	406,779	0	406,779
Total Assets	\$ 589,316	\$ 220,983	\$ 9,566	\$ 819,865	\$ 978,454	\$ 1,798,319
<u>LIABILITIES</u>						
Due to Other Funds	\$ 0	\$ 0	\$ 9,566	\$ 9,566	\$ 0	\$ 9,566
Due to Component Units	0	0	0	0	34,606	34,606
Due to Litigants, Heirs, and Others	0	4,063	0	4,063	0	4,063
Total Liabilities	\$ 0	\$ 4,063	\$ 9,566	\$ 13,629	\$ 34,606	\$ 48,235
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 464,678	\$ 464,678
Deferred Delinquent Property Taxes	0	0	0	0	18,166	18,166
Other Deferred/Unavailable Revenue	0	0	0	0	79,620	79,620
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 562,464	\$ 562,464

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Debt Service	Total Nonmajor Governmental Funds
	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service Fund	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 216,920	\$ 0	\$ 216,920	\$ 0	\$ 216,920
Restricted for Other Operations	589,316	0	0	589,316	0	589,316
Committed:						
Committed for Debt Service	0	0	0	0	381,384	381,384
Total Fund Balances	\$ 589,316	\$ 216,920	\$ 0	\$ 806,236	\$ 381,384	\$ 1,187,620
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 589,316	\$ 220,983	\$ 9,566	\$ 819,865	\$ 978,454	\$ 1,798,319

Exhibit G-2

White 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			Debt Service	Total Nonmajor Governmental Funds
	Industrial / Economic Development	Drug Control	Total	Fund General Debt Service	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 1,462,045	\$ 1,462,045
Fines, Forfeitures, and Penalties	0	64,466	64,466	0	64,466
Other Local Revenues	6,843	1,481	8,324	68,513	76,837
State of Tennessee	0	0	0	32,091	32,091
Other Governments and Citizens Groups	0	0	0	15,394	15,394
Total Revenues	<u>\$ 6,843</u>	<u>\$ 65,947</u>	<u>\$ 72,790</u>	<u>\$ 1,578,043</u>	<u>\$ 1,650,833</u>
<u>Expenditures</u>					
Current:					
Public Safety	\$ 0	\$ 21,382	\$ 21,382	\$ 0	\$ 21,382
Other Operations	0	413	413	0	413
Debt Service:					
Principal on Debt	0	0	0	1,190,000	1,190,000
Interest on Debt	0	0	0	283,323	283,323
Other Debt Service	0	0	0	22,699	22,699
Total Expenditures	<u>\$ 0</u>	<u>\$ 21,795</u>	<u>\$ 21,795</u>	<u>\$ 1,496,022</u>	<u>\$ 1,517,817</u>
Excess (Deficiency) of Revenues Over Expenditures					
	<u>\$ 6,843</u>	<u>\$ 44,152</u>	<u>\$ 50,995</u>	<u>\$ 82,021</u>	<u>\$ 133,016</u>
Net Change in Fund Balances					
Fund Balance, July 1, 2015	<u>582,473</u>	<u>172,768</u>	<u>755,241</u>	<u>299,363</u>	<u>1,054,604</u>
Fund Balance, June 30, 2016	<u>\$ 589,316</u>	<u>\$ 216,920</u>	<u>\$ 806,236</u>	<u>\$ 381,384</u>	<u>\$ 1,187,620</u>

Exhibit G-3

White County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Industrial/Economic Development Fund  
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 6,843	\$ 6,000	\$ 6,000	\$ 843
Total Revenues	\$ 6,843	\$ 6,000	\$ 6,000	\$ 843
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,843	\$ 6,000	\$ 6,000	\$ 843
Net Change in Fund Balance	\$ 6,843	\$ 6,000	\$ 6,000	\$ 843
Fund Balance, July 1, 2015	582,473	582,473	582,473	0
Fund Balance, June 30, 2016	\$ 589,316	\$ 588,473	\$ 588,473	\$ 843

Exhibit G-4

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 64,466	\$ 0	\$ 64,466	\$ 65,000	\$ 65,000	\$ (534)
Other Local Revenues	1,481	0	1,481	1,000	1,000	481
Total Revenues	<u>\$ 65,947</u>	<u>\$ 0</u>	<u>\$ 65,947</u>	<u>\$ 66,000</u>	<u>\$ 66,000</u>	<u>\$ (53)</u>
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 21,382	\$ 2,149	\$ 23,531	\$ 65,000	\$ 65,000	\$ 41,469
<u>Other Operations</u>						
Miscellaneous	413	0	413	1,000	1,000	587
Total Expenditures	<u>\$ 21,795</u>	<u>\$ 2,149</u>	<u>\$ 23,944</u>	<u>\$ 66,000</u>	<u>\$ 66,000</u>	<u>\$ 42,056</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 44,152</u>	<u>\$ (2,149)</u>	<u>\$ 42,003</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 42,003</u>
Net Change in Fund Balance	\$ 44,152	\$ (2,149)	\$ 42,003	\$ 0	\$ 0	\$ 42,003
Fund Balance, July 1, 2015	<u>172,768</u>	<u>0</u>	<u>172,768</u>	<u>172,768</u>	<u>172,768</u>	<u>0</u>
Fund Balance, June 30, 2016	<u>\$ 216,920</u>	<u>\$ (2,149)</u>	<u>\$ 214,771</u>	<u>\$ 172,768</u>	<u>\$ 172,768</u>	<u>\$ 42,003</u>

Exhibit G-5

White 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	\$ 1,462,045	\$ 1,402,383	\$ 1,402,383	\$ 59,662
Other Local Revenues	68,513	60,000	60,000	8,513
State of Tennessee	32,091	25,000	25,000	7,091
Other Governments and Citizens Groups	15,394	50,000	50,000	(34,606)
Total Revenues	\$ 1,578,043	\$ 1,537,383	\$ 1,537,383	\$ 40,660
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 543,000	\$ 543,000	\$ 543,000	\$ 0
Education	647,000	647,000	647,000	0
<u>Interest on Debt</u>				
General Government	138,921	138,921	138,921	0
Education	144,402	144,402	144,402	0
<u>Other Debt Service</u>				
General Government	22,699	29,000	29,000	6,301
Total Expenditures	\$ 1,496,022	\$ 1,502,323	\$ 1,502,323	\$ 6,301
Excess (Deficiency) of Revenues Over Expenditures	\$ 82,021	\$ 35,060	\$ 35,060	\$ 46,961
Net Change in Fund Balance	\$ 82,021	\$ 35,060	\$ 35,060	\$ 46,961
Fund Balance, July 1, 2015	299,363	299,363	299,363	0
Fund Balance, June 30, 2016	\$ 381,384	\$ 334,423	\$ 334,423	\$ 46,961

# Fiduciary Funds

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

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

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

White 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	\$ 478,870	\$ 478,870
Accounts Receivable	0	7,927	7,927
Due from Other Governments	294,008	0	294,008
Total Assets	<u>\$ 294,008</u>	<u>\$ 486,797</u>	<u>\$ 780,805</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 294,008	\$ 0	\$ 294,008
Due to Litigants, Heirs, and Others	0	486,797	486,797
Total Liabilities	<u>\$ 294,008</u>	<u>\$ 486,797</u>	<u>\$ 780,805</u>

## Exhibit H-2

White 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	\$ 1,784,402	\$ 1,784,402	\$ 0
Due from Other Governments	300,288	294,008	300,288	294,008
Total Assets	\$ 300,288	\$ 2,078,410	\$ 2,084,690	\$ 294,008
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 300,288	\$ 2,078,410	\$ 2,084,690	\$ 294,008
Total Liabilities	\$ 300,288	\$ 2,078,410	\$ 2,084,690	\$ 294,008
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 588,945	\$ 4,794,143	\$ 4,904,218	\$ 478,870
Accounts Receivable	7,672	7,927	7,672	7,927
Total Assets	\$ 596,617	\$ 4,802,070	\$ 4,911,890	\$ 486,797
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 596,617	\$ 4,802,070	\$ 4,911,890	\$ 486,797
Total Liabilities	\$ 596,617	\$ 4,802,070	\$ 4,911,890	\$ 486,797
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 588,945	\$ 4,794,143	\$ 4,904,218	\$ 478,870
Equity in Pooled Cash and Investments	0	1,784,402	1,784,402	0
Accounts Receivable	7,672	7,927	7,672	7,927
Due from Other Governments	300,288	294,008	300,288	294,008
Total Assets	\$ 896,905	\$ 6,880,480	\$ 6,996,580	\$ 780,805
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 300,288	\$ 2,078,410	\$ 2,084,690	\$ 294,008
Due to Litigants, Heirs, and Others	596,617	4,802,070	4,911,890	486,797
Total Liabilities	\$ 896,905	\$ 6,880,480	\$ 6,996,580	\$ 780,805

# White County School Department

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

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

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

White County, Tennessee  
Statement of Activities  
Discretely Presented White 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
<b>Governmental Activities:</b>				
Instruction	\$ 18,270,510	\$ 139,105	\$ 2,142,308	\$ (15,989,097)
Support Services	8,399,410	75,386	0	(8,324,024)
Operation of Non-instructional Services	3,212,574	285,299	2,199,537	(727,738)
<b>Total Governmental Activities</b>	<b>\$ 29,882,494</b>	<b>\$ 499,790</b>	<b>\$ 4,341,845</b>	<b>\$ (25,040,859)</b>
<b>General Revenues:</b>				
<b>Taxes:</b>				
Property Taxes Levied for General Purposes				\$ 3,289,597
Local Option Sales Taxes				1,567,767
Wheel Tax				414,818
Other Local Taxes				4,878
Grants and Contributions Not Restricted to Specific Programs				22,528,057
Unrestricted Investment Earnings				1,177
Miscellaneous				61,233
Pension Income				1,072
<b>Total General Revenues</b>				<b>\$ 27,868,599</b>
Insurance Recovery				\$ 11,028
Change in Net Position				\$ 2,838,768
Net Position, July 1, 2015				40,123,021
Net Position, June 30, 2016				<b>\$ 42,961,789</b>

