
ANNUAL FINANCIAL REPORT COFFEE COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2013



**ANNUAL FINANCIAL REPORT
COFFEE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2013**

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

***DIVISION OF LOCAL GOVERNMENT AUDIT
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This financial report is available at www.comptroller.tn.gov

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Audit Highlights

Annual Financial Report
Coffee County, Tennessee
For the Year Ended June 30, 2013

Scope

We have audited the basic financial statements of Coffee County as of and for the year ended June 30, 2013.

Results

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

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

Findings and Best Practice

The following are summaries of the audit findings and best practice:

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Federal Projects Fund had a deficit in unassigned fund balance at June 30, 2013.
- ◆ The School Department did not comply with management directives from the Office of Tennessee Recovery Act Management.
- ◆ Insurance payroll liability accounts were not reconciled monthly.

OFFICE OF ASSESSOR OF PROPERTY

- ◆ New owners of Greenbelt properties were not required to file a new application for agricultural property.

OFFICE OF TRUSTEE

- ◆ Usernames and passwords were shared by employees.
-

OFFICE OF REGISTER OF DEEDS

- ◆ Multiple employees operated from the same cash drawer.
-

OFFICES OF DIRECTOR OF SCHOOLS, TRUSTEE, COUNTY CLERK, REGISTER OF DEEDS, AND SHERIFF

- ◆ Duties were not segregated adequately.
-

BEST PRACTICE

Coffee County does not have a central system of accounting, budgeting, and purchasing. The Division of Local Government Audit strongly believes that a central system of accounting, budgeting, and purchasing is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Coffee County.

INTRODUCTORY SECTION

Coffee County Officials
June 30, 2013

Officials

David Pennington, County Mayor
Steve Parks, Road Superintendent
Dr. LaDonna McFall, Director of Schools
James Wilhelm, Trustee
Jimmy White, Assessor of Property
Teresa McFadden, County Clerk
Heather Hinds Duncan, Circuit, General Sessions, and Juvenile Courts Clerk
Charlotte Broyles, Clerk and Master
Ellen Vaughn, Register of Deeds
Steve Graves, Sheriff
Marianna Edinger, Director of Accounts and Budgets

Board of County Commissioners

David Pennington, County Mayor, Chairman	Robin Hines
Virgil Alford	Steven Jones
Rennie Bell	Mark Kelly
Jimmy Bradford	Gary Kidd
B. Rush Bricken	Sam Mai
Bobby Bryan	Tim Morris
Eric Chance	Myra Patton
Lee Duckett	Keith Thacker
Jackie Duncan	Wilma Thomas
Janet Fann	Warren Walker
Kerry Farrar	Barry West

Road Commission

Raymond Duke, Chairman
Richard Harris
William Reed
Jamie Spry
James Grady Weaver

Board of Education

Esther Sims, Chairperson
Shannon Duncan
Brett Henley
Reggie Johnson
Freda Jones
Marilyn Morris
Gary Nester

(Continued)

Coffee County Officials (Cont.)

Budget and Finance Committee

B. Rush Bricken, Chairman
Bobby Bryan
Lee Duckett
Robin Hines
Sam Mai

Audit Committee

B. Rush Bricken, Chairman
Lee Duckett
Anne Frisby

FINANCIAL SECTION



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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Coffee County Emergency Communications District, which represent 3.88 percent, 6.19 percent, and 1.45 percent, respectively, of the assets, net position, and revenues of the discretely presented component units; the Public Building Authority of Coffee County, which represent 11.72 percent, 5.37 percent, and 2.08 percent, respectively, of the assets, net position, and revenues of the discretely presented component units; or the Industrial Board of Coffee County, which represent

3.81 percent, 3.68 percent, and .7 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Coffee County Emergency Communications District, the Public Building Authority of Coffee County, and the Industrial Board of Coffee County is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our report and the reports of other auditors, 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 Coffee County, Tennessee, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Ambulance Service funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note V.B., Coffee County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*, which became effective for the year ended June 30, 2013. Coffee County early implemented Statement No. 65,

Items Previously Reported as Assets and Liabilities and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

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 schedules of funding progress – pension plan and other postemployment benefits plan on pages 99-101 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 Coffee County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and Rural Debt Service funds, combining and individual fund financial statements of the Coffee County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and Rural Debt Service funds, combining and individual fund financial statements of the Coffee County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

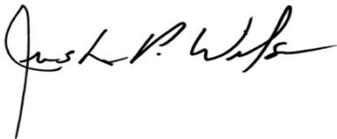
Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and Rural Debt Service funds, combining and individual fund financial statements of the Coffee County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2014, on our consideration of Coffee 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 Coffee County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 21, 2014

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Coffee County, Tennessee
Statement of Net Position
June 30, 2013

	Primary Government			Component Units				
	Governmental		Total	Coffee County School Department	Coffee County Emergency Communications District	Public Building Authority of Coffee County	Industrial Board of Coffee County	
	Activities	Business-type Activities						
Cash	\$ 14,304,890	\$ 0	\$ 14,304,890	\$ 4,500	\$ 1,677,019	\$ 202,392	\$ 852,747	
Equity in Pooled Cash and Investments	14,257,897	15,738	14,273,635	5,976,803	0	0	0	
Inventories	2,790	0	2,790	0	0	30,188	0	
Accounts Receivable	4,718,308	2,926	4,721,234	2,15,607	14,203	5,037,856	0	
Allowance for Uncollectibles	(1,903,060)	0	(1,903,060)	0	0	0	0	
Due from Other Governments	1,411,409	0	1,411,409	1,119,753	21,527	0	0	
Due from Component Units	214,284	0	214,284	0	0	0	0	
Property Taxes Receivable	12,067,511	0	12,067,511	8,872,350	0	0	0	
Allowance for Uncollectible Property Taxes	(381,642)	0	(381,642)	(220,596)	0	0	0	
Prepaid Items	0	0	0	0	10,617	0	0	
Accrued Interest Receivable	0	0	0	0	0	0	2,211	
Other Restricted Assets	0	0	0	0	0	16,742	0	
Note Receivable	0	0	0	0	0	0	79,129	
Capital Assets:								
Assets Not Depreciated:								
Land	4,010,049	30,120	4,040,169	1,438,853	0	25,000	0	
Construction in Progress	4,658,880	0	4,658,880	2,131,713	0	0	1,190,459	
Assets Net of Accumulated Depreciation:								
Buildings and Improvements	10,008,434	530,177	10,538,611	26,383,566	82,165	1,758,888	0	
Infrastructure	8,018,957	0	8,018,957	0	0	0	0	
Other Capital Assets	2,410,828	0	2,410,828	2,997,298	546,848	45,304	188,478	
Total Assets	\$ 73,799,535	\$ 578,961	\$ 74,378,496	\$ 48,919,847	\$ 2,352,379	\$ 7,116,170	\$ 2,313,024	

DEFERRED OUTFLOWS OF RESOURCES

Deferred Bond Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 186,878	\$ 0
Total Deferred Outflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 186,878	\$ 0

LIABILITIES

Accounts Payable	\$ 161,084	\$ 688	\$ 161,772	\$ 17,442	\$ 7,091	\$ 80,291	\$ 11,913
Accrued Payroll	0	0	0	2,434,996	0	0	0
Payroll Deductions Payable	125,627	0	125,627	1,077,787	33	0	0

(Continued)

Exhibit A

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

	Primary Government			Component Units					
	Governmental		Business-type	Total	Coffee County School Department	Coffee County Emergency Communications District	Public Building Authority of Coffee County	Industrial Board of Coffee County	
	Activities	Activities	Activities						
Claims and Judgments Payable	\$ 0	\$ 0	\$ 0	\$ 122,895	\$ 0	\$ 0	\$ 0	\$ 0	
Accrued Interest Payable	259,814	0	259,814	0	0	65,800	0	0	
Due to Primary Government	0	0	0	214,284	0	0	0	0	
Due to State of Tennessee	4,244	0	4,244	0	0	0	0	0	
Unamortized Premiums on Debt	0	0	0	0	0	186,878	0	0	
Noncurrent Liabilities:									
Due Within One Year	2,501,464	4,680	2,506,144	82,812	0	490,000	97,780		
Due in More Than One Year (net of deferred amount on refunding and unamortized premiums on debt)	55,925,167	293,190	56,218,357	4,458,849	0	4,445,000	810,705		
Total Liabilities	\$ 58,977,400	\$ 298,558	\$ 59,275,958	\$ 8,409,065	\$ 7,124	\$ 5,267,969	\$ 920,398		
Deferred Current Property Taxes	\$ 11,224,720	\$ 0	\$ 11,224,720	\$ 8,394,877	\$ 0	\$ 0	\$ 0	\$ 0	
Total Deferred Inflow of Resources	\$ 11,224,720	\$ 0	\$ 11,224,720	\$ 8,394,877	\$ 0	\$ 0	\$ 0	\$ 0	
Net Investment in Capital Assets	\$ 835,834	\$ 262,427	\$ 1,098,261	\$ 32,951,430	\$ 629,013	\$ 1,828,992	\$ 484,437		
Restricted for:									
Solid Waste/Sanitation	1,440,942	0	1,440,942	0	0	0	0	0	
Ambulance Service	2,274,939	0	2,274,939	0	0	0	0	0	
Local Purpose Tax	314,156	0	314,156	0	0	0	0	0	
Drug Control	562,826	0	562,826	0	0	0	0	0	
Highway/Public Works	737,214	0	737,214	0	0	0	0	0	
Central Cafeteria	0	0	0	711,829	0	0	0	0	
Capital Projects	15,934,306	0	15,934,306	1,152,201	0	0	0	0	
Debt Service	8,814,638	0	8,814,638	0	0	0	0	0	
Other Purposes	208,129	0	208,129	112,877	0	16,742	0	0	
Unrestricted	(27,525,569)	17,976	(27,507,593)	(2,812,432)	1,716,242	189,345	908,189		
Total Net Position	\$ 3,597,415	\$ 280,403	\$ 3,877,818	\$ 32,115,905	\$ 2,345,255	\$ 2,035,079	\$ 1,392,626		

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

Exhibit B

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position													
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	Primary Government		Component Units										
			Grants and Contributions	and		Governmental Activities	Business-type Activities	Coffee County School Department	Coffee County Emergency Communications District	Public Building Authority of Coffee County	Industrial Board of Coffee County							
Primary Government:																		
Governmental Activities:																		
General Government	\$ 2,267,678	\$ 926,818	\$ 60,147	\$ 0	\$ 0	\$ (1,280,713)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,527,578	1,425,871	0	0	0	(101,707)	0	0	0	0	0	0	0	0	0	0	0	0
Administration of Justice	2,406,289	2,319,741	0	0	0	(86,548)	0	0	0	0	0	0	0	0	0	0	0	0
Public Safety	7,904,021	885,966	879,362	2,200	0	(6,136,493)	0	0	0	0	0	0	0	0	0	0	0	0
Public Health and Welfare	4,499,879	1,813,752	645,557	0	0	(2,040,570)	0	0	0	0	0	0	0	0	0	0	0	0
Social, Cultural, and Recreational Services	1,120,573	53,924	40,884	0	0	(1,025,765)	0	0	0	0	0	0	0	0	0	0	0	0
Agriculture and Natural Resources	307,546	0	1,000	0	0	(306,546)	0	0	0	0	0	0	0	0	0	0	0	0
Other Operations	809,781	0	74,603	0	0	(735,178)	0	0	0	0	0	0	0	0	0	0	0	0
Highways	2,407,085	2,750	1,863,659	525,062	0	(15,614)	0	0	0	0	0	0	0	0	0	0	0	0
Education	3,707,421	0	0	0	0	(3,707,421)	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Long-term Debt	2,190,374	0	0	0	0	(2,190,374)	0	0	0	0	0	0	0	0	0	0	0	0
Other Debt Service	283,335	0	0	0	0	(283,335)	0	0	0	0	0	0	0	0	0	0	0	0
Total Governmental Activities	\$ 29,431,560	\$ 7,428,822	\$ 3,565,212	\$ 527,262	\$ 0	\$ (17,910,264)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Business-type Activities:																		
Wayside Acres Sewer Fund	\$ 62,463	\$ 32,438	\$ 0	\$ 0	\$ 0	\$ 0	\$ (30,025)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Business-type Activities	\$ 62,463	\$ 32,438	\$ 0	\$ 0	\$ 0	\$ 0	\$ (30,025)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 29,494,023	\$ 7,461,260	\$ 3,565,212	\$ 527,262	\$ 0	\$ (17,910,264)	\$ (30,025)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:																		
School Department	\$ 40,117,788	\$ 1,002,369	\$ 4,252,001	\$ 3,707,421	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Emergency Communications District	495,252	304,758	188,916	0	0	0	0	0	0	0	(1,578)	0	0	0	0	0	0	0
Public Building Authority	990,369	582,032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Industrial Development Board	274,321	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(274,321)
Total Component Units	\$ 41,877,730	\$ 1,889,159	\$ 4,440,917	\$ 3,707,421	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,578)	\$ (408,337)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (274,321)