Exhibit I-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 18,435,973	\$ 2,131,056	\$ 20,567,029
Accounts Receivable	478	562	1,040
Due from Other Governments	377,544	112,558	490,102
Due from Other Funds	0	11,602	11,602
Due from Primary Government	34,606	0	34,606
Property Taxes Receivable	3,394,986	0	3,394,986
Allowance for Uncollectible Property Taxes	(99,246)	0	(99,246)
Total Assets	<u>\$ 22,144,341</u>	<u>\$ 2,255,778</u>	<u>\$ 24,400,119</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 133	\$ 0	\$ 133
Payroll Deductions Payable	412,472	0	412,472
Contracts Payable	344,986	132,525	477,511
Retainage Payable	18,157	6,975	25,132
Due to Other Funds	11,602	0	11,602
Total Liabilities	<u>\$ 787,350</u>	<u>\$ 139,500</u>	<u>\$ 926,850</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,168,258	\$ 0	\$ 3,168,258
Deferred Delinquent Property Taxes	123,860	0	123,860
Other Deferred/Unavailable Revenue	130,966	0	130,966
Total Deferred Inflows of Resources	<u>\$ 3,423,084</u>	<u>\$ 0</u>	<u>\$ 3,423,084</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 26,419	\$ 1,616,278	\$ 1,642,697
Committed:			
Committed for Education	215,289	0	215,289
Assigned:			
Assigned for Education	1,720,043	500,000	2,220,043
Unassigned	15,972,156	0	15,972,156
Total Fund Balances	<u>\$ 17,933,907</u>	<u>\$ 2,116,278</u>	<u>\$ 20,050,185</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,144,341</u>	<u>\$ 2,255,778</u>	<u>\$ 24,400,119</u>

Exhibit I-3

White County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Position  
Discretely Presented White 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)		\$	20,050,185
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,411,392	
Add: construction in progress		6,035,121	
Add: buildings and improvements net of accumulated depreciation		17,130,082	
Add: other capital assets net of accumulated depreciation		<u>975,237</u>	25,551,832
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	\$	(276,968)	
Less: other postemployment benefits liability		(446,148)	
Less: net pension liability - agent plan		(253,101)	
Less: net pension liability - cost-sharing plan		<u>(156,199)</u>	(1,132,416)
(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	\$	5,046,079	
Less: deferred inflows of resources related to pensions		<u>(6,811,224)</u>	(1,765,145)
(4) Net pension assets of the teacher retirement pension plan are not current financial resources and therefore are not reported in the governmental funds.			2,507
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>254,826</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>42,961,789</u></u>

Exhibit I-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 5,332,679	\$ 0	\$ 5,332,679
Licenses and Permits	2,105	0	2,105
Charges for Current Services	154,960	285,299	440,259
Other Local Revenues	171,025	4,802	175,827
State of Tennessee	21,824,253	21,868	21,846,121
Federal Government	72,543	4,805,723	4,878,266
Other Governments and Citizens Groups	34,606	0	34,606
Total Revenues	<u>\$ 27,592,171</u>	<u>\$ 5,117,692</u>	<u>\$ 32,709,863</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 16,622,607	\$ 1,741,595	\$ 18,364,202
Support Services	8,083,051	550,319	8,633,370
Operation of Non-Instructional Services	531,410	2,657,303	3,188,713
Capital Outlay	2,260,600	0	2,260,600
Capital Projects	0	1,638,637	1,638,637
Total Expenditures	<u>\$ 27,497,668</u>	<u>\$ 6,587,854</u>	<u>\$ 34,085,522</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 94,503</u>	<u>\$ (1,470,162)</u>	<u>\$ (1,375,659)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 11,028	\$ 0	\$ 11,028
Transfers In	20,468	0	20,468
Transfers Out	0	(20,468)	(20,468)
Total Other Financing Sources (Uses)	<u>\$ 31,496</u>	<u>\$ (20,468)</u>	<u>\$ 11,028</u>
Net Change in Fund Balances	\$ 125,999	\$ (1,490,630)	\$ (1,364,631)
Fund Balance, July 1, 2015	17,807,908	3,606,908	21,414,816
Fund Balance, June 30, 2016	<u>\$ 17,933,907</u>	<u>\$ 2,116,278</u>	<u>\$ 20,050,185</u>

Exhibit I-5

White County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Discretely Presented White 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)		\$	(1,364,631)
(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	\$	3,478,970	
Less: current-year depreciation expense		<u>(855,567)</u>	2,623,403
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value of capital assets disposed			(51,205)
(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	\$	254,826	
Less: deferred delinquent property taxes and other deferred June 30, 2015		<u>(254,455)</u>	371
(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 other postemployment benefits liability	\$	(50,861)	
Change in compensated absences payable		(23,287)	
Change in net pension asset (liability)		(755,801)	
Change in deferred outflows related to pensions		3,349,523	
Change in deferred inflows related to pensions		<u>(888,744)</u>	<u>1,630,830</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 2,838,768</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 391,095	\$ 1,128,749	\$ 1,519,844	\$ 611,212	\$ 2,131,056
Accounts Receivable	0	562	562	0	562
Due from Other Governments	108,905	3,653	112,558	0	112,558
Due from Other Funds	0	11,602	11,602	0	11,602
Total Assets	<u>\$ 500,000</u>	<u>\$ 1,144,566</u>	<u>\$ 1,644,566</u>	<u>\$ 611,212</u>	<u>\$ 2,255,778</u>
<u>LIABILITIES</u>					
Contracts Payable	\$ 0	\$ 0	\$ 0	\$ 132,525	\$ 132,525
Retainage Payable	0	0	0	6,975	6,975
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 139,500</u>	<u>\$ 139,500</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 0	\$ 1,144,566	\$ 1,144,566	\$ 471,712	\$ 1,616,278
Assigned:					
Assigned for Education	500,000	0	500,000	0	500,000
Total Fund Balances	<u>\$ 500,000</u>	<u>\$ 1,144,566</u>	<u>\$ 1,644,566</u>	<u>\$ 471,712</u>	<u>\$ 2,116,278</u>
Total Liabilities and Fund Balances	<u>\$ 500,000</u>	<u>\$ 1,144,566</u>	<u>\$ 1,644,566</u>	<u>\$ 611,212</u>	<u>\$ 2,255,778</u>

Exhibit I-7

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

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 285,299	\$ 285,299	\$ 0	\$ 285,299
Other Local Revenues	0	4,802	4,802	0	4,802
State of Tennessee	0	21,868	21,868	0	21,868
Federal Government	2,628,054	2,177,669	4,805,723	0	4,805,723
Total Revenues	<u>\$ 2,628,054</u>	<u>\$ 2,489,638</u>	<u>\$ 5,117,692</u>	<u>\$ 0</u>	<u>\$ 5,117,692</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 1,741,595	\$ 0	\$ 1,741,595	\$ 0	\$ 1,741,595
Support Services	550,319	0	550,319	0	550,319
Operation of Non-Instructional Services	315,672	2,341,631	2,657,303	0	2,657,303
Capital Projects	0	0	0	1,638,637	1,638,637
Total Expenditures	<u>\$ 2,607,586</u>	<u>\$ 2,341,631</u>	<u>\$ 4,949,217</u>	<u>\$ 1,638,637</u>	<u>\$ 6,587,854</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 20,468</u>	<u>\$ 148,007</u>	<u>\$ 168,475</u>	<u>\$ (1,638,637)</u>	<u>\$ (1,470,162)</u>
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (20,468)	\$ 0	\$ (20,468)	\$ 0	\$ (20,468)
Total Other Financing Sources (Uses)	<u>\$ (20,468)</u>	<u>\$ 0</u>	<u>\$ (20,468)</u>	<u>\$ 0</u>	<u>\$ (20,468)</u>
Net Change in Fund Balances	\$ 0	\$ 148,007	\$ 148,007	\$ (1,638,637)	\$ (1,490,630)
Fund Balance, July 1, 2015	<u>500,000</u>	<u>996,559</u>	<u>1,496,559</u>	<u>2,110,349</u>	<u>3,606,908</u>
Fund Balance, June 30, 2016	<u>\$ 500,000</u>	<u>\$ 1,144,566</u>	<u>\$ 1,644,566</u>	<u>\$ 471,712</u>	<u>\$ 2,116,278</u>

Exhibit I-8

White County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented White 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	
<u>Revenues</u>							
Local Taxes	\$ 5,332,679	\$ 0	\$ 0	\$ 5,332,679	\$ 5,269,100	\$ 5,269,100	\$ 63,579
Licenses and Permits	2,105	0	0	2,105	2,500	2,500	(395)
Charges for Current Services	154,960	0	0	154,960	160,000	160,000	(5,040)
Other Local Revenues	171,025	0	0	171,025	51,580	53,580	117,445
State of Tennessee	21,824,253	0	0	21,824,253	21,904,414	21,904,414	(80,161)
Federal Government	72,543	0	0	72,543	76,700	76,700	(4,157)
Other Governments and Citizens Groups	34,606	0	0	34,606	0	0	34,606
<b>Total Revenues</b>	<b>\$ 27,592,171</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 27,592,171</b>	<b>\$ 27,464,294</b>	<b>\$ 27,466,294</b>	<b>\$ 125,877</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 14,223,731	\$ (294,601)	\$ 47,650	\$ 13,976,780	\$ 15,215,435	\$ 15,189,455	\$ 1,212,675
Special Education Program	1,742,756	0	0	1,742,756	1,803,655	1,803,655	60,899
Vocational Education Program	656,120	0	0	656,120	702,300	702,300	46,180
<u>Support Services</u>							
Attendance	81,010	0	0	81,010	82,550	82,550	1,540
Health Services	177,863	0	0	177,863	183,195	183,195	5,332
Other Student Support	749,089	0	276	749,365	763,815	793,427	44,062
Regular Instruction Program	729,388	0	555	729,943	806,515	808,515	78,572
Special Education Program	173,874	0	0	173,874	193,040	193,040	19,166
Vocational Education Program	232,087	0	0	232,087	220,870	246,850	14,763
Other Programs	145,447	0	0	145,447	200,000	200,000	54,553
Board of Education	509,752	(1,705)	440	508,487	549,065	549,065	40,578
Director of Schools	157,266	0	210	157,476	165,780	165,780	8,304
Office of the Principal	1,499,425	0	0	1,499,425	1,655,570	1,655,570	156,145
Fiscal Services	146,543	(2,497)	1,254	145,300	155,485	155,485	10,185
Operation of Plant	1,866,476	(30,414)	19,108	1,855,170	2,225,305	2,225,305	370,135
Maintenance of Plant	416,004	(6,597)	19,581	428,988	447,200	447,200	18,212
Transportation	1,198,827	(3,000)	1,131	1,196,958	1,341,240	1,341,240	144,282

(Continued)

Exhibit I-8

White County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented White 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>							
Food Service	\$ 80,336	\$ 0	\$ 0	\$ 80,336	\$ 80,950	\$ 80,950	\$ 614
Community Services	28,468	0	0	28,468	60,592	30,980	2,512
Early Childhood Education	422,606	0	0	422,606	423,331	423,332	726
<u>Capital Outlay</u>							
Regular Capital Outlay	2,260,600	(177,333)	1,482,142	3,565,409	1,679,980	3,679,980	114,571
Total Expenditures	\$ 27,497,668	\$ (516,147)	\$ 1,572,347	\$ 28,553,868	\$ 28,955,873	\$ 30,957,874	\$ 2,404,006
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 94,503	\$ 516,147	\$ (1,572,347)	\$ (961,697)	\$ (1,491,579)	\$ (3,491,580)	\$ 2,529,883
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 11,028	\$ 0	\$ 0	\$ 11,028	\$ 0	\$ 0	\$ 11,028
Transfers In	20,468	0	0	20,468	20,000	20,000	468
Total Other Financing Sources	\$ 31,496	\$ 0	\$ 0	\$ 31,496	\$ 20,000	\$ 20,000	\$ 11,496
Net Change in Fund Balance							
Fund Balance, July 1, 2015	\$ 17,807,908	\$ 516,147	\$ (1,572,347)	\$ (930,201)	\$ (1,471,579)	\$ (3,471,580)	\$ 2,541,379
Fund Balance, June 30, 2016	\$ 17,933,907	\$ 0	\$ (1,572,347)	\$ 16,361,560	\$ 16,336,329	\$ 14,336,328	\$ 2,025,232

## Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,628,054	\$ 2,632,215	\$ 2,875,860	\$ (247,806)
Total Revenues	\$ 2,628,054	\$ 2,632,215	\$ 2,875,860	\$ (247,806)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,107,701	\$ 1,024,198	\$ 1,238,175	\$ 130,474
Special Education Program	578,372	609,741	627,525	49,153
Vocational Education Program	55,522	55,198	56,639	1,117
<u>Support Services</u>				
Other Student Support	22,922	27,248	27,183	4,261
Regular Instruction Program	221,533	238,845	240,073	18,540
Special Education Program	235,725	251,437	258,330	22,605
Vocational Education Program	17,611	22,351	22,351	4,740
Transportation	52,528	58,404	59,794	7,266
<u>Operation of Non-Instructional Services</u>				
Community Services	315,672	324,814	324,814	9,142
Total Expenditures	\$ 2,607,586	\$ 2,612,236	\$ 2,854,884	\$ 247,298
Excess (Deficiency) of Revenues Over Expenditures	\$ 20,468	\$ 19,979	\$ 20,976	\$ (508)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (20,468)	\$ (19,977)	\$ (20,977)	\$ 509
Total Other Financing Sources	\$ (20,468)	\$ (19,977)	\$ (20,977)	\$ 509
Net Change in Fund Balance	\$ 0	\$ 2	\$ (1)	\$ 1
Fund Balance, July 1, 2015	500,000	500,000	500,000	0
Fund Balance, June 30, 2016	\$ 500,000	\$ 500,002	\$ 499,999	\$ 1

Exhibit I-10

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 285,299	\$ 0	\$ 285,299	\$ 293,000	\$ 313,100	\$ (27,801)
Other Local Revenues	4,802	0	4,802	5,000	5,000	(198)
State of Tennessee	21,868	0	21,868	23,000	23,000	(1,132)
Federal Government	2,177,669	0	2,177,669	1,902,000	2,227,000	(49,331)
<b>Total Revenues</b>	<b>\$ 2,489,638</b>	<b>\$ 0</b>	<b>\$ 2,489,638</b>	<b>\$ 2,223,000</b>	<b>\$ 2,568,100</b>	<b>\$ (78,462)</b>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 2,341,631	\$ 22,100	\$ 2,363,731	\$ 2,222,900	\$ 2,568,000	\$ 204,269
<b>Total Expenditures</b>	<b>\$ 2,341,631</b>	<b>\$ 22,100</b>	<b>\$ 2,363,731</b>	<b>\$ 2,222,900</b>	<b>\$ 2,568,000</b>	<b>\$ 204,269</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 148,007	\$ (22,100)	\$ 125,907	\$ 100	\$ 100	\$ 125,807
Net Change in Fund Balance	\$ 148,007	\$ (22,100)	\$ 125,907	\$ 100	\$ 100	\$ 125,807
Fund Balance, July 1, 2015	996,559	0	996,559	996,559	996,559	0
<b>Fund Balance, June 30, 2016</b>	<b>\$ 1,144,566</b>	<b>\$ (22,100)</b>	<b>\$ 1,122,466</b>	<b>\$ 996,659</b>	<b>\$ 996,659</b>	<b>\$ 125,807</b>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

White 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
GOVERNMENTAL ACTIVITIES:							
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Library	1,000,000	4 to 4.4	6-15-05	6-15-25	\$ 610,000	\$ 50,000	\$ 560,000
School Refunding, Series 2008	5,120,000	3.85	9-17-08	6-1-20	2,380,000	440,000	1,940,000
School/Judicial Complex Refunding, Series 2008A	8,175,000	4.24	12-2-08	6-1-20	3,805,000	700,000	3,105,000
Total Bonds Payable					<u>\$ 6,795,000</u>	<u>\$ 1,190,000</u>	<u>\$ 5,605,000</u>
BUSINESS-TYPE ACTIVITIES:							
<u>NOTES PAYABLE</u>							
<u>Payable through Solid Waste Disposal Fund</u>							
Landfill Improvements and Vehicles	1,250,000	4.48	12-1-03	12-1-15	\$ 104,163	\$ 104,163	\$ 0
Total Notes Payable					<u>\$ 104,163</u>	<u>\$ 104,163</u>	<u>\$ 0</u>

Exhibit J-2

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

GOVERNMENTAL ACTIVITIES:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2017	\$ 1,240,000	\$ 235,723	\$ 1,475,723
2018	1,290,000	185,028	1,475,028
2019	1,340,000	131,390	1,471,390
2020	1,400,000	74,640	1,474,640
2021	60,000	14,520	74,520
2022	65,000	11,970	76,970
2023	65,000	9,175	74,175
2024	70,000	6,380	76,380
2025	75,000	3,300	78,300
Total	\$ 5,605,000	\$ 672,126	\$ 6,277,126

Exhibit J-3

White County, Tennessee  
Schedule of Notes Receivable  
For the Year Ended June 30, 2016

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-16
<u>Industrial/Economic Development Fund</u>						
Industrial Development	Edge Trailer, Inc.	\$ 200,000	12-15	12-16	2.5 %	\$ 118,327
"	CLS Molding	40,000	2-11	2-18	2	12,984
"	S&S Screw	90,000	9-10	9-18	2	22,584
"	CLS Molding	51,533	12-13	12-20	2	34,551
"	Jackson Kayak	75,000	3-14	3-21	2	52,027
"	Jackson Kayak	200,000	3-15	3-22	2	<u>166,306</u>
Total						<u>\$ 406,779</u>

Exhibit J-4

White County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented White 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>			
Highway/Public Works	General	Finance Department services	\$ 11,000
"	"	Maintenance garage operations	<u>75,000</u>
Total Transfers Primary Government			<u>\$ 86,000</u>
<u>DISCRETELY PRESENTED WHITE COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 20,468</u>
Total Transfers Discretely Presented White County School Department			<u>\$ 20,468</u>

Exhibit J-5

White County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented White 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	Auto Owners Insurance Company
Road Superintendent	Section 8-24-102, TCA	74,628	100,000	"
Director of Schools: Sandra Crouch (7-1-15 through 5-31-16)	State Board of Education and White County Board of Education	99,600 (1) (2)	50,000	"
Kurt Dronebarger (6-1-16 through 6-30-16)	State Board of Education and White County Board of Education	7,292	100,000	"
Trustee	Section 8-24-102, TCA	67,843	1,016,570	"
Assessor of Property	Section 8-24-102, TCA	67,843	50,000	"
Finance Director	County Commission	67,843	100,000	"
County Clerk	Section 8-24-102, TCA	67,843	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	67,843	100,000	"
Clerk and Master	Section 8-24-102, TCA and Chancery Court Judge	67,843 (3)	100,000	"
Register of Deeds	Section 8-24-102, TCA	67,843	100,000	"
Sheriff	Section 8-24-102, TCA	74,628 (4)	100,000	"
Employee Dishonesty Bond Coverage: General County and Highway Employees			150,000	Tennessee Risk Management Trust
School Department Employees			150,000	"

(1) Includes a chief executive officer training supplement of \$3,000.

(2) Does not include contractually allowed accumulated vacation leave paid at separation of \$8,050.

(3) Does not include special commissioner fees of \$5,890.

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

Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Industrial / Economic Development	Drug Control	Highway / Public Works	General Debt Service	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 4,859,524	\$ 0	\$ 0	\$ 0	\$ 449,207	\$ 5,308,731
Trustee's Collections - Prior Year	163,408	0	0	0	13,204	176,612
Circuit Clerk/Clerk and Master Collections - Prior Years	82,996	0	0	0	6,707	89,703
Interest and Penalty	31,574	0	0	0	2,613	34,187
Payments in-Lieu-of Taxes - T.V.A.	18,360	0	0	0	1,681	20,041
Payments in-Lieu-of Taxes - Other	14,934	0	0	0	1,369	16,303
<u>County Local Option Taxes</u>						
Local Option Sales Tax	379,096	0	0	0	972,792	1,351,888
Hotel/Motel Tax	7,990	0	0	0	7,990	15,980
Wheel Tax	503,708	0	0	69,136	0	572,844
Litigation Tax - General	58,181	0	0	0	0	58,181
Litigation Tax - Special Purpose	45,476	0	0	0	0	45,476
Litigation Tax - Jail, Workhouse, or Courthouse	21,790	0	0	0	0	21,790
Business Tax	214,614	0	0	0	0	214,614
Mineral Severance Tax	0	0	0	40,348	0	40,348
<u>Statutory Local Taxes</u>						
Bank Excise Tax	70,123	0	0	0	6,482	76,605
Wholesale Beer Tax	180,502	0	0	0	0	180,502
Total Local Taxes	\$ 6,652,276	\$ 0	\$ 0	\$ 109,484	\$ 1,462,045	\$ 8,223,805
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 115,073	\$ 0	\$ 0	\$ 0	\$ 0	\$ 115,073
<u>Permits</u>						
Beer Permits	3,477	0	0	0	0	3,477
Total Licenses and Permits	\$ 118,550	\$ 0	\$ 0	\$ 0	\$ 0	\$ 118,550

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Industrial / Economic Development	Drug Control	Highway / Public Works	General Debt Service	
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 14,178	\$ 0	\$ 0	\$ 0	\$ 0	14,178
Officers Costs	9,356	0	0	0	0	9,356
Drug Control Fines	3,973	0	21,368	0	0	25,341
Drug Court Fees	2,694	0	0	0	0	2,694
Jail Fees	641	0	0	0	0	641
DUI Treatment Fines	4,588	0	0	0	0	4,588
Data Entry Fee - Circuit Court	2,046	0	0	0	0	2,046
Courtroom Security Fee	6,283	0	0	0	0	6,283
<u>General Sessions Court</u>						
Fines	15,932	0	0	0	0	15,932
Fines for Littering	2	0	0	0	0	2
Officers Costs	29,633	0	0	0	0	29,633
Game and Fish Fines	1,209	0	0	0	0	1,209
Drug Control Fines	1,141	0	1,617	0	0	2,758
Drug Court Fees	2,526	0	0	0	0	2,526
Jail Fees	5,171	0	0	0	0	5,171
DUI Treatment Fines	2,669	0	0	0	0	2,669
Data Entry Fee - General Sessions Court	10,476	0	0	0	0	10,476
Courtroom Security Fee	42,094	0	0	0	0	42,094
<u>Juvenile Court</u>						
Drug Court Fees	1,368	0	0	0	0	1,368
<u>Chancery Court</u>						
Officers Costs	3,150	0	0	0	0	3,150
Data Entry Fee - Chancery Court	4,934	0	0	0	0	4,934
Courtroom Security Fee	4,726	0	0	0	0	4,726