(Continued)

Exhibit B

Coffee County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position																
	Expenses	Changes for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units																
					Governmental Activities	Primary Government Business-type Activities	Total	Coffee County School Department	Coffee County Emergency Communications District	Public Building Authority of Coffee County	Industrial Board of Coffee County										
General Revenues:																					
Taxes:																					
Property Taxes Levied for General Purposes		\$ 8,466,598	\$ 0	\$ 0	\$ 8,466,598	\$ 0	\$ 8,466,598	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Property Taxes Levied for Debt Service		2,772,416	0	0	2,772,416	0	2,772,416	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Local Option Sales Taxes		2,968,306	0	0	2,968,306	0	2,968,306	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Litigation Taxes		769,668	0	0	769,668	0	769,668	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wholesale Beer Tax		257,791	0	0	257,791	0	257,791	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mineral Severance Tax		41,106	0	0	41,106	0	41,106	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Business Tax		886,059	0	0	886,059	0	886,059	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Local Taxes		2,157	0	0	2,157	0	2,157	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants and Contributions Not Restricted for Specific Programs		931,313	0	0	931,313	0	931,313	0	118,583	132,626	250,000	0	0	0	0	0	0	0	0	0	0
Unrestricted Investment Earnings		296,208	0	0	296,208	0	296,208	0	32,226	211,670	17,299	0	0	0	0	0	0	0	0	0	0
Miscellaneous		13,297	0	0	13,297	0	13,297	0	0	0	13,300	0	0	0	0	0	0	0	0	0	0
Sale of Property		73,583	0	0	73,583	0	73,583	0	8,222	0	31,000	0	0	0	0	0	0	0	0	0	0
Amortized Premium		47,662	0	0	47,662	0	47,662	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total General Revenues		\$ 17,526,164	\$ 0	\$ 0	\$ 17,526,164	\$ 0	\$ 17,526,164	\$ 0	\$ 150,809	\$ 344,296	\$ 311,599	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Insurance Recovery		\$ 21,865	\$ 0	\$ 0	\$ 21,865	\$ 0	\$ 21,865	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers		(24,000)	24,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in Net Assets		\$ (386,235)	\$ (6,025)	\$ (392,260)	\$ (392,260)	\$ (392,260)	\$ (392,260)	\$ (392,260)	\$ 149,231	\$ (64,041)	\$ 37,278	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Reclassification - See Note I.D.11.		(111,167)	0	(111,167)	(111,167)	(111,167)	(111,167)	(111,167)	0	0	0	0	0	0	0	0	0	0	0	0	0
Restatements - See Notes I.D.10. and VIII.J.		(788,795)	(176,142)	(964,937)	(964,937)	(964,937)	(964,937)	(964,937)	0	0	(18,332)	0	0	0	0	0	0	0	0	0	0
Net Position, July 1, 2012		4,883,612	462,570	5,346,182	5,346,182	5,346,182	5,346,182	5,346,182	2,196,024	2,099,120	1,373,680	0	0	0	0	0	0	0	0	0	0
Net Position, June 30, 2013		\$ 3,597,415	\$ 280,403	\$ 3,877,818	\$ 3,877,818	\$ 3,877,818	\$ 3,877,818	\$ 3,877,818	\$ 2,345,255	\$ 2,035,079	\$ 1,392,626	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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

Exhibit C-1

Coffee County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2013

	Major Funds							Nonmajor Funds		Total Governmental Funds
	Major Funds						Education Capital Projects	Other Governmental Funds		
	General	Ambulance Service	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects				
\$	1,870	28,416	0	0	14,017,865	63,991	192,748	14,304,890		
	1,478,135	17,877	2,021,802	6,237,743	1,746,404	0	2,755,936	14,257,897		
	2,790	0	0	0	0	0	0	2,790		
	397,767	4,240,608	0	0	0	0	79,933	4,718,308		
	0	(1,903,060)	0	0	0	0	0	(1,903,060)		
	309,722	0	7,912	587,997	106,046	0	399,732	1,411,409		
	202,125	0	0	0	0	0	1,586	203,711		
	7,387,204	524,809	1,879,864	1,140,108	0	0	1,135,526	12,087,511		
	(183,700)	(13,051)	(46,747)	(63,716)	0	0	(84,428)	(381,642)		
	\$ 9,595,913	\$ 2,895,599	\$ 3,862,831	\$ 7,912,132	\$ 15,870,315	\$ 63,991	\$ 4,481,033	\$ 44,681,814		

ASSETS

Cash
Equity in Pooled Cash and Investments
Inventories
Accounts Receivable
Allowance for Uncollectibles
Due from Other Governments
Due from Other Funds
Property Taxes Receivable
Allowance for Uncollectible Property Taxes

LIABILITIES

Accounts Payable
Payroll Deductions Payable
Due to Other Funds
Due to State of Tennessee
Total Liabilities

\$	102,189	19,005	0	0	0	0	39,890	161,084
	99,673	14,757	0	0	0	0	11,197	125,627
	1,586	0	0	0	0	0	202,125	203,711
	3,454	332	0	0	0	0	458	4,244
	\$ 206,902	\$ 34,094	\$ 0	\$ 0	\$ 0	\$ 0	\$ 253,670	\$ 494,666

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
Deferred Delinquent Property Taxes
Other Deferred/Unavailable Revenue
Total Deferred Inflows of Resources

\$	6,989,555	496,559	1,778,672	1,023,831	0	0	936,103	11,224,720
	190,309	13,549	48,507	59,736	0	0	112,764	424,865
	57,790	2,323,145	0	186,357	18,988	0	177,504	2,763,784
	\$ 7,237,654	\$ 2,833,253	\$ 1,827,179	\$ 1,269,924	\$ 18,988	\$ 0	\$ 1,226,371	\$ 14,413,369

FUND BALANCES

Nonspendable:
Inventory
Restricted:
Restricted for General Government
Restricted for Finance
Restricted for Administration of Justice

\$	2,790	0	0	0	0	0	0	2,790
	28,319	0	0	0	0	0	0	28,319
	108,319	0	0	0	0	0	0	108,319
	44,731	0	0	0	0	0	0	44,731

(Continued)

Exhibit C-1

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

	Major Funds							Nonmajor Funds		Total Governmental Funds
	General	Ambulance Service	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Other			
							Governmental Funds	Governmental Funds		
Restricted (Cont.):										
Restricted for Public Safety	\$ 17,830	\$ 0	\$ 0	\$ 0	\$ 15,851,327	\$ 0	\$ 0	\$ 562,826	\$ 16,431,983	
Restricted for Public Health and Welfare	6,140	23,152	0	0	0	0	0	1,414,444	1,443,736	
Restricted for Other Operations	0	0	0	0	0	0	0	255,246	255,246	
Restricted for Highways/Public Works	0	0	0	0	0	0	0	590,780	590,780	
Restricted for Capital Outlay	0	0	0	0	0	0	63,991	0	63,991	
Restricted for Debt Service	0	0	2,035,652	6,642,208	0	0	0	0	8,677,860	
Committed:										
Committed for Public Safety	15,617	0	0	0	0	0	0	0	15,617	
Committed for Public Health and Welfare	2,003	0	0	0	0	0	0	0	2,003	
Committed for Social, Cultural, and Recreational Services	416,887	0	0	0	0	0	0	0	416,887	
Assigned:										
Assigned for General Government	16,828	0	0	0	0	0	0	0	16,828	
Assigned for Finance	680	0	0	0	0	0	0	0	680	
Assigned for Administration of Justice	910	0	0	0	0	0	0	0	910	
Assigned for Public Safety	54,266	0	0	0	0	0	0	99,260	153,526	
Assigned for Public Health and Welfare	190	5,100	0	0	0	0	0	3,120	8,410	
Assigned for Social, Cultural, and Recreational Services	10,597	0	0	0	0	0	0	0	10,597	
Assigned for Other Operations	7,000	0	0	0	0	0	0	0	7,000	
Assigned for Highways/Public Works	0	0	0	0	0	0	0	75,316	75,316	
Unassigned	1,418,250	0	0	0	0	0	0	0	1,418,250	
Total Fund Balances	\$ 2,151,357	\$ 28,252	\$ 2,035,652	\$ 6,642,208	\$ 15,851,327	\$ 63,991	\$ 3,000,992	\$ 29,773,779		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,595,913	\$ 2,895,599	\$ 3,862,831	\$ 7,912,132	\$ 15,870,315	\$ 63,991	\$ 4,481,033	\$ 44,681,814		

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

Exhibit C-2

Coffee County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2013

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)		\$ 29,773,779
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 4,010,049	
Add: construction in progress	4,658,880	
Add: buildings and improvements net of accumulated depreciation	10,008,434	
Add: infrastructure net of accumulated depreciation	8,018,957	
Add: other capital assets net of accumulated depreciation	<u>2,410,828</u>	29,107,148
(2) Long-term liabilities are not due in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (20,611,719)	
Less: notes payable	(21,881,000)	
Less: other loans payable	(14,658,334)	
Add: contributions due from School Department	214,284	
Add: deferred amount on refunding	98,537	
Less: compensated absences payable	(683,022)	
Less: other postemployment benefits liability	(517,027)	
Less: accrued interest on outstanding debt	(259,814)	
Less: other deferred revenue - premium on debt	<u>(174,066)</u>	(58,472,161)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,188,649</u>
Net position of governmental activities (Exhibit A)		<u>\$ 3,597,415</u>

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

Exhibit C-3

Coffee County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	Major Funds							Nonmajor Funds		Total Governmental Funds
	General	Ambulance Service	General Debt Service		Rural Debt Service	General Capital Projects	Education Capital Projects	Other		
			General Debt Service	General Debt Service				Governmental Funds	Governmental Funds	
Revenues										
Local Taxes	\$ 8,784,758	\$ 468,368	\$ 2,072,675	\$ 3,250,312	\$ 298,570	\$ 0	\$ 1,328,044	\$ 16,202,727		
Licenses and Permits	201,096	7,000	0	0	0	0	6,118	214,214		
Fines, Forfeitures, and Penalties	537,983	0	0	0	0	0	211,650	749,633		
Charges for Current Services	508,955	1,706,978	0	0	0	0	174,719	2,390,652		
Other Local Revenues	325,273	375	215,820	8,325	176,449	275	208,826	935,343		
Fees Received from County Officials	2,891,070	0	0	0	0	0	0	2,891,070		
State of Tennessee	2,160,552	0	0	0	0	0	2,552,344	4,712,896		
Federal Government	457,017	0	0	409,865	0	0	1,872	868,754		
Other Governments and Citizens Groups	116,679	0	0	71,429	0	0	0	188,108		
Total Revenues	\$ 15,983,383	\$ 2,182,721	\$ 2,288,495	\$ 3,739,931	\$ 475,019	\$ 275	\$ 4,483,573	\$ 29,153,397		
Expenditures										
Current:										
General Government	\$ 1,648,778	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,806	\$ 1,652,584		
Finance	1,323,825	0	0	0	0	0	4,178	1,328,003		
Administration of Justice	2,301,018	0	0	0	0	0	83,036	2,384,054		
Public Safety	7,408,768	0	0	0	0	0	256,103	7,664,871		
Public Health and Welfare	994,000	2,204,469	0	0	0	0	1,256,383	4,454,852		
Social, Cultural, and Recreational Services	1,084,818	0	0	0	0	0	0	1,084,818		
Agriculture and Natural Resources	306,378	0	0	0	0	0	0	306,378		
Other Operations	1,340,945	0	0	0	0	0	232,725	1,573,670		
Highways	0	0	0	0	0	0	2,255,984	2,255,984		
Debt Service:										
Principal on Debt	350,000	0	810,000	1,136,979	0	0	80,000	2,376,979		
Interest on Debt	17,500	0	345,132	1,826,109	0	0	10,270	2,199,011		
Other Debt Service	0	0	38,915	47,802	0	0	0	86,717		
Capital Projects	0	0	0	0	4,695,883	0	0	4,695,883		
Capital Projects - Donated	0	0	0	0	0	3,707,421	0	3,707,421		
Total Expenditures	\$ 16,776,030	\$ 2,204,469	\$ 1,194,047	\$ 3,010,890	\$ 4,695,883	\$ 3,707,421	\$ 4,182,485	\$ 35,771,225		
Excess (Deficiency) of Revenues Over Expenditures	\$ (792,647)	\$ (21,748)	\$ 1,094,448	\$ 729,041	\$ (4,220,864)	\$ (3,707,146)	\$ 301,088	\$ (6,617,828)		

(Continued)

Exhibit C-3

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

	Major Funds							Nonmajor Funds		Total Governmental Funds
	General	Ambulance Service	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Other			
							Governmental Funds	Governmental Funds		
<u>Other Financing Sources (Uses)</u>										
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,450,000	\$ 0	\$ 0	\$ 0	\$ 3,450,000
Notes Issued	0	0	0	0	20,000,000	0	0	0	0	20,000,000
Premiums on Debt Issued	0	0	0	0	103,522	0	0	0	0	103,522
Other Loans Issued	0	0	0	0	0	75,620	0	0	0	75,620
Insurance Recovery	15,165	0	0	0	0	0	6,700	0	0	21,865
Transfers In	0	50,000	0	146,752	0	0	106,000	0	0	302,752
Transfers Out	(146,752)	0	0	0	(180,000)	0	0	0	0	(326,752)
Discounts on Debt Issued	0	0	0	0	(165,258)	0	0	0	0	(165,258)
Total Other Financing Sources (Uses)	\$ (131,587)	\$ 50,000	\$ 0	\$ 146,752	\$ 19,758,264	\$ 3,525,620	\$ 112,700	\$ 0	\$ 0	\$ 23,461,749
Net Change in Fund Balances	\$ (924,234)	\$ 28,252	\$ 1,094,448	\$ 875,793	\$ 15,537,400	\$ (181,526)	\$ 413,788	\$ (111,167)	\$ 0	\$ 16,843,921
Reclassification	0	0	0	0	0	0	0	0	0	(111,167)
Fund Balance, July 1, 2012	3,075,591	0	941,204	5,766,415	313,927	245,517	2,698,371	0	0	13,041,025
Fund Balance, June 30, 2013	\$ 2,151,357	\$ 28,252	\$ 2,035,652	\$ 6,642,208	\$ 15,851,327	\$ 63,991	\$ 3,000,992	\$ 0	\$ 0	\$ 29,773,779

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

Exhibit C-4

Coffee 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, 2013

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)		\$ 16,843,921
(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	\$ 5,593,736	
Less: current-year depreciation expense	<u>(1,374,949)</u>	4,218,787
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: loss on the disposal of capital assets		(20,264)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2013	\$ 3,188,649	
Less: deferred delinquent property taxes and other deferred June 30, 2012	<u>(3,191,059)</u>	(2,410)
(4) The issuance of long-term debt (e.g., bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (3,450,000)	
Less: note proceeds	(20,000,000)	
Less: other loan proceeds	(75,620)	
Less: change in premium on debt issuances	(55,860)	
Add: principal payments on bonds	1,125,000	
Add: principal payments on notes	80,000	
Add: principal payments on other loans	1,171,979	
Less: principal contributed by school department	(71,429)	
Less: change in deferred amount on refunding debt	<u>(31,360)</u>	(21,307,290)
(5) Some expenses reported in the statement of activities do not require the uses of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 8,637	
Change in compensated absences payable	(37,197)	
Change in other postemployment benefits liability	<u>(90,419)</u>	(118,979)
Change in net position of governmental activities (Exhibit B)		<u>\$ (386,235)</u>

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

Exhibit C-5

Coffee County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 8,784,758	\$ 0	\$ 0	\$ 8,784,758	\$ 8,565,928	\$ 8,605,128	\$ 179,630
Licenses and Permits	201,096	0	0	201,096	186,400	176,400	24,696
Fines, Forfeitures, and Penalties	537,983	0	0	537,983	438,218	522,998	14,985
Charges for Current Services	508,955	0	0	508,955	491,150	522,950	(13,995)
Other Local Revenues	325,273	0	0	325,273	317,880	321,920	3,353
Fees Received from County Officials	2,891,070	0	0	2,891,070	3,055,000	3,073,332	(182,262)
State of Tennessee	2,160,552	0	0	2,160,552	1,742,263	2,361,992	(201,440)
Federal Government	457,017	0	0	457,017	222,439	479,268	(22,251)
Other Governments and Citizens Groups	116,679	0	0	116,679	46,050	47,050	69,629
Total Revenues	\$ 15,983,383	\$ 0	\$ 0	\$ 15,983,383	\$ 15,065,328	\$ 16,111,038	\$ (127,655)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 43,427	\$ 0	\$ 0	\$ 43,427	\$ 46,949	\$ 46,949	\$ 3,522
Board of Equalization	1,466	0	0	1,466	4,306	4,306	2,840
Other Boards and Committees	20,312	0	0	20,312	24,685	21,685	1,373
County Mayor/Executive	176,386	0	0	176,386	193,250	183,250	6,864
County Attorney	52,380	0	0	52,380	50,000	52,380	0
Election Commission	335,608	(10,638)	1,615	326,585	337,468	342,468	15,883
Register of Deeds	210,934	0	696	211,630	260,239	260,239	48,609
Codes Compliance	68,650	0	0	68,650	85,521	85,521	16,871
County Buildings	652,136	(4,480)	14,517	662,173	710,527	719,756	57,583
Other General Administration	85,144	0	0	85,144	94,000	94,000	8,856
Preservation of Records	2,335	0	0	2,335	250	2,595	260
<u>Finance</u>							
Accounting and Budgeting	335,373	0	0	335,373	339,525	339,525	4,152
Property Assessor's Office	337,219	0	0	337,219	343,381	343,381	6,162
Reappraisal Program	13,286	0	0	13,286	10,000	25,251	11,965
County Trustee's Office	284,556	0	680	285,236	279,249	286,201	965

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Clerk's Office	\$ 353,391	\$ 0	\$ 0	\$ 353,391	\$ 392,489	\$ 392,489	\$ 39,098
<u>Administration of Justice</u>							
Circuit Court	1,068,702	(14,866)	410	1,054,246	1,049,156	1,072,246	18,000
General Sessions Judge	366,414	0	0	366,414	368,422	368,422	2,008
Drug Court	263,590	0	0	263,590	202,000	263,690	100
Chancery Court	271,712	0	0	271,712	261,057	276,144	4,432
Judicial Commissioners	114,750	0	0	114,750	127,919	127,919	13,169
Probation Services	215,850	0	500	216,350	254,694	254,694	38,344
<u>Public Safety</u>							
Sheriff's Department	2,502,960	0	3,738	2,506,698	2,551,184	2,541,933	35,235
Traffic Control	8,036	0	0	8,036	16,000	12,000	3,964
Administration of the Sexual Offender Registry	1,429	0	0	1,429	0	2,000	571
Jail	3,236,139	(28,039)	26,924	3,235,024	2,606,164	3,305,688	70,664
Juvenile Services	304,839	0	0	304,839	300,117	320,117	15,278
Rural Fire Protection	282,000	0	0	282,000	282,000	282,000	0
Civil Defense	243,221	(26,626)	23,604	240,199	124,516	255,523	15,324
Rescue Squad	17,000	0	0	17,000	17,000	17,000	0
County Coroner/Medical Examiner	40,000	0	0	40,000	40,000	40,000	0
Other Public Safety	773,144	0	0	773,144	827,815	827,815	54,671
<u>Public Health and Welfare</u>							
Local Health Center	635,006	0	190	635,196	766,128	766,828	131,632
Rabies and Animal Control	95,092	0	0	95,092	99,002	99,002	3,910
Ambulance/Emergency Medical Services	131,715	(4,528)	0	127,187	0	127,592	405
Alcohol and Drug Programs	2,000	0	0	2,000	2,000	2,000	0
Appropriation to State	82,378	0	0	82,378	82,378	82,378	0
General Welfare Assistance	8,780	0	0	8,780	8,780	8,780	0
Other Waste Disposal	39,029	0	0	39,029	64,296	64,296	25,267

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	\$ 191,260	\$ 0	\$ 0	\$ 191,260	\$ 184,478	\$ 191,478	\$ 218
Libraries	883,868	(29,646)	10,597	864,819	899,725	900,725	35,906
Other Social, Cultural, and Recreational Agriculture and Natural Resources	9,690	(827)	0	8,863	0	10,242	1,379
Agriculture Extension Service	224,258	0	0	224,258	223,718	224,718	460
Soil Conservation	82,120	0	0	82,120	83,338	83,338	1,218
<u>Other Operations</u>							
Industrial Development	250,000	0	0	250,000	250,000	250,000	0
Veterans' Services	10,895	0	0	10,895	12,044	12,044	1,149
Other Charges	956,283	(450)	7,000	962,833	1,314,367	986,867	24,034
Contributions to Other Agencies	14,450	0	0	14,450	14,450	14,450	0
Payments to Cities	15,000	0	0	15,000	15,000	15,000	0
Miscellaneous	94,317	0	0	94,317	0	125,817	31,500
<u>Principal on Debt</u>							
General Government	350,000	0	0	350,000	0	350,000	0
<u>Interest on Debt</u>							
General Government	17,500	0	0	17,500	0	17,500	0
Total Expenditures	\$ 16,776,030	\$ (120,100)	\$ 90,471	\$ 16,746,401	\$ 16,219,587	\$ 17,500,242	\$ 753,841
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ (792,647)	\$ 120,100	\$ (90,471)	\$ (763,018)	\$ (1,154,259)	\$ (1,389,204)	\$ 626,186
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 15,165	\$ 0	\$ 0	\$ 15,165	\$ 0	\$ 24,978	\$ (9,813)
Transfers Out	(146,752)	0	0	(146,752)	(146,750)	(146,755)	3
Total Other Financing Sources	\$ (131,587)	\$ 0	\$ 0	\$ (131,587)	\$ (146,750)	\$ (121,777)	\$ (9,810)

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ (924,234) \$	120,100 \$	(90,471) \$	(894,605) \$	(1,301,009) \$	(1,510,981) \$	616,376
Fund Balance, July 1, 2012	3,075,591	(120,100)	0	2,955,491	2,158,761	2,158,761	796,730
Fund Balance, June 30, 2013	\$ 2,151,357 \$	0 \$	(90,471) \$	2,060,886 \$	857,752 \$	647,780 \$	1,413,106

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

Exhibit C-6

Coffee County, Tennessee
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Ambulance Service Fund
 For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 468,368	\$ 0	\$ 468,368	\$ 470,720	\$ 471,105	\$ (2,737)
Licenses and Permits	7,000	0	7,000	0	4,500	2,500
Charges for Current Services	1,706,978	0	1,706,978	1,840,000	1,782,652	(75,674)
Other Local Revenues	375	0	375	0	100	275
Total Revenues	\$ 2,182,721	\$ 0	\$ 2,182,721	\$ 2,310,720	\$ 2,258,357	\$ (75,636)
<u>Expenditures</u>						
Public Health and Welfare						
Ambulance/Emergency Medical Services	\$ 2,204,469	\$ 5,100	\$ 2,209,569	\$ 2,271,781	\$ 2,231,898	\$ 22,329
Total Expenditures	\$ 2,204,469	\$ 5,100	\$ 2,209,569	\$ 2,271,781	\$ 2,231,898	\$ 22,329
Excess (Deficiency) of Revenues Over Expenditures	\$ (21,748)	\$ (5,100)	\$ (26,848)	\$ 38,939	\$ 26,459	\$ (53,307)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 50,000	\$ 0	\$ 50,000	\$ 0	\$ 50,000	\$ 0
Total Other Financing Sources	\$ 50,000	\$ 0	\$ 50,000	\$ 0	\$ 50,000	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 28,252	\$ (5,100)	\$ 23,152	\$ 38,939	\$ 76,459	\$ (53,307)
	0	0	0	0	0	0
Fund Balance, June 30, 2013	\$ 28,252	\$ (5,100)	\$ 23,152	\$ 38,939	\$ 76,459	\$ (53,307)