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Industrial / Economic Development	Drug Control	Highway / Public Works	General Debt Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	\$ 8,427	\$ 0	\$ 41,481	\$ 0	\$ 0	\$ 49,908
Other Fines, Forfeitures, and Penalties	8,281	0	0	0	0	8,281
Total Fines, Forfeitures, and Penalties	\$ 185,498	\$ 0	\$ 64,466	\$ 0	\$ 0	\$ 249,964
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 1,331,434	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,331,434
Other General Service Charges	758	0	0	0	0	758
Service Charges	82,224	0	0	6,418	0	88,642
<u>Fees</u>						
Library Fees	7,072	0	0	0	0	7,072
Telephone Commissions	39,686	0	0	0	0	39,686
Data Processing Fee - Register	8,068	0	0	0	0	8,068
Data Processing Fee - Sheriff	3,118	0	0	0	0	3,118
Sexual Offender Registration Fee - Sheriff	3,500	0	0	0	0	3,500
Data Processing Fee - County Clerk	3,191	0	0	0	0	3,191
Total Charges for Current Services	\$ 1,479,051	\$ 0	\$ 0	\$ 6,418	\$ 0	\$ 1,485,469
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 6,843	\$ 0	\$ 0	\$ 68,513	\$ 75,356
Sale of Materials and Supplies	892	0	0	0	0	892
Commissary Sales	45,718	0	0	0	0	45,718
Sale of Recycled Materials	521	0	0	0	0	521
Sale of Animals/Livestock	9,930	0	0	0	0	9,930
Miscellaneous Refunds	27,171	0	0	29,637	0	56,808

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Industrial / Economic Development	Drug Control	Highway / Public Works	General Debt Service	
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 17,072	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,072
Damages Recovered from Individuals	4,883	0	1,481	0	0	6,364
Contributions and Gifts	2,646	0	0	0	0	2,646
<b>Total Other Local Revenues</b>	<b>\$ 108,833</b>	<b>\$ 6,843</b>	<b>\$ 1,481</b>	<b>\$ 29,637</b>	<b>\$ 68,513</b>	<b>\$ 215,307</b>
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 259,479	\$ 0	\$ 0	\$ 0	\$ 0	\$ 259,479
Circuit Court Clerk	117,549	0	0	0	0	117,549
General Sessions Court Clerk	172,352	0	0	0	0	172,352
Clerk and Master	78,549	0	0	0	0	78,549
Register	96,986	0	0	0	0	96,986
Sheriff	18,881	0	0	0	0	18,881
Trustee	339,196	0	0	0	0	339,196
<b>Total Fees Received From County Officials</b>	<b>\$ 1,082,992</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,082,992</b>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Other General Government Grants	10,000	0	0	0	0	10,000
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	15,600	0	0	0	0	15,600
Drug Control Grants	49,910	0	0	0	0	49,910
<u>Health and Welfare Grants</u>						
Health Department Programs	128,168	0	0	0	0	128,168

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Industrial / Economic Development	Drug Control	Highway / Public Works	General Debt Service	
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
State Aid Program	\$ 0	\$ 0	\$ 0	\$ 179,031	\$ 0	\$ 179,031
Litter Program	23,551	0	0	0	0	23,551
<u>Other State Revenues</u>						
Flood Control	1,401	0	0	0	0	1,401
Income Tax	96,259	0	0	0	0	96,259
Beer Tax	18,488	0	0	0	0	18,488
Vehicle Certificate of Title Fees	6,675	0	0	0	0	6,675
Alcoholic Beverage Tax	54,668	0	0	0	0	54,668
State Revenue Sharing - T.V.A.	347,159	0	0	0	32,091	379,250
Contracted Prisoner Boarding	526,860	0	0	0	0	526,860
Gasoline and Motor Fuel Tax	0	0	0	1,688,561	0	1,688,561
Petroleum Special Tax	0	0	0	18,645	0	18,645
Registrar's Salary Supplement	15,164	0	0	0	0	15,164
Other State Grants	215,803	0	0	5,601	0	221,404
Other State Revenues	62,724	0	0	0	0	62,724
Total State of Tennessee	\$ 1,581,430	\$ 0	\$ 0	\$ 1,891,838	\$ 32,091	\$ 3,505,359
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 257,260	\$ 0	\$ 0	\$ 0	\$ 0	\$ 257,260
Disaster Relief	1,202,950	0	0	45,793	0	1,248,743
Law Enforcement Grants	38,736	0	0	0	0	38,736
Other Federal through State	3,744	0	0	0	0	3,744
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	25,358	0	0	8,048	0	33,406
Total Federal Government	\$ 1,528,048	\$ 0	\$ 0	\$ 53,841	\$ 0	\$ 1,581,889

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Industrial / Economic Development	Drug Control	Highway / Public Works	General Debt Service	
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 6,000	\$ 0	\$ 0	\$ 0	\$ 15,394	\$ 21,394
Contracted Services	47,613	0	0	0	0	47,613
<u>Citizens Groups</u>						
Donations	21,380	0	0	0	0	21,380
Total Other Governments and Citizens Groups	<u>\$ 74,993</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,394</u>	<u>\$ 90,387</u>
Total	<u>\$ 12,811,671</u>	<u>\$ 6,843</u>	<u>\$ 65,947</u>	<u>\$ 2,091,218</u>	<u>\$ 1,578,043</u>	<u>\$ 16,553,722</u>

Exhibit J-7

White County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented White 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	\$ 3,062,732	\$ 0	\$ 0	\$ 3,062,732
Trustee's Collections - Prior Year	128,746	0	0	128,746
Circuit Clerk/Clerk and Master Collections - Prior Years	65,391	0	0	65,391
Interest and Penalty	24,041	0	0	24,041
Payments in-Lieu-of Taxes - T.V.A.	11,795	0	0	11,795
Payments in-Lieu-of Taxes - Other	9,567	0	0	9,567
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,566,516	0	0	1,566,516
Wheel Tax	414,818	0	0	414,818
Mixed Drink Tax	1,010	0	0	1,010
<u>Statutory Local Taxes</u>				
Bank Excise Tax	44,195	0	0	44,195
Interstate Telecommunications Tax	3,868	0	0	3,868
Total Local Taxes	<u>\$ 5,332,679</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,332,679</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,919	\$ 0	\$ 0	\$ 1,919
<u>Permits</u>				
Other Permits	186	0	0	186
Total Licenses and Permits	<u>\$ 2,105</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,105</u>

(Continued)

Exhibit J-7

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 71,076	\$ 71,076
Lunch Payments - Adults	0	0	44,793	44,793
Income from Breakfast	0	0	15,051	15,051
A la Carte Sales	0	0	154,379	154,379
Contract for Instructional Services with Other LEA's	74,700	0	0	74,700
Receipts from Individual Schools	79,760	0	0	79,760
Other Charges for Services	500	0	0	500
Total Charges for Current Services	<u>\$ 154,960</u>	<u>\$ 0</u>	<u>\$ 285,299</u>	<u>\$ 440,259</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 1,177	\$ 1,177
Lease/Rentals	31,680	0	0	31,680
E-Rate Funding	59,345	0	0	59,345
Commodity Rebates	0	0	3,002	3,002
Miscellaneous Refunds	16,013	0	623	16,636
<u>Nonrecurring Items</u>				
Sale of Equipment	1,072	0	0	1,072
Damages Recovered from Individuals	195	0	0	195
Contributions and Gifts	53,000	0	0	53,000
<u>Other Local Revenues</u>				
Other Local Revenues	9,720	0	0	9,720
Total Other Local Revenues	<u>\$ 171,025</u>	<u>\$ 0</u>	<u>\$ 4,802</u>	<u>\$ 175,827</u>

(Continued)

Exhibit J-7

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 145,447	\$ 0	\$ 0	\$ 145,447
<u>State Education Funds</u>				
Basic Education Program	20,700,000	0	0	20,700,000
Early Childhood Education	408,616	0	0	408,616
School Food Service	0	0	21,868	21,868
Other State Education Funds	248,873	0	0	248,873
Career Ladder Program	99,457	0	0	99,457
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	218,798	0	0	218,798
Other State Grants	3,062	0	0	3,062
Total State of Tennessee	<u>\$ 21,824,253</u>	<u>\$ 0</u>	<u>\$ 21,868</u>	<u>\$ 21,846,121</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,325,127	\$ 1,325,127
USDA - Commodities	0	0	131,780	131,780
Breakfast	0	0	683,978	683,978
USDA - Other	0	0	36,784	36,784
Vocational Education - Basic Grants to States	0	82,940	0	82,940
Title I Grants to Local Education Agencies	0	1,089,734	0	1,089,734
Special Education - Grants to States	0	848,987	0	848,987
Special Education Preschool Grants	0	25,345	0	25,345
Rural Education	0	76,702	0	76,702
Eisenhower Professional Development State Grants	0	168,048	0	168,048

(Continued)

Exhibit J-7

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Federal Government (Cont.)</u>				
<u>Federal Through State (Cont.)</u>				
Job Training Partnership Act	\$ 11,000	\$ 0	\$ 0	\$ 11,000
Disaster Relief	375	0	0	375
Other Federal through State	0	336,298	0	336,298
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	61,168	0	0	61,168
Total Federal Government	<u>\$ 72,543</u>	<u>\$ 2,628,054</u>	<u>\$ 2,177,669</u>	<u>\$ 4,878,266</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 34,606	\$ 0	\$ 0	\$ 34,606
Total Other Governments and Citizens Groups	<u>\$ 34,606</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 34,606</u>
Total	<u>\$ 27,592,171</u>	<u>\$ 2,628,054</u>	<u>\$ 2,489,638</u>	<u>\$ 32,709,863</u>

Exhibit J-8

White 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	\$	41,250	
Other Per Diem and Fees		2,450	
Social Security		2,709	
Pensions		143	
Employer Medicare		634	
Advertising		2,005	
Audit Services		7,752	
Dues and Memberships		4,164	
Other Supplies and Materials		1,582	
Total County Commission			\$ 62,689

County Mayor/Executive

County Official/Administrative Officer	\$	78,358	
Assistant(s)		30,450	
Part-time Personnel		252	
Social Security		6,663	
Pensions		6,354	
Medical Insurance		8,186	
Employer Medicare		1,558	
Communication		2,120	
Dues and Memberships		1,400	
Postal Charges		231	
Travel		4,084	
Other Contracted Services		120	
Duplicating Supplies		3,351	
Office Supplies		507	
In Service/Staff Development		1,690	
Office Equipment		858	
Total County Mayor/Executive			146,182