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

Exhibit D-1

Coffee County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2013

	Business-type Activities
	Nonmajor Enterprise Fund
	Wayside Acres Sewer Fund
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Assets and Investments	\$ 15,738
Accounts Receivable	2,926
Total Current Assets	<u>\$ 18,664</u>
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation):	
Land	\$ 30,120
Buildings and Improvements	530,177
Total Noncurrent Assets	<u>\$ 560,297</u>
Total Assets	<u>\$ 578,961</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 688
Current Portion of Long-term Debt	4,680
Total Current Liabilities	<u>\$ 5,368</u>
Noncurrent Liabilities:	
Due in More Than One Year	\$ 293,190
Total Noncurrent Liabilities	<u>\$ 293,190</u>
Total Liabilities	<u>\$ 298,558</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 262,427
Unrestricted	17,976
Total Net Position	<u>\$ 280,403</u>

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

Exhibit D-2

Coffee County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2013

	Business-type Activities
	Nonmajor Enterprise Fund
	Wayside Acres Sewer Fund
<u>Operating Revenues</u>	
Charges for Current Services	\$ 32,438
Total Operating Revenues	<u>\$ 32,438</u>
<u>Operating Expenses</u>	
Public Health and Welfare	\$ 22,817
Depreciation	26,952
Total Operating Expenses	<u>\$ 49,769</u>
Operating Income (Loss)	<u>\$ (17,331)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Interest on Other Loans	\$ (12,694)
Total Nonoperating Expenses	<u>\$ (12,694)</u>
Income (Loss) Before Transfers	\$ (30,025)
Transfers In	<u>24,000</u>
Change in Net Position	\$ (6,025)
Restatement	(176,142)
Net Position, July 1, 2012	<u>462,570</u>
Net Position, June 30, 2013	<u><u>\$ 280,403</u></u>

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

Exhibit D-3

Coffee County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2013

	Business-type Activities
	Nonmajor Enterprise Fund
	Wayside Acres Sewer Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 32,056
Payments to Suppliers	(24,009)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 8,047</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Paid on Other Loans	\$ (4,418)
Interest Paid on Other Loans	(12,694)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (17,112)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers In	\$ 24,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 24,000</u>
Net Increase (Decrease) in Cash	\$ 14,935
Cash, July 1, 2012	<u>803</u>
Cash, June 30, 2013	<u><u>\$ 15,738</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (17,331)
Adjustment to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	26,952
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(382)
Increase (Decrease) in Accounts Payable	(26)
Increase (Decrease) in Due to Other Funds	<u>(1,166)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 8,047</u></u>

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

Exhibit E

Coffee County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,190,432
Equity in Pooled Cash and Investments	469,945
Due from Other Governments	2,561,160
Property Taxes Receivable	8,442,130
Allowance for Uncollectible Property Taxes	<u>(209,969)</u>
Total Assets	<u>\$ 13,453,698</u>

<u>LIABILITIES</u>	
Accounts Payable	\$ 975
Payroll Deductions Payable	155
Due to Other Taxing Units	10,835,727
Due to Litigants, Heirs, and Others	2,298,786
Due to Joint Ventures	<u>318,055</u>
Total Liabilities	<u>\$ 13,453,698</u>

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

COFFEE COUNTY, TENNESSEE
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COFFEE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Coffee 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 Coffee County:

A. Reporting Entity

Coffee County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Coffee County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Coffee County School Department operates the public school system in the county, and the voters of Coffee 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 Coffee County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Coffee County, and the Coffee 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 Industrial Board of Coffee County provides and assists industry in Coffee County, and the Coffee County Commission appoints its board of directors. The board comprises three members each from the City of Tullahoma, the City of Manchester, and from rural areas. The board is primarily funded by appropriations from the county.

The Coffee County Public Building Authority oversees the operations of the conference center, which benefits the citizens of the City of Manchester and Coffee County. The Coffee County Commission appoints the seven-member board of directors, and Coffee County and the City of Manchester share equally in the profits and losses of the conference center. The center is primarily funded by charges assessed for the use of the facility. During the year ended June 30, 2013, the county's share of the losses of the conference center totaled \$76,385.

The Coffee 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 Coffee County Emergency Communications District, Industrial Board of Coffee County, and Public Building Authority of Coffee County can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Coffee County Emergency Communications District
911 Jack Welch Drive
Manchester, TN 37355

Industrial Board of Coffee County
1329 McArthur Street, Suite 4
Manchester, TN 37355

Public Building Authority of Coffee County
147 Hospitality Boulevard
Manchester, TN 37355

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 Coffee 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.

Coffee County issues all debt for the discretely presented Coffee County School Department. Net debt issues totaling \$3,707,421 were contributed by the county to the School Department during the year ended June 30, 2013.

Separate financial statements are provided for governmental funds, proprietary funds (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the nonmajor 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 fund 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 Coffee 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 outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Coffee County only reports one proprietary fund, an enterprise fund.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds and the 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. Fiduciary funds in total are reported in a single column.

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

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

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

Coffee 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.

Ambulance Service Fund – This special revenue fund accounts for transactions of the county’s Ambulance Service. Patient charges are the foundational revenues of this fund.

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

Rural Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on

long-term general obligation debt of governmental funds issued for school projects outside the territorial limits of the Special School District.

General Capital Projects – This fund accounts for general capital expenditures of the county. The balance in this fund at June 30, 2013, represents unexpended note proceeds to be used for jail construction.

Education Capital Projects Fund – This fund accounts for debt issued by Coffee County that is subsequently contributed to the discretely presented Coffee County School Department for construction and renovation projects.

Additionally, Coffee County reports the following fund types:

Enterprise Fund – The Wayside Acres Sewer Fund is used to account for the transactions of the Wayside Acres sewer operation.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Coffee County, the city school systems' share of educational revenues, state grants and other restricted revenues held for the benefit of the Fourteenth Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

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

Capital Projects Fund – The Other Capital Projects Fund is used to account for school building construction and renovations.

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 one proprietary fund, an enterprise fund used to account for the transactions of the Wayside Acres sewer operation. 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 enterprise fund are charges for services.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes 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 Coffee 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 and the General Capital Projects funds. Coffee County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and

conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.47 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. Claims and judgments payable are discussed in Note V.A. Risk Management.

3. Inventories

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

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental 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 \$5,000 (\$10,000 for the discretely presented Coffee County School Department) or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10 - 50
Land Improvements	10 - 50
Infrastructure	15 - 40
Other Capital Assets	3 - 20
Library Assets	2 - 40

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources,

represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

The general policy of Coffee County allows employees to accumulate a limited number of unused vacation days; however, the unused vacation days that exceed the limit allowed by county policy are transferred to sick days on the employee's anniversary date. The remaining unused vacation days are paid to employees when they separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

County employees are allowed to accumulate unlimited sick leave days; however, the granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

The general policy of the discretely presented Coffee County School Department does not allow for the accumulation of vacation days beyond year-end for professional employees. Support staff are allowed to accumulate unused vacation days. Vacation pay is accrued for support staff when incurred in the government-wide financial statements for the School Department. A liability for vacation pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. All professional personnel (teachers) of the School Department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

7. **Long-term Obligations**

In the government-wide financial statements 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, claims and judgments, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. **Net Position and Fund Balance**

In the government-wide financial statements and the proprietary 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, 2013, Coffee County had \$29,000,053 in outstanding debt for capital purposes for the discretely presented Coffee County School Department. This debt is a liability of Coffee County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Coffee County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has by

resolution authorized the county's Budget/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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

9. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of committed, assigned, and unassigned fund balance:

General Fund – four percent of current-year appropriations

Debt Service Funds – an amount equal to debt requirements for the first six months of the subsequent fiscal year

10. Restatements

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of Governmental Accounting Standards Board Statement No. 65, debt issuance costs become period costs. An adjustment to beginning net position totaling \$788,795 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

Capital assets of the Wayside Acres Sewer Fund (enterprise fund) were restated \$176,142 from the prior year because assets were included in the prior year's financial statements that the county does not own.

11. Reclassification

In prior years, the District Attorney General Fund was classified as a special revenue fund; however, effective July 1, 2012, this fund has been reclassified as an agency fund to better reflect the control of these funds by the district attorney general.

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 Coffee County School Department

Exhibit J-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 Coffee County School Department

Exhibit J-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

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, 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 the GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2013, Coffee County and the Coffee County School Department reported the following significant encumbrances:

Fund	Description	Amount
Primary Government:		
Major Funds:		
General	Jail food supplies	\$ 22,916
"	EMA equipment	23,358
Nonmajor Funds:		
Drug Control	Vehicles	94,140
Highway/Public Works	Asphalt	24,700
School Department:		
Major Fund:		
General Purpose School	Computer license agreement	24,757
"	Computer hardware	36,180

B. Fund Deficit

The School Federal Projects Fund (special revenue fund) of the discretely presented Coffee County School Department had a negative unassigned fund balance of \$12,388 at June 30, 2013. This negative unassigned fund balance resulted from expenditures exceeding restricted, committed, and assigned balances. The negative unassigned fund balance was liquidated when revenues were recognized after June 30, 2013.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Coffee County and the Coffee 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.

The county had no pooled or nonpooled investments as of June 30, 2013.

B. Capital Assets

Capital assets activity for the year ended June 30, 2013, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 3,978,949	\$ 31,100	\$ 0	\$ 4,010,049
Construction in Progress	0	4,658,880	0	4,658,880
Total Capital Assets Not Depreciated	\$ 3,978,949	\$ 4,689,980	\$ 0	\$ 8,668,929
Capital Assets Depreciated:				
Buildings and Improvements	\$ 18,024,785	\$ 61,979	\$ 0	\$ 18,086,764
Infrastructure	14,871,685	502,880	0	15,374,565
Other Capital Assets	6,006,176	428,897	(170,624)	6,264,449
Total Capital Assets Depreciated	\$ 38,902,646	\$ 993,756	\$ (170,624)	\$ 39,725,778

Governmental Activities (Cont.):

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 7,694,199	\$ 384,131	\$ 0	\$ 8,078,330
Infrastructure	6,848,118	507,490	0	7,355,608
Other Capital Assets	3,430,653	483,328	(60,360)	3,853,621
Total Accumulated Depreciation	<u>\$ 17,972,970</u>	<u>\$ 1,374,949</u>	<u>\$ (60,360)</u>	<u>\$ 19,287,559</u>
Total Capital Assets Depreciated, Net	<u>\$ 20,929,676</u>	<u>\$ (381,193)</u>	<u>\$ (110,264)</u>	<u>\$ 20,438,219</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,908,625</u>	<u>\$ 4,308,787</u>	<u>\$ (110,264)</u>	<u>\$ 29,107,148</u>

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

Governmental Activities:

General Government	\$ 326,576
Finance	8,080
Administration of Justice	7,193
Public Safety	120,369
Public Health and Welfare	162,973
Social, Cultural, and Recreational	125,482
Other General Government	1,255
Highways/Public Works	<u>623,021</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,374,949</u>

Business-type Activities:

	Balance 7-1-12	Increases	Balance 6-30-13
Capital Assets Not Depreciated:			
Land	\$ 30,120	\$ 0	\$ 30,120
Total Capital Assets Not Depreciated	<u>\$ 30,120</u>	<u>\$ 0</u>	<u>\$ 30,120</u>

Business-type Activities (Cont.):

	Balance 7-1-12	Increases	Balance 6-30-13
Capital Assets Depreciated:			
Infrastructure	\$ 673,775	\$ 0	\$ 673,775
Total Capital Assets Depreciated	<u>\$ 673,775</u>	<u>\$ 0</u>	<u>\$ 673,775</u>
Less Accumulated Depreciation For:			
Infrastructure	\$ 116,646	\$ 26,952	\$ 143,598
Total Accumulated Depreciation	<u>\$ 116,646</u>	<u>\$ 26,952</u>	<u>\$ 143,598</u>
Total Capital Assets Depreciated, Net	<u>\$ 557,129</u>	<u>\$ (26,952)</u>	<u>\$ 530,177</u>
Business-type Activities Capital Assets, Net	<u>\$ 587,249</u>	<u>\$ (26,952)</u>	<u>\$ 560,297</u>

The beginning balance of capital assets of the county's business-type activities was restated \$176,142 from the prior year. The business-type activities had no other decreases in capital assets during the year ended June 30, 2013.

Discretely Presented Coffee County School Department

Governmental Activities:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 1,438,853	\$ 0	\$ 0	\$ 1,438,853
Construction in Progress	3,447,819	2,827,314	(4,143,420)	2,131,713
Total Capital Assets Not Depreciated	<u>\$ 4,886,672</u>	<u>\$ 2,827,314</u>	<u>\$ (4,143,420)</u>	<u>\$ 3,570,566</u>

Governmental Activities (Cont.):

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Depreciated:				
Buildings and Improvements	\$ 32,981,169	\$ 2,929,033	\$ 0	\$ 35,910,202
Other Capital Assets	3,620,540	1,558,893	(69,094)	5,110,339
Total Capital Assets Depreciated	<u>\$ 36,601,709</u>	<u>\$ 4,487,926</u>	<u>\$ (69,094)</u>	<u>\$ 41,020,541</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$ 8,817,589	\$ 709,047	\$ 0	\$ 9,526,636
Other Capital Assets	1,922,409	248,730	(58,098)	2,113,041
Total Accumulated Depreciation	<u>\$ 10,739,998</u>	<u>\$ 957,777</u>	<u>\$ (58,098)</u>	<u>\$ 11,639,677</u>
Total Capital Assets Depreciated, Net	<u>\$ 25,861,711</u>	<u>\$ 3,530,149</u>	<u>\$ (10,996)</u>	<u>\$ 29,380,864</u>
Governmental Activities Capital Assets, Net	<u>\$ 30,748,383</u>	<u>\$ 6,357,463</u>	<u>\$ (4,154,416)</u>	<u>\$ 32,951,430</u>

Depreciation expense was charged to functions of the School Department as follows:

Governmental Activities:

Instruction	\$ 717,887
Support Services	219,199
Operation of Non-Instructional Services	<u>20,691</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 957,777</u>

C. Construction Commitments

At June 30, 2013, the county had uncompleted construction contracts of approximately \$15,911,316 for the construction of a jail facility. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
Nonmajor governmental	General	\$ 1,586
General	Nonmajor governmental	202,125
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	3,529

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.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2013, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In			
	Ambulance Service Fund	Rural Debt Service Fund	Nonmajor Govern- mental Fund	Nonmajor Enterprise Fund
General Fund	\$ 0	\$ 146,752	\$ 0	\$ 0
General Capital Projects	50,000	0	106,000	24,000
Total	<u>\$ 50,000</u>	<u>\$ 146,752</u>	<u>\$ 106,000</u>	<u>\$ 24,000</u>

Discretely Presented Coffee County School Department

Transfer Out	Transfer In
	General Purpose School Fund
Nonmajor governmental fund	\$ 24,068

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

E. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, notes, and other loans outstanding were issued for original terms of up to 35 years for bonds, six years for notes, and up to 18 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. General obligation bonds included in long-term debt as of June 30, 2013, will be retired from the General Debt Service and Rural Debt Service funds. Notes included in long-term debt will be retired from the General Debt Service and Highway/Public Works funds. Other loans included in long-term debt will be retired from the General, General Debt Service, and Rural Debt Service funds.

General obligation bonds, notes, and other loans outstanding as of June 30, 2013, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-13
General Obligation Bonds	4.75	%	6-1-44	\$ 16,116,719	\$ 16,116,719
General Obligation Bonds - Refunding	2.56 to 4		2-1-18	10,970,000	4,495,000
Notes	.83 to 3.125		8-1-17	22,000,000	21,881,000
Other Loans	0 to 4.75		7-1-27	16,137,000	13,608,334
Other Loans	Variable		12-31-16	1,750,000	1,050,000

The county was the defendant in a lawsuit filed by the City of Tullahoma and its board of education. The city was seeking reimbursement of certain sales tax proceeds that they alleged were due them since Coffee County failed to follow state statute relative to the disbursement of sales tax proceeds, which are used for educational purposes. In October 2009, a settlement was reached between the parties for a payment to the City of Tullahoma totaling \$2,000,000. In accordance with the settlement, Coffee County made a payment to the City of Tullahoma for \$250,000 from the General Fund on October 1, 2010. The balance of \$1,750,000 was originally to be paid on or before December 31, 2011; however, an agreement was reached between the county and the City of Tullahoma to allow the balance to be repaid over a period of five years. This amount is reflected as an Other Loans Payable and is to be repaid in five equal installments of \$350,000 at a variable interest rate based on the Fed Funds Rate.

On November 6, 2006, Coffee County entered into a loan agreement with the Public Building Authority of Coffee County. Under this agreement, the authority loaned \$4,510,000 to Coffee County at interest rates ranging from 3.55 to four percent to refinance a portion of the outstanding balance of a loan issued to the county during the 2000-01 year.

On December 10, 2008, Coffee County entered into a loan agreement with the Tennessee Local Government Alternative Loan Program. Under this agreement the program loaned \$7,600,000 to Coffee County at an interest rate of 4.75 percent for school construction projects and agreed to refinance the outstanding balance of debt issued in prior years.

On October 7, 2010, Coffee County entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the authority loaned Coffee County \$3,027,000 from Qualified School Construction Bonds, Series 2010 for rehabilitation and repairs of county school buildings. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The county pays an annual administrative fee of \$2,422 under this agreement. The loan retirement schedule also includes equal monthly payments of interest; however, the county will semi-annually receive a federal interest subsidy, which will offset these payments resulting in a zero percent interest rate.

In prior years, Coffee County and the discretely presented Coffee County School Department entered into two separate loan agreements with the state Department of Economic and Community Development to provide energy efficiency improvements in the county's schools. Under each of these agreements, the state loaned the county \$500,000 at an interest rate of zero percent.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2013, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 1,160,000	\$ 1,388,725	\$ 2,548,725
2015	1,200,000	1,345,325	2,545,325
2016	1,005,000	1,300,325	2,305,325
2017	1,035,000	1,264,888	2,299,888
2018	95,000	1,227,958	1,322,958
2019-2023	0	6,121,500	6,121,500
2024-2028	0	6,121,500	6,121,500
2029-2033	0	6,121,500	6,121,500
2034-2038	2,125,000	6,121,500	8,246,500
2039-2043	12,200,000	3,719,750	15,919,750
2044	1,791,719	201,600	1,993,319
Total	\$ 20,611,719	\$ 34,934,571	\$ 55,546,290

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	\$ 82,000	\$ 198,634	\$ 280,634
2015	21,583,000	95,812	21,678,812
2016	85,000	4,485	89,485
2017	87,000	2,518	89,518
2018	44,000	506	44,506
Total	\$ 21,881,000	\$ 301,955	\$ 22,182,955

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2014	\$ 1,225,313	\$ 597,457	\$ 1,822,770
2015	1,260,313	574,857	1,835,170
2016	1,510,310	550,857	2,061,167
2017	1,148,884	515,782	1,664,666
2018	1,183,884	479,332	1,663,216
2019-2023	5,547,710	1,773,698	7,321,408
2024-2028	2,781,920	863,367	3,645,287
Total	\$ 14,658,334	\$ 5,355,350	\$ 20,013,684

There is \$8,677,860 available in the debt service funds to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled \$1,082, based on the 2010 federal census.

The School Department is currently servicing some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary

Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government. In the prior year, this debt was reflected as debt of the School Department; however, this debt has been reclassified as debt of the primary government because the primary government is legally obligated to repay the debt.

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-13</u>
<u>Other Loans Payable</u>	
<u>Payable through General Purpose School Fund</u>	
Energy Efficiency Improvements	\$ 214,284

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2013, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>	<u>Other Loans</u>
Balance, July 1, 2012	\$ 18,286,719	\$ 1,961,000	\$ 15,468,980
Reclassification of School Debt	0	0	285,713
Additions	3,450,000	20,000,000	75,620
Reductions	(1,125,000)	(80,000)	(1,171,979)
Balance, June 30, 2013	<u>\$ 20,611,719</u>	<u>\$ 21,881,000</u>	<u>\$ 14,658,334</u>
Balance Due Within One Year	<u>\$ 1,160,000</u>	<u>\$ 82,000</u>	<u>\$ 1,225,313</u>

	<u>Compensated Absences</u>	<u>Other Postemployment Benefits</u>
Balance, July 1, 2012	\$ 645,825	\$ 426,608
Additions	662,701	103,951
Reductions	(625,504)	(13,532)
Balance, June 30, 2013	<u>\$ 683,022</u>	<u>\$ 517,027</u>
Balance Due Within One Year	<u>\$ 34,151</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 58,351,102
Less: Balance Due Within One Year	(2,501,464)
Add: Unamortized Premium on Debt	174,066
Less: Deferred Amount on Refunding	<u>(98,537)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 55,925,167</u></u>

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

Wayside Acres Sewer Fund (enterprise fund)

Other loans outstanding were issued for original terms of up to 38 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The other loans included in long-term liabilities as of June 30, 2013, will be retired by the enterprise fund.

Other loans outstanding as of June 30, 2013, for business-type activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-13
Other Loans	4.125 to 4.375 %	12-20-44	\$ 324,000	\$ 297,870

The annual requirements to amortize all other loans outstanding as of June 30, 2013, including interest payments, are presented in the following table:

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2014	\$ 4,680	\$ 12,432	\$ 17,112
2015	4,880	12,232	17,112
2016	5,089	12,023	17,112
2017	5,306	11,806	17,112
2018	5,533	11,579	17,112
2019-2023	31,425	54,135	85,560
2024-2028	38,747	46,813	85,560
2029-2033	47,785	37,775	85,560
2034-2038	58,930	26,629	85,559
2039-2043	72,686	12,874	85,560
2044-2045	<u>22,809</u>	<u>654</u>	<u>23,463</u>
Total	<u>\$ 297,870</u>	<u>\$ 238,952</u>	<u>\$ 536,822</u>

Changes in Long-term Obligations

Long-term obligations activity for the Wayside Acres Sewer Fund (enterprise fund) for the year ended June 30, 2013, was as follows:

Business-type Activities:

	<u>Other Loans</u>
Balance, July 1, 2012	\$ 302,288
Additions	0
Reductions	<u>(4,418)</u>
Balance, June 30, 2013	<u>\$ 297,870</u>
Balance Due Within One Year	<u>\$ 4,680</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 297,870
Less: Balance Due Within One Year	<u>(4,680)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 293,190</u>

Discretely Presented Coffee County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Coffee County School Department for the year ended June 30, 2013, was as follows:

Governmental Activities:

	<u>Other Loans</u>	<u>Compensated Absences</u>	<u>Other Postemployment Benefits</u>
Balance, July 1, 2012	\$ 285,713	\$ 77,909	\$ 3,817,205
Additions	0	73,534	1,169,612
Reductions	0	(47,928)	(548,671)
Reclassification of School Debt	<u>(285,713)</u>	<u>0</u>	<u>0</u>
Balance, June 30, 2013	<u>\$ 0</u>	<u>\$ 103,515</u>	<u>\$ 4,438,146</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 82,812</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 4,541,661
Less: Balance Due Within One Year	<u>(82,812)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,458,849</u>

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

F. On-Behalf Payments

Discretely Presented Coffee County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Coffee 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, 2013, were \$174,145 and \$40,982, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

The county issued revenue anticipation notes in advance of collections and deposited the proceeds in the General, General Purpose School, and School Federal Projects funds. These notes were necessary because funds were not available to meet fund obligations coming due before current revenue collections. Short-term debt activity for the year ended June 30, 2013, was as follows:

Fund	Balance 7-1-12	Issued	Paid	Balance 6-30-13
Primary Government:				
General	\$ 0	\$ 1,000,000	\$ (1,000,000)	\$ 0
School Department:				
General Purpose School	0	300,000	(300,000)	0
School Federal Projects	0	200,000	(200,000)	0

V. OTHER INFORMATION

A. Risk Management

Primary Government

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

The Highway Department's risk of loss relating to general liability, property, casualty, and workers' compensation is covered by participation in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund, which are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The Highway Department pays an annual premium to the pools for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of these pools provides for them to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims of more than \$100,000 for each insured event.