County Attorney

County Official/Administrative Officer	\$	22,357	
Social Security		1,386	
Pensions		1,306	
Employer Medicare		324	
Total County Attorney			25,373

Election Commission

County Official/Administrative Officer	\$	61,059	
Assistant(s)		30,549	
Election Commission		5,625	
Election Workers		12,872	
Social Security		6,116	
Pensions		5,350	
Medical Insurance		8,186	
Employer Medicare		1,430	
Advertising		5,259	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Communication	\$	1,207	
Dues and Memberships		225	
Maintenance Agreements		12,850	
Maintenance and Repair Services - Office Equipment		2,774	
Postal Charges		1,511	
Travel		1,653	
Other Contracted Services		765	
Duplicating Supplies		2,214	
Office Supplies		2,803	
Other Supplies and Materials		4,647	
In Service/Staff Development		2,701	
Data Processing Equipment		46	
Total Election Commission			\$ 169,842

Register of Deeds

County Official/Administrative Officer	\$	67,843	
Assistant(s)		27,824	
Deputy(ies)		10,907	
Part-time Personnel		11,961	
Social Security		7,321	
Pensions		6,224	
Employer Medicare		1,712	
Communication		1,031	
Dues and Memberships		654	
Maintenance Agreements		15,993	
Postal Charges		580	
Travel		435	
Duplicating Supplies		3,661	
Office Supplies		4,947	
In Service/Staff Development		100	
Total Register of Deeds			161,193

Development

Contracts with Government Agencies	\$	25,000	
Total Development			25,000

County Buildings

Custodial Personnel	\$	39,244	
Maintenance Personnel		33,800	
Other Salaries and Wages		6,482	
Social Security		4,642	
Pensions		4,152	
Medical Insurance		12,279	
Employer Medicare		1,086	
Communication		6,754	
Consultants		18,528	
Dues and Memberships		100	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Licenses	\$	3,022	
Maintenance and Repair Services - Buildings		34,502	
Maintenance and Repair Services - Equipment		51,984	
Pest Control		1,020	
Rentals		7,800	
Disposal Fees		660	
Other Contracted Services		260	
Custodial Supplies		12,530	
Diesel Fuel		786	
Electricity		27,556	
Gasoline		322	
Natural Gas		3,532	
Water and Sewer		2,595	
Other Supplies and Materials		7,611	
Building and Contents Insurance		61,331	
Liability Insurance		108,845	
Vehicle and Equipment Insurance		39,755	
Workers' Compensation Insurance		46,320	
Other Charges		29,585	
Building Improvements		30,336	
Total County Buildings			\$ 597,419

Preservation of Records

Supervisor/Director	\$	19,248	
Other Salaries and Wages		19,816	
Social Security		2,403	
Pensions		1,124	
Employer Medicare		562	
Advertising		450	
Communication		2,122	
Pest Control		570	
Disposal Fees		60	
Other Contracted Services		1,000	
Electricity		4,852	
Natural Gas		1,644	
Water and Sewer		764	
Other Supplies and Materials		3,983	
Total Preservation of Records			58,598

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	67,843	
Assistant(s)		120,969	
Social Security		10,954	
Pensions		11,019	
Medical Insurance		23,273	
Employer Medicare		2,562	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Advertising	\$	2,537	
Communication		2,106	
Data Processing Services		76,394	
Dues and Memberships		1,170	
Maintenance Agreements		16,615	
Postal Charges		4,568	
Travel		2,784	
Other Contracted Services		2,832	
Duplicating Supplies		3,646	
Office Supplies		9,314	
In Service/Staff Development		920	
Total Accounting and Budgeting			\$ 359,506

Property Assessor's Office

County Official/Administrative Officer	\$	67,843	
Assistant(s)		54,197	
Deputy(ies)		31,510	
Part-time Personnel		1,649	
Board and Committee Members Fees		1,480	
Social Security		9,272	
Pensions		8,967	
Medical Insurance		11,395	
Employer Medicare		2,169	
Advertising		71	
Audit Services		7,940	
Communication		2,092	
Data Processing Services		10,053	
Dues and Memberships		1,400	
Postal Charges		1,490	
Travel		1,218	
Other Contracted Services		175	
Gasoline		623	
Office Supplies		2,516	
Office Equipment		325	
Total Property Assessor's Office			216,385

Reappraisal Program

Secretary(ies)	\$	31,510	
Social Security		1,799	
Pensions		1,840	
Medical Insurance		4,093	
Employer Medicare		421	
Data Processing Services		3,458	
Total Reappraisal Program			43,121

County Trustee's Office

County Official/Administrative Officer	\$	67,843	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Assistant(s)	\$	27,824	
Deputy(ies)		31,510	
Part-time Personnel		4,972	
Social Security		7,458	
Pensions		7,427	
Medical Insurance		9,442	
Employer Medicare		1,744	
Advertising		106	
Communication		637	
Dues and Memberships		674	
Maintenance Agreements		8,650	
Postal Charges		6,992	
Travel		348	
Other Contracted Services		4,235	
Duplicating Supplies		1,576	
Office Supplies		1,082	
Office Equipment		2,110	
Total County Trustee's Office			\$ 184,630

County Clerk's Office

County Official/Administrative Officer	\$	67,843	
Assistant(s)		83,487	
Deputy(ies)		31,510	
Part-time Personnel		3,670	
Social Security		11,045	
Pensions		10,678	
Medical Insurance		16,372	
Employer Medicare		2,583	
Communication		1,413	
Dues and Memberships		529	
Maintenance Agreements		7,566	
Postal Charges		5,942	
Travel		469	
Duplicating Supplies		1,770	
Office Supplies		4,299	
Total County Clerk's Office			249,176

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	67,843	
Assistant(s)		139,120	
Deputy(ies)		31,510	
Social Security		13,946	
Pensions		13,927	
Medical Insurance		22,017	
Employer Medicare		3,262	
Advertising		51	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Communication	\$	3,427	
Dues and Memberships		739	
Maintenance Agreements		10,920	
Postal Charges		6,257	
Travel		421	
Other Contracted Services		120	
Duplicating Supplies		5,139	
Office Supplies		10,979	
In Service/Staff Development		100	
Office Equipment		1,102	
Total Circuit Court			\$ 330,880

General Sessions Court

Judge(s)	\$	153,243	
Secretary(ies)		34,320	
Social Security		9,550	
Pensions		10,954	
Employer Medicare		2,720	
Communication		2,027	
Dues and Memberships		525	
Travel		713	
Office Supplies		1,977	
In Service/Staff Development		165	
Total General Sessions Court			216,194

Drug Court

Other Salaries and Wages	\$	4,785	
Social Security		295	
Pensions		279	
Employer Medicare		69	
Contracts with Government Agencies		49,910	
Remittance of Revenue Collected		5,220	
Total Drug Court			60,558

Chancery Court

County Official/Administrative Officer	\$	67,843	
Deputy(ies)		31,510	
Part-time Personnel		11,425	
Social Security		6,868	
Pensions		5,802	
Employer Medicare		1,606	
Advertising		1,062	
Communication		895	
Dues and Memberships		639	
Maintenance Agreements		8,240	
Postal Charges		7,500	
Other Contracted Services		120	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Duplicating Supplies	\$	2,650	
Office Supplies		3,884	
Office Equipment		2,683	
Total Chancery Court			\$ 152,727

Judicial Commissioners

Other Salaries and Wages	\$	47,072	
Social Security		2,851	
Pensions		2,350	
Medical Insurance		4,093	
Employer Medicare		667	
Communication		1,043	
Dues and Memberships		75	
Other Supplies and Materials		902	
Total Judicial Commissioners			59,053

Other Administration of Justice

Jury and Witness Expense	\$	14,052	
Maintenance Agreements		1,373	
Other Contracted Services		3,010	
Other Charges		1,138	
Total Other Administration of Justice			19,573

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	74,628	
Supervisor/Director		43,618	
Deputy(ies)		439,561	
Detective(s)		250,432	
Captain(s)		77,085	
Lieutenant(s)		37,149	
Sergeant(s)		195,603	
Salary Supplements		15,600	
Secretary(ies)		29,973	
Overtime Pay		280	
Other Salaries and Wages		15,686	
Social Security		71,018	
Pensions		64,571	
Medical Insurance		76,543	
Employer Medicare		16,609	
Advertising		204	
Dues and Memberships		1,850	
Maintenance Agreements		17,293	
Maintenance and Repair Services - Vehicles		9,588	
Postal Charges		2,168	
Towing Services		4,730	
Travel		6,603	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Diesel Fuel	\$	298	
Duplicating Supplies		9,190	
Gasoline		73,023	
Office Supplies		6,477	
Uniforms		13,057	
Other Supplies and Materials		4,895	
In Service/Staff Development		22,449	
Law Enforcement Equipment		40,952	
Motor Vehicles		101,836	
Total Sheriff's Department			\$ 1,722,969

Special Patrols

Supervisor/Director	\$	40,600	
Social Security		2,517	
Pensions		2,371	
Employer Medicare		589	
Communication		550	
Gasoline		499	
Office Supplies		278	
Total Special Patrols			47,404

Traffic Control

Overtime Pay	\$	14,428	
Social Security		885	
Pensions		843	
Employer Medicare		207	
Law Enforcement Equipment		14,460	
Total Traffic Control			30,823

Jail

Supervisor/Director	\$	38,002	
Captain(s)		34,320	
Lieutenant(s)		183,685	
Sergeant(s)		147,644	
Guards		507,794	
Secretary(ies)		29,994	
Clerical Personnel		24,274	
Part-time Personnel		6,594	
Other Salaries and Wages		14,367	
Social Security		58,398	
Pensions		57,235	
Medical Insurance		74,657	
Employer Medicare		13,658	
Advertising		25	
Communication		14,498	
Contracts with Government Agencies		680	
Contracts with Other Public Agencies		300	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Evaluation and Testing	\$	5,423	
Maintenance Agreements		18,882	
Medical and Dental Services		205,881	
Pest Control		1,650	
Travel		4,623	
Disposal Fees		3,108	
Other Contracted Services		5,280	
Custodial Supplies		25,774	
Duplicating Supplies		3,919	
Electricity		79,517	
Food Preparation Supplies		9,365	
Food Supplies		141,681	
Natural Gas		24,495	
Office Supplies		4,445	
Prisoners Clothing		15,582	
Uniforms		9,058	
Water and Sewer		59,043	
Other Supplies and Materials		7,749	
Excess Risk Insurance		49,491	
Medical Claims		56,242	
In Service/Staff Development		1,163	
Data Processing Equipment		12,293	
Food Service Equipment		14,749	
Law Enforcement Equipment		3,353	
Other Equipment		148,250	
Total Jail			\$ 2,117,141