The Coffee County Ambulance Service purchases commercial insurance for the risk of losses to which it is exposed. These risks include general liability, property, casualty, and accident. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

Discretely Presented Coffee County School Department

The discretely presented Coffee County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort

Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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

The School Department provides a self-insured dental and vision plan for all full-time employees through the General Purpose School Fund. Retirees are not allowed to participate in the program. The cost of this plan was provided by appropriations made for that purpose. Payroll deductions were made from employees' compensation for the portion of premiums relating to family coverage. The dental and vision plan provides maximum yearly benefit amounts for participants. The maximum calendar year benefit under the dental plan is \$1,500 per person. The vision plan also contains limits on benefits and the number of procedures covered by the plan. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The self-insurance program funds established claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustments and expenditures, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	End of Fiscal Year Liability
2011-12	\$ 180,590	\$ 429,310	\$ 456,041	\$ 153,859
2012-13	153,859	440,954	471,918	122,895

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus*

(an amendment of GASB Statements No. 14 and No. 34); Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. Coffee County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

GASB Statement No. 60 provides accounting and financial reporting guidance related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard establishes criteria for determining whether a SCA exists, how to account for SCAs, and requires certain disclosures associated with a SCA.

GASB Statement No. 61 amends Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component units in the financial reporting entity to ensure that the reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. Statement No. 61 also clarifies the criteria for blending component units and presenting business-type component units.

GASB Statement No. 62 incorporates into GASB's literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The option to use subsequent FASB guidance has been removed.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced and defined by Concepts Statement No. 4, *Elements of Financial Statements*. Previous financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. In addition, the previous Statement of Net Assets was renamed to a Statement of Financial Position.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66 resolves conflicting guidance by removing the provision that limits fund based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. Under

Statement No. 66 decisions about fund type classifications are based on the nature of the activity to be reported as required by Statements No. 54 and No. 34. This statement also modifies guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

C. Subsequent Events

Between July 1, 2013, and February 11, 2014, the various county funds issued tax anticipation notes to provide temporary operating funds. These notes are summarized in the following schedule:

From Fund	To Fund	Amount
Rural Debt Service	General	\$ 2,000,000
"	Ambulance Service	100,000
"	General Purpose School	590,000
"	School Federal Projects	300,000
Education Capital Projects	General Purpose School	250,000

Between July 1, 2013, and February 11, 2014, the county issued various types of debt as noted in the following schedule:

Debt Issued	Amount	Purpose
Qualified School Construction Bonds	\$ 57,468	School Renovations
Build America Bonds	1,160,898	"
Rural School Bonds, Series 2013	9,100,000	Jail Construction
Rural School Bonds, Series 2014	1,800,000	"
Capital Outlay Note	450,000	Ambulance, Lighting
Capital Outlay Note	300,000	School Buses

D. Contingent Liabilities

The county is involved in several pending lawsuits. Attorneys for the county and the School Department estimate that the potential claims not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

E. Joint Ventures

The Fourteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourteenth Judicial District and participating municipalities in the district. The DTF interlocal agreement was signed by the sheriff of Coffee County and the police chiefs of the cities of Manchester and Tullahoma. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines,

and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriff, and police chiefs of participating law enforcement agencies within each judicial district. Coffee County made no contributions to the DTF for the year ended June 30, 2013.

Coffee County is a participant with Warren, Cannon, and Rutherford counties in a multi-county Municipal Solid Waste Planning Region. This entity was created to promote the preparation of municipal solid waste regional plans to effectively and efficiently manage solid waste. This entity is governed by a 13-member board comprising appointees from Cannon County (2), Coffee County (2), Rutherford County (3), Warren County (2), the City of Manchester (1), the City of McMinnville (1), the City of Murfreesboro (1), and the City of Woodbury (1). Funding is provided from member contributions and grants. There are no separately issued financial statements for the Municipal Solid Waste Planning Region. Rutherford County has been designated as the fiscal agent for the Planning Region and accounts for its activities through the Joint Venture Fund (agency fund), which is included in the financial statements reflected in Rutherford County's comprehensive annual financial report.

Coffee County does not have an equity interest in the above-noted joint ventures. Complete financial statements for the DTF and the Municipal Solid Waste Planning Region can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Fourteenth Judicial District
307 South Woodland
Manchester, TN 37355

Municipal Solid Waste Planning Region
c/o Ernest Burgess, Rutherford County Mayor
County Courthouse, Room 101
Murfreesboro, TN 37130

Discretely Presented Coffee County School Department

The Coffee County School Department participates in the Volunteer State Cooperative (VOLCO), which represents a cost-sharing arrangement. The cooperative was established through a contractual agreement between the Boards of Education of Bedford County, Coffee County, Dickson County, Fayetteville City, Humphreys County, Manchester City, Marshall County, Maury County, Robertson County, and Stewart County. The cooperative was authorized through Chapter 49 of *Tennessee Code Annotated*. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each

member's school food service systems. The cooperative has contracted with a coordinating district (Stewart County School Department) and a service provider to offer these services. The cooperative is governed by a Representative Committee, comprising one representative from each of the member districts; and an Executive Council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the Representative Committee.

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

Administrative Office:

Volunteer State Cooperative
P.O. Box 433
110 Natcor Drive
Dover, TN 37058

F. Jointly Governed Organization

The Tri-County Railroad Authority is jointly operated by Coffee County, in conjunction with Warren and White counties. The authority's board comprises the county mayor/executive 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.

G. Retirement Commitments

Plan Description

Employees of Coffee County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Coffee County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit

improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

Funding Policy

Coffee County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 8.52 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2013, Coffee County’s annual pension cost of \$1,109,927 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was three years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	\$1,109,927	100%	\$0
6-30-12	1,155,394	100	0
6-30-11	1,126,006	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 94.8 percent funded. The actuarial accrued liability for benefits was \$31.48 million, and the actuarial value of assets was \$29.85 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.64 million. The covered payroll (annual payroll of active employees covered by the plan) was \$12.8 million, and the ratio of the UAAL to the covered payroll was 12.78 percent.

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 values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

SCHOOL TEACHERS

Plan Description

The Coffee County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson

Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2013, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2013, 2012, and 2011, were \$1,586,587, \$1,580,444, and \$1,545,257, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants, however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for retirees ranges from ten percent to 55 percent based on the years of service. During the year ended

June 30, 2013, the county and the discretely presented School Department contributed \$13,532 and \$548,671, respectively, for postemployment benefits.
Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 105,000	\$ 1,179,000
Interest on the NOPEBO	17,064	152,688
Adjustment to the ARC	(18,113)	(162,076)
Annual OPEB cost	<u>\$ 103,951</u>	<u>\$ 1,169,612</u>
Amount of contribution	(13,532)	(548,671)
Increase/decrease in NOPEBO	<u>\$ 90,419</u>	<u>\$ 620,941</u>
Net OPEB obligation, 7-1-12	<u>426,608</u>	<u>3,817,205</u>
Net OPEB obligation, 6-30-13	<u><u>\$ 517,027</u></u>	<u><u>\$ 4,438,146</u></u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-11	Local Government Group	\$ 140,536	20 %	\$ 337,983
6-30-12	"	103,169	14	426,608
6-30-13	"	103,951	13	517,027
6-30-11	Local Education Group	1,382,568	40	3,174,944
6-30-12	"	1,160,192	45	3,817,205
6-30-13	"	1,169,612	47	4,438,146

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

	Local Government Group Plan	Local Education Group Plan
Actuarial valuation date	7-1-11	7-1-11
Actuarial accrued liability (AAL)	\$ 730,000	\$ 9,495,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 730,000	\$ 9,495,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 7,408,776	\$ 22,107,684
UAAL as a % of covered payroll	10%	43%

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, 2011, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.75 percent for fiscal year 2013. The trend rate will decrease to 8.25 percent in fiscal year 2014 and then be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. 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.

I. Office of Central Accounting and Budgeting

Office of Director of Accounts and Budgets

Coffee County operates under the provisions of a local resolution, which creates the Office of Director of Accounts and Budgets. Under this resolution, the director of accounts and budgets directs the operation of the funds under the control of the county mayor. For years, the director of accounts and budgets has also performed all accounting and budgeting functions for the county's Highway Department; however, there is no state law or local resolution governing this arrangement in Coffee County. The nature and operation of this informal arrangement has created a type of Office of Central Accounting, Budgeting, and Purchasing similar to that created by the adoption of the County Fiscal Procedure Law of 1957.

J. Purchasing Laws

Offices of County Mayor and Road Superintendent

Purchasing procedures for these offices are governed by provisions of the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures in the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for the purchasing agent to make purchases for these departments, with purchases exceeding \$7,500 (\$10,000 Highway Department) to be made on the basis of competitive bids solicited through public advertisement.

Office of Director of Schools

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

VI. OTHER NOTES – DISCRETELY PRESENTED COFFEE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

The Coffee County Emergency Communications District was established on April 4, 1987, to provide an enhanced level of 911 service to Coffee County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of address and information. It is a component unit of Coffee County. The Coffee County Emergency Communications District is run by a board of directors, which is appointed by Coffee County. The district must file a budget with Coffee County each year. Any bond issued by the district is subject to approval by Coffee County.

The district uses the accrual basis of accounting and economic resource measurement focus. Revenues are recognized when earned, and expenses are recognized when incurred.

1. Depreciation

Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives using the straight-line method. Depreciation begins when the capital assets are placed in service. Depreciation is summarized as follows:

	<u>Method</u>	<u>Estimated Useful Life (Years)</u>	<u>2013 Depreciation</u>
Buildings/Improvements	S/L	10-30	\$ 6,300
Office Equipment	S/L	5-10	2,459
Furniture and Fixtures	S/L	5-10	1,609
Communication Equipment	S/L	5-20	<u>91,441</u>
Total			<u>\$ 101,809</u>

2. Major Source of Revenue

The major source of operating revenue is emergency telephone and wireless surcharges. The district's nonoperating revenue consists of a grant, contributions from other governments and agencies, reimbursements, interest/investment income, and sales of map books.

B. Cash and Cash Investments

The following is a schedule of bank accounts at June 30, 2013:

Checking – First National Bank	\$ 107,372
Money Market – American City Bank	105,222
Tower Fund – Coffee County Bank	47,513
Certificates of Deposit – Coffee County Bank	295,547
Certificates of Deposit – Coffee County Bank	255,032
Certificates of Deposit – Peoples Bank	157,796
Certificates of Deposit – Peoples Bank	256,578
Certificates of Deposit – First National Bank	301,959
Certificates of Deposit – First National Bank	<u>150,000</u>
Total	<u>\$ 1,677,019</u>

At June 30, 2013, the carrying amount of the Coffee County Emergency Communications District's cash deposits was \$1,677,019. The district's deposit accounts are covered up to \$250,000 by the Federal Deposit Insurance Corporation. Any amounts over \$250,000 are covered by collateralization held by First National Bank and Coffee County Bank in the district's name. Peoples Bank and American City Bank are members of the Government Collateralization Pool. The district is authorized to deposit and invest funds according to the provisions of Section 5-8-301, *Tennessee Code Annotated*.

C. Bonding and Insurance

Coffee County Emergency Communications District had a bond covering certain members of the board at June 30, 2013. The district has liability insurance covering the building and its contents. The policy also insures

employees automobiles used in the conduct of business. The district had no settlements that exceeded the coverage for the past three years.

D. Capital Assets

The following is a schedule of capital assets at June 30, 2013:

Assets	Cost	Accumulated Depreciation	Net
Buildings/Improvements	\$ 186,628	\$ 104,463	\$ 82,165
Office Equipment	29,519	28,823	696
Furniture and Fixtures	42,249	39,700	2,549
Communication Equipment	1,111,619	568,016	543,603
Total	\$ 1,370,015	\$ 741,002	\$ 629,013

Assets	Balance 7-1-12	Additions	Reductions	Balance 6-30-13
Depreciable Assets				
Buildings/Improvements	\$ 186,628	\$ 0	\$ 0	\$ 186,628
Office Equipment	29,519	0	0	29,519
Furniture and Fixtures	42,249	0	0	42,249
Communication Equipment	1,111,619	0	0	1,111,619
Subtotal	\$ 1,370,015	\$ 0	\$ 0	\$ 1,370,015
Total	\$ 1,370,015	\$ 0	\$ 0	\$ 1,370,015

E. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

F. Accounts Receivable/Due from Other Governments

The amounts due to the district from subscriber services and wireless charges include the following:

BellSouth	\$ 8,579
Charter and Ben Lomand	1,397
Other Telephone Companies	1,621
Sub-total	\$ 11,597
State Emergency Communications Board	21,527
Total	\$ 33,124

G. Compensated Absences

There were no compensated absences as of June 30, 2013.

H. Salaries and Wages

The district has a contract with Coffee County for the county to provide the director and dispatcher labor to the district. These contracts are disclosed under “Contracts with Government Agencies” in the Statement of Revenues, Expenses, and Changes in Net Position. The district pays payroll directly to part-time employees, which is disclosed under “Salaries and Wages – Part-time Personnel” in the Statement of Revenues, Expenses, and Changes in Net Position.

I. Calculation of Invested in Capital Assets

Net Book Value	\$ 629,013
Current and Noncurrent Debt	<u>0</u>
Total Invested in Capital Assets	<u>\$ 629,013</u>

J. Budgetary Information

As stated above, the district must file a budget with Coffee County each year, which must be adopted by the Board of Directors. The budget is prepared on the accrual basis of accounting. Compliance with the adopted budget is required at the line-item level.

VII. OTHER NOTES – DISCRETELY PRESENTED PUBLIC BUILDING AUTHORITY OF COFFEE COUNTY

A. Summary of Significant Accounting Policies

The Public Building Authority of Coffee County, Tennessee, was incorporated September 5, 2000. The purpose of the authority is to provide the capital resources (through the sale of bonds, notes, and other obligations) necessary to acquire, construct, reconstruct, rehabilitate, or improve facilities necessary or convenient to the operation of the related entities. In accordance with Section 12-10-108, *Tennessee Code Annotated*, the authority has seven Board of Directors that are elected by the governing body, the County Commission of Coffee County, Tennessee, and they hold office for staggered six-year terms. As defined in GASB Statement No. 14, the authority is a legal entity that meets the definition of a component unit of Coffee County in that a financial benefit/burden relationship exists between the county and the authority.

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

1. **Reporting Entity**

The authority follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, to define the reporting entity. The financial statements include all operations over which the authority is financially accountable. The authority is not a participant in any joint venture and has not identified any entities, which would be component units of the authority.

2. **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 authority's activities. 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 or segment. 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 as general revenues. The effect of interfund activity has been removed from the government-wide financial statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

3. **Measurement Focus and Basis of Accounting**

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded 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 are met. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized

as soon as they are 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. Revenues susceptible to accrual are interest on investments and intergovernmental revenues. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific expenditures are recognized when all eligibility requirements are met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The authority has presented the following major governmental funds:

General Fund – This fund is the main operating fund of the authority. This fund is used to account for all financial resources not accounted for in other funds. All general revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Bond Fund – This fund is a special revenue fund used to account for the loans made by the authority to the city and county for capital projects such as the joint industrial park, vocational rehab center, and water lines for the county. The collection of principal and interest on these loans is recorded in the bond fund.

Proprietary Fund Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenues of the conference center are charges for catering, space rental, and related services. During the current fiscal year, the conference center also began offering a culinary arts and hospitality tech school in conjunction with the Tennessee Technology Center at McMinnville. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The authority has presented the following major proprietary fund:

Manchester Conference Center – This fund is used to account for the services provided at the conference center.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

4. **Equipment**

Plant and equipment are stated at cost, and depreciation is computed using the straight-line method based upon the estimated useful lives of the assets. The estimated useful lives vary from five to 40 years. Major expenditures for plant and equipment are capitalized while maintenance and repairs are expensed when incurred.

5. **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

6. **Statement of Cash Flows**

For purposes of the Statement of Cash Flows, the authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less and all local government investment pools to be cash equivalents.

7. **Interfund Receivables, Payables, and Transactions Between Funds**

Short-term amounts owed between funds are classified as Due to/from Other Funds. Legally authorized transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

8. **Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the authority is bound to honor constraints on specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The authority did not have any nonspendable resources as of June 30, 2013.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The authority did not have any restricted resources as of June 30, 2013.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the board. These amounts cannot be used for any other purpose unless the board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The authority did not have any committed resources as of June 30, 2013.

Assigned: This classification includes amounts that are constrained by the authority's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the board or through the board delegating this responsibility to the manager through the budgetary process. The authority did not have any assigned resources as of June 30, 2013.

Unassigned: This classification includes the residual fund balance for the General Fund.

The authority would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to deter the use of these other classified funds.

9. Conference Center

During the year ended June 30, 2002, the Coffee County Public Building Authority (PBA) completed construction of the Manchester-Coffee County Conference Center, located adjacent to the Holiday Inn in Manchester. The PBA is responsible for operating the

conference center. Operations of the conference center are reported as an enterprise fund of the PBA. In an agreement with the authority, the City of Manchester and Coffee County are jointly responsible for underwriting the debt and operations of the center. Furthermore, any net profits and losses attributable to the operation of the conference center are born equally by the City of Manchester and Coffee County.

B. Cash

The authority is authorized to invest funds in financial institutions and direct obligations of the federal government. During 2013, the authority invested funds that are not immediately needed in certificates of deposit, savings accounts, and money market accounts. The authority's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the authority's bank in the authority's name. The carrying amount of total cash deposits (including petty cash) at June 30, 2013, was \$219,134.

C. Receivables

A summary of governmental receivables for the year ended June 30, 2013, follows:

Governmental Entity:	Balance 6-30-13
Coffee County	\$ 3,695,000
City of Manchester	<u>1,240,000</u>
Total	<u><u>\$ 4,935,000</u></u>

Of the total, the authority expects to receive \$110,000 from the City of Manchester and \$380,000 from Coffee County for bond payment within the next 12 months.

The business-type activities consist of the following receivables for the year ended June 30, 2013:

Receivables	Balance 6-30-13
Trade Receivables	\$ 21,660
Coffee County	7,698
City of Manchester	<u>7,698</u>
Total	<u><u>\$ 37,056</u></u>

D. Capital Assets

A summary of changes in property, plant, and equipment for the year ended June 30, 2013, follows:

Governmental Activities

	Balance 7-1-12	Increases	Balance 6-30-13
Capital Assets Not Depreciated:			
Land	\$ 25,000	\$ 0	\$ 25,000
Total Capital Assets Not Depreciated	\$ 25,000	\$ 0	\$ 25,000
Capital Assets Depreciated:			
Other Capital Assets	\$ 27,042	\$ 0	\$ 27,042
Total Capital Assets Depreciated	\$ 27,042	\$ 0	\$ 27,042
Less Accumulated Depreciation For:			
Other Capital Assets	\$ 5,362	\$ 1,758	\$ 7,120
Total Accumulated Depreciation	\$ 5,362	\$ 1,758	\$ 7,120
Total Capital Assets Depreciated, Net	\$ 21,680	\$ (1,758)	\$ 19,922
Governmental Activities Capital Assets, Net	\$ 46,680	\$ (1,758)	\$ 44,922

Depreciation expense totaled \$1,758 for the year ended June 30, 2013.

Business-type Activities:

	Balance 7-1-12	Increases	Balance 6-30-13
Capital Assets Depreciated:			
Buildings	\$ 2,403,606	\$ 11,596	\$ 2,415,202
Other Capital Assets	323,645	10,802	334,447
Total Capital Assets Depreciated	\$ 2,727,251	\$ 22,398	\$ 2,749,649
Less Accumulated Depreciation For:			
Buildings	\$ 594,938	\$ 61,576	\$ 656,514
Other Capital Assets	303,819	5,247	309,066
Total Accumulated Depreciation	\$ 898,757	\$ 66,823	\$ 965,580
Total Capital Assets, Net	\$ 1,828,494	\$ (44,425)	\$ 1,784,069

Depreciation expense totaled \$68,823 for the year ended June 30, 2013.

E. Bonds Payable

The following is a summary of the authority's bonded debt transactions for the year ended June 30, 2013:

	Series Z-4A 4.5% to 5%
Balance, July 1, 2012	\$ 5,390,000
Reductions	<u>(455,000)</u>
Balance, June 30, 2013	<u>\$ 4,935,000</u>

Annual debt service requirements for bonds, Series Z-4A outstanding to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2014	\$ 490,000	\$ 197,400	\$ 687,400
2015	520,000	177,800	697,800
2016	555,000	157,000	712,000
2017	590,000	134,800	724,800
2018	630,000	111,200	741,200
2019-2021	<u>2,150,000</u>	<u>175,400</u>	<u>2,325,400</u>
Total	<u>\$ 4,935,000</u>	<u>\$ 953,600</u>	<u>\$ 5,888,600</u>

The City of Manchester and Coffee County are jointly responsible for the bonds payable.

F. Conduit Debt

The authority is an unauthorized conduit debt issuer under the Tennessee Local Government Alternative Loan Program (TN-LOANS Program). The authority has issued bonds as conduit debt on behalf of the cities of Manchester, Winchester, Fayetteville, White House, Lawrenceburg, Harrison, and Coffee County, Tennessee. The borrowers have guaranteed, insured, and pledged certain revenues for repayments of these bond issues. The bonds do not constitute a debt or pledge of faith and credit of the authority and, accordingly, have not been reported in the accompanying financial statements. The total conduit debt outstanding as of June 30, 2013, for all conduit bond issues is \$43,085,000.

G. Inventory

Inventory is stated at cost and includes food and supplies used by the conference center.

H. Restricted Net Position

The government-wide Statement of Net Position and Statement of Net Position – Proprietary Fund reports \$16,742 of restricted net position, which has been restricted due to liquor license requirements.

I. Budgetary Data

Formal budgetary accounting is employed as a management control for all funds of the authority. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required, and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principles basis. Budgetary control is exercised at the departmental level.

J. Risk Financing Activities

It is the policy of the authority to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, worker's compensation, and environmental. Settled claims have not exceeded commercial coverage in the past four fiscal years, and there are currently no pending lawsuits.

K. Retirement Plan

The employees of the authority are covered under the plan covering employees of Coffee County. The Coffee County government unit pays for this plan.

L. Allowance for Doubtful Accounts

The authority has adopted the direct write-off method to account for bad debt expense. Receivables are reviewed annually, and uncollectable accounts are currently expensed. There was no bad debt expense in 2013.

VIII. OTHER NOTES – DISCRETELY PRESENTED INDUSTRIAL BOARD OF COFFEE COUNTY, TENNESSEE, INC.

A. Summary of Significant Accounting Policies

The Industrial Board of Coffee County, Tennessee, Inc., was incorporated in 1969. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Industrial Board of Coffee County, Tennessee, Inc. The board is a

component unit of Coffee County, Tennessee (the primary government). The primary government appoints the members of the Board of Directors, and the board is funded primarily by appropriations from the county. The purpose of the board is to promote industry and develop trade for Coffee County, Tennessee.

The financial statements of the board have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

1. Government-wide Statements

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The government-wide Statement of Activities reports both the gross and the net cost of the board's programs. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with this function.

In 2013, the board adopted provisions of Governmental Accounting Standards Board Statement No. 63 that established reporting standards for deferred outflows and deferred inflows of resources of all state and local government entities. Statement No. 63 amends the net assets reporting requirements in Statement No. 34 by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. As required by Statement No. 63, net position is presented in the following three components:

- Net investment in capital assets – This component of net position 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. If there are significant unspent debt proceeds at year-end, the portion of debt is included in the same net position component as unspent proceeds.
- Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors,

or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted – This component of net position consists of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Statement No. 63 defines deferred outflows of resources as a consumption of net position by the government that is applicable to future reporting periods and deferred inflows of resources as an acquisition of net position by the government that is applicable to a future reporting period. Deferred outflows of resources have a positive effect on net position, similar to assets, and deferred inflows of resources have a negative effect on net position, similar to liabilities. At June 30, 2013, the board did not have deferred outflows of resources or deferred inflows of resources, as defined in Statement No. 63, reported in the Statement of Net Position. The effect of the adoption of Statement No. 63 has no material impact on amounts reported in the financial statements.

2. Reserves and Designations of Fund Balances

In the governmental fund financial statements, the board has established and will maintain reservations of fund balance, as defined with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The main objective of this standard is to improve the understandability and the usefulness of fund balance information by providing clear fund balance classifications. GASB Statement No. 54 shall only apply to the board's governmental funds. Fund balance is reported in the financial statements under the following classifications:

Nonspendable fund balance – Amounts that cannot be spent because they are not in a spendable form, including items not expected to be converted to cash (i.e. inventory or prepaids) or are legally or contractually required to be maintained in tact (principal of a permanent fund).