Juvenile Services

Youth Service Officer(s)	\$	43,960	
Social Security		2,704	
Pensions		2,567	
Employer Medicare		632	
Communication		549	
Travel		2,600	
Office Supplies		127	
Total Juvenile Services			53,139

Fire Prevention and Control

Contracts with Government Agencies	\$	29,546	
Contributions		133,852	
Diesel Fuel		1,747	
Gasoline		482	
Building and Contents Insurance		8,254	
Excess Risk Insurance		10,423	
Liability Insurance		4,735	
Vehicle and Equipment Insurance		22,563	
Workers' Compensation Insurance		6,736	
Total Fire Prevention and Control			218,338

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense

Communication	\$	347	
Contracts with Other Public Agencies		875	
Travel		263	
Diesel Fuel		261	
Gasoline		37	
Other Supplies and Materials		4,641	
Total Civil Defense			\$ 6,424

Rescue Squad

Contributions	\$	16,273	
Diesel Fuel		195	
Gasoline		302	
Total Rescue Squad			16,770

Disaster Relief

Other Contracted Services	\$	366,929	
Total Disaster Relief			366,929

County Coroner/Medical Examiner

Other Contracted Services	\$	63,275	
Total County Coroner/Medical Examiner			63,275

Other Public Safety

Contracts with Other Public Agencies	\$	501,717	
Road Signs		2,327	
Total Other Public Safety			504,044

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	89,445	
Social Security		5,328	
Pensions		4,494	
Medical Insurance		9,166	
Employer Medicare		1,246	
Communication		3,181	
Contracts with Government Agencies		38,320	
Janitorial Services		7,850	
Maintenance and Repair Services - Buildings		1,304	
Pest Control		515	
Travel		7,175	
Disposal Fees		760	
Electricity		8,181	
Instructional Supplies and Materials		10,700	
Natural Gas		951	
Water and Sewer		1,050	
Other Supplies and Materials		3,702	
Other Charges		29,560	
Total Local Health Center			222,928

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control

Supervisor/Director	\$	25,375	
Part-time Personnel		2,139	
Other Salaries and Wages		20,800	
Social Security		2,937	
Pensions		2,697	
Medical Insurance		4,093	
Employer Medicare		687	
Communication		1,525	
Licenses		110	
Veterinary Services		1,933	
Drugs and Medical Supplies		1,120	
Electricity		6,163	
Gasoline		2,259	
Office Supplies		275	
Uniforms		24	
Water and Sewer		3,000	
Other Supplies and Materials		6,808	
Total Rabies and Animal Control			\$ 81,945

Ambulance/Emergency Medical Services

Supervisor/Director	\$	53,075
Paraprofessionals		733,002
Salary Supplements		4,000
Part-time Personnel		52,853
Overtime Pay		29,185
Other Salaries and Wages		49,436
Social Security		55,895
Pensions		50,412
Medical Insurance		38,411
Employer Medicare		13,072
Communication		6,000
Consultants		2,400
Dues and Memberships		500
Evaluation and Testing		404
Laundry Service		4,402
Licenses		2,000
Maintenance and Repair Services - Buildings		2,162
Maintenance and Repair Services - Office Equipment		1,472
Maintenance and Repair Services - Vehicles		17,233
Pest Control		780
Travel		439
Tuition		1,486
Other Contracted Services		120
Diesel Fuel		28,688
Drugs and Medical Supplies		74,180
Duplicating Supplies		2,589
Electricity		6,999

(Continued)

Exhibit J-8

White 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	\$	1,318	
Natural Gas		1,953	
Office Supplies		701	
Uniforms		11,849	
Water and Sewer		999	
In Service/Staff Development		6,709	
Communication Equipment		3,449	
Data Processing Equipment		2,307	
Motor Vehicles		306,456	
Other Equipment		46,848	
Total Ambulance/Emergency Medical Services			\$ 1,613,784

Sanitation Education/Information

Other Salaries and Wages	\$	13,753	
Social Security		853	
Employer Medicare		199	
Travel		1,545	
Instructional Supplies and Materials		7,228	
Total Sanitation Education/Information			23,578

Waste Pickup

Other Salaries and Wages	\$	21,243	
Social Security		1,317	
Employer Medicare		308	
Communication		3	
Gasoline		2,469	
Other Supplies and Materials		252	
Total Waste Pickup			25,592

Landfill Operation and Maintenance

Life Insurance	\$	442	
Medical Insurance		33,398	
Total Landfill Operation and Maintenance			33,840

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	41,500	
Total Senior Citizens Assistance			41,500

Libraries

Supervisor/Director	\$	43,225	
Librarians		28,420	
Clerical Personnel		30,940	
Part-time Personnel		35,222	
Social Security		8,214	
Pensions		5,904	
Medical Insurance		4,736	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Employer Medicare	\$	1,980	
Communication		1,559	
Janitorial Services		3,969	
Maintenance Agreements		995	
Pest Control		480	
Postal Charges		1,016	
Travel		866	
Disposal Fees		60	
Other Contracted Services		80	
Duplicating Supplies		10,274	
Electricity		17,325	
Library Books/Media		15,508	
Natural Gas		1,900	
Office Supplies		3,392	
Water and Sewer		583	
Other Supplies and Materials		4,018	
In Service/Staff Development		452	
Data Processing Equipment		8,038	
Total Libraries			\$ 229,156

Parks and Fair Boards

Other Contracted Services	\$	12,314	
Electricity		16,995	
Natural Gas		272	
Water and Sewer		1,894	
Other Supplies and Materials		40,396	
Total Parks and Fair Boards			71,871

Other Social, Cultural, and Recreational

Instructional Supplies and Materials	\$	3,023	
Library Books/Media		10,579	
Total Other Social, Cultural, and Recreational			13,602

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	52,254	
Other Salaries and Wages		8,184	
Social Security		507	
Employer Medicare		119	
Other Fringe Benefits		12,003	
Communication		2,485	
Contributions		2,500	
Maintenance Agreements		3,500	
Disposal Fees		60	
Duplicating Supplies		6,238	
Electricity		2,148	
Natural Gas		680	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Water and Sewer	\$	492	
Office Equipment		1,908	
Total Agricultural Extension Service			\$ 93,078

Forest Service

Other Contracted Services	\$	2,000	
Total Forest Service			2,000

Soil Conservation

Secretary(ies)	\$	19,606	
Social Security		1,176	
Pensions		1,145	
Medical Insurance		4,093	
Employer Medicare		275	
Contributions		500	
Total Soil Conservation			26,795

Other Operations

Tourism

Other Charges	\$	3,378	
Total Tourism			3,378

Industrial Development

Contributions	\$	35,000	
Other Contracted Services		3,942	
Electricity		360	
Water and Sewer		178	
Other Charges		9,312	
Land		222,387	
Site Development		22,562	
Building Purchases		586,182	
Total Industrial Development			879,923

Other Economic and Community Development

Other Charges	\$	10,000	
Total Other Economic and Community Development			10,000

Airport

Maintenance Agreements	\$	28,000	
Total Airport			28,000

Veterans' Services

Supervisor/Director	\$	29,435	
Part-time Personnel		8,140	
Social Security		2,313	
Pensions		1,719	
Medical Insurance		3,940	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Employer Medicare	\$	536	
Advertising		300	
Communication		1,877	
Contributions		8,000	
Postal Charges		300	
Travel		780	
Duplicating Supplies		963	
Office Supplies		1,002	
Data Processing Equipment		1,016	
Total Veterans' Services			\$ 60,321

Other Charges

Supervisor/Director	\$	43,662	
Mechanic(s)		95,515	
Clerical Personnel		23,912	
Social Security		9,791	
Pensions		9,524	
Medical Insurance		8,186	
Employer Medicare		2,290	
Communication		1,908	
Pest Control		420	
Other Contracted Services		4,615	
Custodial Supplies		368	
Diesel Fuel		891	
Electricity		6,546	
Equipment Parts - Heavy		105,507	
Garage Supplies		7,564	
Gasoline		2,906	
Lubricants		15,691	
Natural Gas		2,777	
Office Supplies		256	
Small Tools		900	
Tires and Tubes		37,551	
Uniforms		997	
Water and Sewer		439	
Other Equipment		9,765	
Total Other Charges			391,981

Contributions to Other Agencies

Contributions	\$	40,960	
Total Contributions to Other Agencies			40,960

Employee Benefits

Life Insurance	\$	8,008	
Medical Insurance		32,952	
Unemployment Compensation		2,983	
Total Employee Benefits			43,943

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Trustee's Commission	\$ 140,915	
Total Miscellaneous		\$ 140,915

Total General Fund \$ 12,364,445

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$ 6,000	
Other Supplies and Materials	3,657	
Law Enforcement Equipment	11,725	
Total Drug Enforcement		\$ 21,382

Other Operations

Miscellaneous

Trustee's Commission	\$ 413	
Total Miscellaneous		413

Total Drug Control Fund 21,795

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 74,628	
Accountants/Bookkeepers	30,083	
Other Salaries and Wages	24,421	
Social Security	7,676	
Pensions	7,540	
Medical Insurance	5,349	
Employer Medicare	1,795	
Communication	4,848	
Dues and Memberships	2,595	
Evaluation and Testing	28	
Janitorial Services	390	
Maintenance and Repair Services - Office Equipment	278	
Pest Control	420	
Postal Charges	49	
Electricity	2,405	
Natural Gas	571	
Office Supplies	1,049	
Water and Sewer	492	
Other Supplies and Materials	3,233	
Other Charges	471	
Total Administration		\$ 168,321

Highway and Bridge Maintenance

Foremen	\$ 50,456	
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(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Equipment Operators - Heavy	\$	87,416	
Equipment Operators - Light		451,069	
Overtime Pay		23,763	
Other Salaries and Wages		1,763	
Social Security		35,881	
Pensions		35,886	
Medical Insurance		85,235	
Employer Medicare		8,392	
Communication		1,200	
Other Contracted Services		3,575	
Asphalt		372,397	
Asphalt - Hot Mix		13,555	
Asphalt - Liquid		13,414	
Crushed Stone		3,945	
Electricity		907	
General Construction Materials		596	
Pipe - Metal		5,555	
Road Signs		4,126	
Salt		11,606	
Uniforms		3,720	
Gravel and Chert		34,412	
Other Supplies and Materials		2,576	
Total Highway and Bridge Maintenance			\$ 1,251,445

Operation and Maintenance of Equipment

Maintenance and Repair Services - Equipment	\$	19,310	
Maintenance and Repair Services - Vehicles		9,720	
Diesel Fuel		39,975	
Gasoline		16,645	
Lubricants		4,183	
Total Operation and Maintenance of Equipment			89,833

Other Charges

Building and Contents Insurance	\$	1,278	
Trustee's Commission		18,161	
Vehicle and Equipment Insurance		14,362	
Workers' Compensation Insurance		47,572	
Total Other Charges			81,373

Employee Benefits

Life Insurance	\$	1,371	
Medical Insurance		6,952	
Total Employee Benefits			8,323

Capital Outlay

Highway Construction	\$	2,991	
Highway Equipment		241,071	
State Aid Projects		172,218	
Total Capital Outlay			416,280

Total Highway/Public Works Fund \$ 2,015,575

(Continued)

Exhibit J-8

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

<u>General Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Bonds	\$ 543,000	
Total General Government		\$ 543,000
<u>Education</u>		
Principal on Bonds	\$ 647,000	
Total Education		647,000
<u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Bonds	\$ 138,921	
Total General Government		138,921
<u>Education</u>		
Interest on Bonds	\$ 144,402	
Total Education		144,402
<u>Other Debt Service</u>		
<u>General Government</u>		
Trustee's Commission	\$ 20,391	
Other Debt Service	2,308	
Total General Government		22,699
Total General Debt Service Fund		<u>\$ 1,496,022</u>
Total Governmental Funds - Primary Government		<u><u>\$ 15,897,837</u></u>

Exhibit J-9

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	9,344,283	
Career Ladder Program		59,210	
Homebound Teachers		31,779	
Educational Assistants		542,534	
Certified Substitute Teachers		81,983	
Non-certified Substitute Teachers		123,980	
Social Security		590,059	
Pensions		874,302	
Medical Insurance		1,463,162	
Unemployment Compensation		6,780	
Employer Medicare		139,532	
Maintenance and Repair Services - Equipment		9,531	
Instructional Supplies and Materials		331,297	
Textbooks		394,832	
Fee Waivers		3,629	
Other Charges		62,609	
Regular Instruction Equipment		164,229	
Total Regular Instruction Program			\$ 14,223,731

Special Education Program

Teachers	\$	1,187,055	
Career Ladder Program		10,000	
Educational Assistants		94,992	
Certified Substitute Teachers		80	
Non-certified Substitute Teachers		65	
Social Security		75,148	
Pensions		113,673	
Medical Insurance		244,165	
Employer Medicare		17,578	
Total Special Education Program			1,742,756

Vocational Education Program

Teachers	\$	483,098	
Career Ladder Program		1,000	
Non-certified Substitute Teachers		1,508	
Social Security		26,952	
Pensions		41,459	
Medical Insurance		76,038	
Employer Medicare		6,715	
Maintenance and Repair Services - Equipment		2,500	
Travel		850	
Instructional Supplies and Materials		16,000	
Total Vocational Education Program			656,120

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services

Attendance

Supervisor/Director	\$	60,540	
Career Ladder Program		1,000	
Social Security		3,525	
Pensions		5,563	
Medical Insurance		9,058	
Employer Medicare		824	
Travel		500	
Total Attendance			\$ 81,010

Health Services

Medical Personnel	\$	39,290	
Other Salaries and Wages		88,358	
Social Security		7,654	
Pensions		8,586	
Medical Insurance		7,357	
Employer Medicare		1,884	
Travel		1,123	
Drugs and Medical Supplies		5,000	
Other Supplies and Materials		11,296	
Other Charges		7,315	
Total Health Services			177,863

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		462,546	
Clerical Personnel		21,842	
Other Salaries and Wages		22,299	
Social Security		29,416	
Pensions		44,473	
Medical Insurance		67,620	
Employer Medicare		6,880	
Consultants		4,000	
Contracts with Government Agencies		7,717	
Evaluation and Testing		8,166	
Travel		420	
Other Contracted Services		69,270	
Other Supplies and Materials		3,440	
Total Other Student Support			749,089

Regular Instruction Program

Supervisor/Director	\$	129,645	
Career Ladder Program		3,740	
Librarians		285,500	
Instructional Computer Personnel		52,683	
Clerical Personnel		12,979	
Educational Assistants		15,097	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Salaries and Wages	\$	22,441	
Social Security		28,980	
Pensions		41,007	
Medical Insurance		62,508	
Employer Medicare		7,241	
Travel		6,376	
Other Contracted Services		82	
Library Books/Media		51,273	
Other Supplies and Materials		2,000	
In Service/Staff Development		7,836	
Total Regular Instruction Program			\$ 729,388

Special Education Program

Supervisor/Director	\$	68,010	
Career Ladder Program		1,000	
Clerical Personnel		12,979	
Other Salaries and Wages		31,600	
Social Security		6,582	
Pensions		8,926	
Medical Insurance		14,577	
Employer Medicare		1,539	
Travel		1,243	
Other Contracted Services		22,502	
Other Supplies and Materials		4,916	
Total Special Education Program			173,874

Vocational Education Program

Supervisor/Director	\$	57,665	
Secretary(ies)		21,842	
Social Security		4,684	
Pensions		6,648	
Medical Insurance		8,073	
Employer Medicare		1,094	
Travel		103	
Other Contracted Services		129,978	
Other Supplies and Materials		2,000	
Total Vocational Education Program			232,087

Other Programs

On-behalf Payments to OPEB	\$	145,447	
Total Other Programs			145,447

Board of Education

Board and Committee Members Fees	\$	16,980	
In-service Training		7,329	
Social Security		1,310	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Pensions	\$	115	
Medical Insurance		3,679	
Employer Medicare		310	
Payments to Retirees		61,562	
Other Fringe Benefits		5,752	
Audit Services		6,500	
Dues and Memberships		9,773	
Legal Services		19,669	
Liability Insurance		44,634	
Premiums on Corporate Surety Bonds		2,892	
Trustee's Commission		129,754	
Workers' Compensation Insurance		199,493	
Total Board of Education			\$ 509,752

Director of Schools

County Official/Administrative Officer	\$	103,892	
Assistant(s)		16,100	
Career Ladder Program		3,000	
Social Security		7,551	
Pensions		11,118	
Medical Insurance		6,149	
Employer Medicare		1,766	
Communication		2,830	
Dues and Memberships		2,726	
Postal Charges		1,429	
Travel		705	
Total Director of Schools			157,266

Office of the Principal

Principals	\$	564,163	
Career Ladder Program		7,000	
Accountants/Bookkeepers		56,453	
Assistant Principals		332,831	
Secretary(ies)		176,400	
Other Salaries and Wages		13,726	
Social Security		67,980	
Pensions		95,941	
Medical Insurance		124,537	
Employer Medicare		16,015	
Communication		39,879	
Dues and Memberships		1,500	
Other Charges		3,000	
Total Office of the Principal			1,499,425

Fiscal Services

Supervisor/Director	\$	49,515	
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(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Secretary(ies)	\$	28,122	
Clerical Personnel		26,047	
Social Security		5,520	
Pensions		5,696	
Medical Insurance		9,503	
Employer Medicare		1,351	
Contributions		13,000	
Maintenance and Repair Services - Equipment		3,064	
Travel		57	
Office Supplies		4,668	
Total Fiscal Services	\$		146,543

Operation of Plant

Custodial Personnel	\$	572,372	
Other Salaries and Wages		988	
Social Security		34,774	
Pensions		32,091	
Medical Insurance		55,181	
Employer Medicare		8,147	
Other Contracted Services		135,526	
Electricity		640,146	
Natural Gas		89,445	
Water and Sewer		64,050	
Other Supplies and Materials		92,987	
Boiler Insurance		7,325	
Building and Contents Insurance		133,444	
Total Operation of Plant			1,866,476

Maintenance of Plant

Maintenance Personnel	\$	159,750	
Social Security		9,391	
Pensions		9,330	
Medical Insurance		15,897	
Employer Medicare		2,196	
Pest Control		7,246	
Other Contracted Services		21,692	
Other Supplies and Materials		132,691	
Other Charges		225	
Maintenance Equipment		57,586	
Total Maintenance of Plant			416,004

Transportation

Supervisor/Director	\$	56,359	
Mechanic(s)		91,506	
Bus Drivers		496,778	
Clerical Personnel		21,842	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Other Salaries and Wages	\$	51,987	
Social Security		43,892	
Pensions		40,716	
Medical Insurance		26,950	
Employer Medicare		10,326	
Communication		1,825	
Medical and Dental Services		4,022	
Towing Services		475	
Other Contracted Services		1,152	
Diesel Fuel		82,855	
Garage Supplies		4,658	
Gasoline		24,436	
Lubricants		7,678	
Tires and Tubes		16,145	
Vehicle Parts		66,293	
Vehicle and Equipment Insurance		41,200	
In Service/Staff Development		1,532	
Other Charges		7,262	
Transportation Equipment		98,938	
Total Transportation			\$ 1,198,827

Operation of Non-Instructional Services

Food Service

Medical Insurance	\$	80,336	
Total Food Service			80,336

Community Services

Other Salaries and Wages	\$	21,974	
Social Security		1,123	
Pensions		1,285	
Medical Insurance		3,679	
Employer Medicare		262	
Travel		145	
Total Community Services			28,468

Early Childhood Education

Teachers	\$	216,635	
Educational Assistants		73,787	
Social Security		17,253	
Pensions		23,847	
Medical Insurance		47,776	
Employer Medicare		4,035	
Instructional Supplies and Materials		39,273	
Total Early Childhood Education			422,606

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Engineering Services	\$	2,944	
Other Contracted Services		9,000	
Building Improvements		129,865	
Regular Instruction Equipment		350,390	
Site Development		1,768,401	
Total Regular Capital Outlay			\$ 2,260,600

Total General Purpose School Fund

\$ 27,497,668

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	626,622	
Educational Assistants		221,773	
Social Security		50,067	
Pensions		70,115	
Medical Insurance		69,126	
Unemployment Compensation		880	
Employer Medicare		11,709	
Instructional Supplies and Materials		57,409	
Total Regular Instruction Program			\$ 1,107,701

Special Education Program

Teachers	\$	92,045	
Educational Assistants		327,205	
Speech Pathologist		48,600	
Other Salaries and Wages		200	
Social Security		27,716	
Pensions		31,223	
Medical Insurance		28,513	
Unemployment Compensation		1,591	
Employer Medicare		6,483	
Instructional Supplies and Materials		1,496	
Other Supplies and Materials		13,300	
Total Special Education Program			578,372

Vocational Education Program

Other Salaries and Wages	\$	12,000	
Social Security		640	
Pensions		925	
Employer Medicare		151	
Other Supplies and Materials		8,732	
Vocational Instruction Equipment		33,074	
Total Vocational Education Program			55,522

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services

Other Student Support

Bus Drivers	\$	268	
Social Security		17	
Pensions		11	
Employer Medicare		4	
Travel		4,779	
In Service/Staff Development		3,947	
Other Charges		13,896	
Total Other Student Support			\$ 22,922

Regular Instruction Program

Supervisor/Director	\$	42,575	
Educational Assistants		26,765	
Other Salaries and Wages		110,309	
Social Security		7,161	
Pensions		8,623	
Unemployment Compensation		564	
Employer Medicare		2,462	
Travel		1,311	
Other Contracted Services		1,703	
Other Supplies and Materials		2,167	
In Service/Staff Development		17,893	
Total Regular Instruction Program			221,533

Special Education Program

Psychological Personnel	\$	159,903	
Other Salaries and Wages		3,126	
Social Security		9,137	
Pensions		14,651	
Medical Insurance		33,031	
Unemployment Compensation		279	
Employer Medicare		2,137	
Maintenance and Repair Services - Equipment		980	
Travel		4,311	
Other Supplies and Materials		1,974	
In Service/Staff Development		1,727	
Other Equipment		4,469	
Total Special Education Program			235,725

Vocational Education Program

Supervisor/Director	\$	13,315	
Social Security		826	
Pensions		1,204	
Unemployment Compensation		18	
Employer Medicare		193	
Travel		1,152	
Other Charges		903	
Total Vocational Education Program			17,611

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation

Bus Drivers	\$	43,042	
Other Salaries and Wages		1,635	
Social Security		2,726	
Pensions		2,609	
Unemployment Compensation		395	
Employer Medicare		638	
Contracts with Parents		93	
Transportation Equipment		1,390	
Total Transportation			\$ 52,528

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	58,388	
Teachers		146,833	
Clerical Personnel		5,797	
Educational Assistants		32,252	
Other Salaries and Wages		2,932	
Social Security		15,261	
Pensions		19,471	
Employer Medicare		3,569	
Travel		388	
Food Supplies		1,098	
Instructional Supplies and Materials		27,635	
In Service/Staff Development		1,118	
Other Charges		705	
Other Equipment		225	
Total Community Services			315,672

Total School Federal Projects Fund \$ 2,607,586

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	59,411	
Clerical Personnel		25,946	
Cafeteria Personnel		694,780	
Temporary Personnel		17,330	
Other Salaries and Wages		2,589	
Social Security		47,255	
Pensions		42,331	
Medical Insurance		8,801	
Unemployment Compensation		2,054	
Employer Medicare		11,052	
Communication		4,842	
Maintenance and Repair Services - Equipment		37,049	
Transportation - Other than Students		68,678	

(Continued)

Exhibit J-9

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

<u>Central Cafeteria Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Food Service (Cont.)</u>		
Travel	\$	1,026
Food Preparation Supplies		53,443
Food Supplies		886,089
Uniforms		1,588
USDA - Commodities		131,780
Other Supplies and Materials		77,226
Refunds		1,551
In Service/Staff Development		1,596
Other Charges		17,508
Data Processing Equipment		15,354
Food Service Equipment		132,352
Total Food Service		<u>\$ 2,341,631</u>
Total Central Cafeteria Fund		\$ 2,341,631
<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$	15,636
Other Contracted Services		10,495
Building Construction		1,612,506
Total Education Capital Projects		<u>\$ 1,638,637</u>
Total Education Capital Projects Fund		<u>1,638,637</u>
Total Governmental Funds - White County School Department		<u>\$ 34,085,522</u>

Exhibit J-10

White 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	\$ 1,784,402
	<hr/>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,766,558
Trustee's Commission	17,844
Total Cash Disbursements	<hr/> \$ 1,784,402 <hr/>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2015	<hr/> 0 <hr/>
Cash Balance, June 30, 2016	<hr/> \$ 0 <hr/> <hr/>

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# SINGLE AUDIT SECTION

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

**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***

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of White County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise White County's basic financial statements, and have issued our report thereon dated September 27, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered White 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 White County's internal control. Accordingly, we do not express an opinion on the effectiveness of White 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency: 2016-001.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether White 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*.

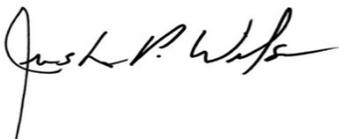
### **White County's Response to the Finding**

White County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. White 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering White 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

September 27, 2016

JPW/kp



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

**Independent 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 the Uniform Guidance**

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

To the County Executive and Board of County Commissioners:

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

We have audited White 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 White County's major federal programs for the year ended June 30, 2016. White 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 White 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 White 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 White County's compliance.

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

In our opinion, White 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 White 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 White 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 White 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.

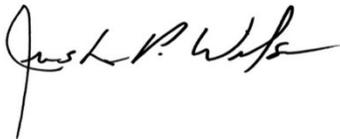
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of White County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise White County's basic financial statements. We issued our report thereon dated September 27, 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

September 27, 2016

JPW/kp

White 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	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 683,978
National School Lunch Program	10.555	N/A	1,357,861 (4)
State Administrative Expenses for Child Nutrition	10.560	N/A	4,050
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	131,780 (4)
Total U.S. Department of Agriculture			<u>\$ 2,177,669</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	\$ 5,035 (5)
U.S. Department of Housing & Urban Development:			
Passed-through State Housing Development Agency:			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	41112-44511	\$ 255,760
HOME Investment Partnership Program	14.229	N/A	1,500
Total U.S. Department of Housing & Urban Development			<u>\$ 257,260</u>
U.S. Department of Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 2,873
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 9,125
U.S. Department of Labor:			
Passed-through Upper Cumberland Human Resource Agency:			
WIA Youth Activities	17.259	(3)	\$ 11,000
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	154AL-15-128	\$ 5,913
Alcohol Open Container Requirements	20.607	154AL-16-68	23,698
Total U.S. Department of Transportation			<u>\$ 29,611</u>
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(3)	\$ 3,744
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,089,734
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	848,987
Special Education - Preschool Grants	84.173	N/A	25,345
Career and Technical Education - Basic Grants to States	84.048	N/A	65,829
Safe and Drug-free Schools and Communities - National Programs	84.184	(3)	17,762
Twenty-first Century Community Learning Centers	84.287	(3)	318,536
Rural Education	84.358	(3)	76,702
Improving Teacher Quality State Grants	84.367	(3)	168,048
Passed-through Putnam County, Tennessee Board of Education:			
Career and Technical Education - Basic Grants to States	84.048	(3)	17,111
Total U.S. Department of Education			<u>\$ 2,628,054</u>
U.S. Department of Homeland Security:			
Passed-through Tennessee Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	46227-19244	\$ 1,249,118
Total Expenditures of Federal Awards			<u>\$ 6,373,489</u>

(Continued)

White County, Tennessee, and the White County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Local Park and Recreation Fund (LPRF) - State Department of Environment and Conservation	N/A	32701-01727	\$ 24,900
Local Health Services Grant - State Department of Health	N/A	GG-16-45570-00	128,168
ThreeStar Grant Program- State Department of Economic and Community Development	N/A	3300700100	10,000
Litter Program - State Department of Transportation	N/A	Z16LIT093	23,551
State Supplement Juvenile Court Improvement Funds - State Department of Children Services	N/A	GG-10-3011-00	9,000
Drug Court - State Department of Mental Health and Substance Abuse Services	N/A	(3)	49,910
Public Assistance Program - State Department of Military	N/A	46227-19244	196,567
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(3)	408,616
Coordinated School Health - State Department of Education	N/A	(3)	93,829
Family Resource Centers - State Department of Education	N/A	(3)	29,153
ConnectTenn (Internet Connectivity) - State Department of Education	N/A	(3)	10,610
Safe Schools Act - State Department of Education	N/A	(3)	23,250
Arts Program Categorical Grants - State Department of Education	N/A	(3)	3,000
Total State Grants			<u>\$ 1,010,554</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) White County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Total for CFDA No. 10.555 is \$1,489,641.
- (5) During the year ended June 30, 2016, White County received excess military equipment from the U.S. Department of Military valued at \$5,035.

White County, Tennessee  
Summary 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 White 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	176	2015-001	The Solid Waste Disposal Fund had a deficit in unrestricted net position	N/A	Not Corrected - See Explanation on Corrective Action Plan
2015	176	2015-002	Multiple employees operated from the same cash drawer	N/A	Corrected

***Prior-year Federal Award Findings***

There were no prior-year federal award findings to report.

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

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

**Financial Statements:**

1. Our report on the financial statements of White 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 Number: 14.228 Community Development Block Grant/  
State's program and Non-Entitlement  
Grants to Hawaii
  - \* CFDA Number: 97.036 Disaster Grants - Public Assistance  
(Presidentially Declared Disasters)
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, FINDING RELATED TO THE FINANCIAL STATEMENTS**

A finding and recommendation, as a result of our audit of the financial statements of White County, Tennessee, are presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. A written response for this finding is presented following the finding and recommendation. The finance director provided a corrective action plan, which is paraphrased in the Management's Corrective Action Plan section of this report.

### **OFFICE OF FINANCE DIRECTOR**

#### **FINDING 2016-001**

#### **THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN UNRESTRICTED NET POSITION AT JUNE 30, 2016**

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

The Solid Waste Disposal Fund had a deficit of \$691,629 in unrestricted net position at June 30, 2016. This deficit resulted from the recognition of a liability totaling \$1,502,853 in the financial statements for costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure. Generally accepted accounting principles require that such costs be reflected in the financial statements. This deficiency exists due to the failure of management to correct the finding noted in the prior-year audit report.

#### **RECOMMENDATION**

County officials should develop and implement a plan that would fund the deficit in unrestricted net position.

#### **MANAGEMENT'S RESPONSE – FINANCE DIRECTOR**

We concur with this finding and will continue to work toward fully funding the deficit in unrestricted net position.

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### **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 White County, Tennessee, are separately presented under Part II, Findings Relating to the Financial Statements.

**White 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 and federal award findings are presented below:

**Corrective Action - Financial Statement Finding**

**OFFICE OF FINANCE DIRECTOR**

**FINDING 2016-001                      **THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT  
IN UNRESTRICTED NET POSITION AT JUNE 30, 2016****

Response and Corrective Action Plan Prepared by:	Chad Marcum, Finance Director, White County, Tennessee
Person Responsible for Implementing the Corrective Action:	Denny Wayne Robinson, County Executive
Anticipated Completion Date of Corrective Action:	Unknown
Repeat Finding:	Yes
Reason Why Corrective Action was Not Taken – PY	Management decision based on the complex political nature of the required remedy.

**Planned Corrective Action:**

The deficit in unrestricted net position may be corrected through various avenues, which include increasing fees, expanding the customer base, recycling expansion, or any combination thereof. Management has and will continue to communicate the need for the availability of additional current assets in the Solid Waste Disposal Fund. Specifically, management discussed this finding in a meeting with the Audit Committee on December 14, 2015, and the committee reported to the full legislative body that same month its concurrence with the finding. This is a recurring finding due to the complex political nature of the required remedy. However, it is anticipated by management that some form of action will be taken to aid in the correction of this deficit in a near fiscal period. Management does note that the value of current assets is sufficient to maintain daily operation at current capacity and service levels. Additionally, management would note that White County has entered into a Contract-in-Lieu-of Performance Bond with the Tennessee Department of Environment and Conservation, which allows the state to divert any funds being disbursed or to be disbursed from the State to White County as financial assurance for the proper operation, closure, and post-closure of the landfill in the event White County fails to meet its obligations of such.