Restricted fund balance – Amount of fund balance that can be spent for specific purposes stipulated by an external source or through enabling legislation.

Committed fund balance – Amounts constrained for specific purposes as determined by formal action of the Board of Directors, the highest level of decision-making body. Amounts classified as committed are not subject to legal enforceability; however, they cannot be used for any other purpose unless the board removes or changes the commitment by the same highest

level of action taken to commit the funds, either by resolution or ordinance.

Assigned fund balance – Amounts are intended to be used by the board but do not meet the criteria of restricted or committed. Intent can be expressed by the board or by an official who has been designated this authority by the board. Appropriations of fund balance to eliminate budgetary deficits in subsequent year’s budget are presented as assigned.

Unassigned fund balance – In accordance with GAAP, unassigned fund balance is the residual classification of the General Fund that does not meet any other classifications.

Stabilization policy – The board has a fund balance policy that requires the unassigned fund balance be maintained at a level sufficient to provide for the required resources to meet operating cost needs, to allow for unseen needs of an emergency nature, and to permit orderly adjustment of changes resulting from fluctuations of revenue sources.

Spending policy – Unless otherwise stated, the fund balances will be spent in the following order:

- Restricted
- Committed
- Assigned
- Unassigned

3. **Fund Financial Statements**

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). Available means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

The financial statements of the board are reported in individual funds in the fund financial statement. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures. The board reports the following fund:

General Fund – This fund is used as the general operating fund of the board. It is used to account for all financial resources except those required to be accounted for in another fund.

The board adopts a budget for the General Fund as a management control device. The budget is adopted on a basis consistent with generally accepted accounting principles.

4. **Estimates**

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

5. **Equipment**

Equipment is stated at cost, less accumulated depreciation, which is computed by the straight-line method over an estimated useful life of five to 20 years. Major expenditures for equipment and for repairs, which substantially increase the useful lives, are capitalized. Maintenance, minor repairs, and minor acquisitions are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in revenue or expense.

6. **Cash and Cash Equivalents**

For the purpose of reporting cash flows, cash equivalents include all short-term, highly liquid investments with maturities of three months or less.

7. **Accounts Receivable**

The board considers accounts receivable to be fully collectible at June 30, 2013; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged off when that determination is made.

8. **Compensated Absences**

Employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation leave and sick leave, if vested. Accumulated unpaid vacation and sick pay related to governmental fund type operations that has not matured is reported in the applicable governmental activities in the Statements of Net Position and Activities, but it is not a governmental fund liability, because it is not expected to be liquidated with expendable available resources.

9. Federal Income Taxes

The board is exempt from federal and state income tax.

10. Pension Plan

The board does not provide a pension plan for its employees; however, they are covered under the plan for Coffee County. Employees of Coffee County are members of the Political Subdivision Pension Plan (PSPF), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS).

B. Cash Deposits with Financial Institutions

The board is authorized to deposit its funds in banks, trust companies, or other depositories as the board may select. Deposits are carried at cost. At year-end, the carrying amount of deposits was \$852,747, and the bank balance was \$881,800. Deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105 percent of the value of the deposits placed in the institutions, less the amount protected by federal depository insurance. At June 30, 2013, deposits were not fully insured at the 105 percent required level at one bank.

C. Capital Assets

Property, plant, and equipment consist of various office machines and improvements, which are being depreciated over five to 20 years using the straight line method.

A summary of changes in capital assets is as follows:

Assets	Balance 7-1-12	Additions	Balance 6-30-13
Non-Depreciable Assets			
Construction in Progress	\$ 1,190,459	\$ 0	\$ 1,190,459
Depreciable Assets:			
Equipment	\$ 23,891	\$ 0	\$ 23,891
Land Improvement	45,080	0	45,080
Vehicles	199,705	0	199,705
Total Depreciable Assets	\$ 268,676	\$ 0	\$ 268,676
Accumulated Depreciation:			
Equipment	\$ 17,914	\$ 2,373	\$ 20,287
Vehicles	49,926	9,985	59,911
Total Accumulated Depreciation	\$ 67,840	\$ 12,358	\$ 80,198
Total	\$ 1,391,295	\$ (12,358)	\$ 1,378,937

Depreciation expense for the year ended June 30, 2013, was \$12,358.

D. Notes Payable and Other Obligations

1. Transaction Summary

Notes and other obligations activity for the year ended June 30, 2013, was as follows:

	Compensated Absences	Notes
Balance, July 1, 2012	\$ 18,332	\$ 962,000
Reductions	(4,347)	(67,500)
Balance, June 30, 2013	<u>\$ 13,985</u>	<u>\$ 894,500</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 97,780</u>

The beginning balance of compensated absences was restated at July 1, 2012.

2. Description of Amounts Payable

Notes payable as of June 30, 2013:

Note payable with DREMC at no interest. No principal payments for 24 months, then 96 monthly principal payments of \$3,750. \$ 270,000

Construction loan with bank. No principal payments for 24 months, then annual principal payments of \$15,000 with no interest. If the building has not sold after two years, the loan will be amortized over an eight-year term at an interest rate of three percent. 470,000

Note payable with City of Manchester, due when speculative building is sold. 154,500

Total Notes Payable \$ 894,500

Other obligations:

Compensated Absences 13,985

Total \$ 908,485

The note payable to the City of Manchester is a construction loan and the terms of the loan will be finalized when construction is complete.

3. Annual Debt Service Requirements

Annual debt service requirements for notes outstanding to maturity are as follows:

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	\$ 97,780	\$ 14,295	\$ 112,075
2015	99,386	12,690	112,076
2016	101,040	11,036	112,076
2017	102,745	9,331	112,076
2018	104,501	7,575	112,076
2019-2023	234,548	11,682	246,230
Total	\$ 740,000	\$ 66,609	\$ 806,609
Annual Debt Service Requirements			\$ 740,000
Construction Loan			<u>154,500</u>
Total Debt Service Requirements			<u>\$ 894,500</u>

Since the construction note is not due until the speculative building is sold, it is not included in the schedule above.

E. Pension

Employees of the Industrial Board and Coffee County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service, who become disabled and cannot engage in gainful employments. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Coffee County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

Funding Policy

The county requires employees to contribute five percent of their earnable compensation to the plan. The county contributes at an actuarially determined rate; the rate for fiscal year ended June 30, 2013, was 8.52 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2013, the board's annual pension cost totaled \$10,800. Covered payroll for the year ended totaled \$126,761. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of inflation on salaries, (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was three years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012. Actuarial information including trend analysis and funding progress is included in the annual report for Coffee County for the year ended June 30, 2013.

F. Other Postemployment Benefits (OPEB)

The Industrial Board and Coffee County participate in the state-administered Local Government Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-207, *Tennessee Code Annotated (TCA)* for local governments. Prior to reaching age 65, all members have the option of choosing between standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include

pharmacy. The plans are reported in the State of Tennessee comprehensive Annual Financial report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of the plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employee' premiums since the committee is not prescriptive on that issue. During the year, the board contributed zero to the plan. Addition actuarial information on the OPEB cost and obligation is available on the annual report for Coffee County for the year ended June 30, 2013.

G. Commitments and Contingencies

The board receives a substantial amount of its support from the local county government. A significant reduction in the level of such support, if this were to occur, may have an effect on the board's programs and activities.

The board had entered into an agreement to build a speculative building in the City of Manchester Industrial Park. The infrastructure is to be partially paid with a Fast Trac Grant of \$750,000 obtained by the City of Manchester. The board will fund \$135,000 of the cost. These funds will be reimbursed by the city to the board upon the sale of the property. The total cost of the spec building project is estimated now to be \$1,835,000 (not including the land cost). The City of Manchester sold 10.3 acres of land for the building to the board for \$154,500. This amount is to be reimbursed when the building is sold. Funding for the project will be from loans through local banks, grant funds to the City of Manchester, DREMC loan, and TVA loan. Construction costs as of June 30, 2013, totaled \$1,190,459.

H. Note Receivable

The board has a note receivable from an individual dated September 28, 2006, to sell 17.42 acres located in the Coffee County Interstate Industrial Park. The gross sales price was \$104,520, with \$42,000 paid to the board at closing and a note receivable for the remainder of \$62,520. The note is due September 28, 2013, and is secured by a deed of trust on the property. No monthly payments were due until September 28, 2010, at which time payments of \$633 were commenced for not more than three years with the remainder being due at September 28, 2013. According to the terms of the note, interest is added to the principal balance annually. The interest rate is 5.5 percent. The balance of the note receivable at June 30, 2013, was \$79,129. No payments have been received during the

2013 fiscal year; however, the note is considered to be collectible; therefore, no provision for loss has been recorded.

Schedule of changes to note receivable during the year follows:

	<u>Teal Note</u>
Balance, July 1, 2012	\$ 79,129
Balance, June 30, 2013	\$ 79,129
Balance Due Within One Year	\$ 79,129

I. Lease Agreement

The board purchased a fire truck in July 2007 for \$199,705. The truck is to be leased to the Hickerson Station Fire Department. There is no stated monthly lease payment with the fire station responsible for insurance, maintenance, and service on the truck with ownership remaining with the board. The lease is for continuous 12-month periods with 60-day notice by either party required to terminate the lease agreement.

J. Prior-period Adjustment

The amount of compensated absences has been recorded in the Statement of Net Position with the amount applicable to prior years recorded as a prior-period adjustment in the Statement of Activities.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Coffee County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Coffee County School Department
June 30, 2013

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$ 29,848	\$ 31,485	\$ 1,637	94.80 %	\$ 12,802	12.78 %
7-1-09	23,177	24,813	1,636	93.40	12,247	13.36
7-1-07	20,582	22,459	1,877	91.64	11,243	16.69

Exhibit F-2

Coffee County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and the Discretely Presented Coffee County School Department
June 30, 2013

(Dollar amounts in thousands)

Plans	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>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-09	\$ 0	\$ 1,040	\$ 1,040	0 %	\$ 7,193	15 %
"	7-1-10	0	1,114	1,114	0	7,193	15
"	7-1-11	0	730	730	0	7,409	10
<u>DISCRETELY PRESENTED COFFEE COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-09	0	11,462	11,462	0	19,838	58
"	7-1-10	0	11,583	11,583	0	19,838	58
"	7-1-11	0	9,495	9,495	0	22,108	43

COFFEE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2013

Budgetary Information

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for the transactions relating to the disposal of solid waste.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for a special property tax levied on the Interstate Industrial Park to provide city services for the park.

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

District Attorney General Fund – In prior years the District Attorney General Fund was classified as a special revenue fund; however, effective July 1, 2012, this fund has been reclassified as an agency fund to better reflect the control of these funds by the district attorney general.

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.

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for transactions of the county's Highway Department.

Exhibit G-1

Coffee County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2013

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works		
Cash	\$ 0	\$ 0	\$ 0	\$ 192,748	\$ 0	\$ 0	192,748
Equity in Pooled Cash and Investments	1,338,699	256,958	655,857	0	504,422	0	2,755,936
Accounts Receivable	70,556	0	0	9,377	0	0	79,933
Due from Other Governments	47,315	0	6,873	0	345,544	0	399,732
Due from Other Funds	1,586	0	0	0	0	0	1,586
Property Taxes Receivable	889,632	245,894	0	0	0	0	1,135,526
Allowance for Uncollectible Property Taxes	(48,157)	(36,271)	0	0	0	0	(84,428)
Total Assets	\$ 2,299,631	\$ 466,581	\$ 662,730	\$ 202,125	\$ 849,966	\$ 0	\$ 4,481,033
Accounts Payable	\$ 32,137	\$ 1,711	\$ 644	\$ 0	\$ 5,398	\$ 0	\$ 39,890
Payroll Deductions Payable	3,900	0	0	0	7,297	0	11,197
Due to Other Funds	0	0	0	202,125	0	0	202,125
Due to State of Tennessee	458	0	0	0	0	0	458
Total Liabilities	\$ 36,495	\$ 1,711	\$ 644	\$ 202,125	\$ 12,695	\$ 0	\$ 253,670
Deferred Current Property Taxes	\$ 785,389	\$ 150,714	\$ 0	\$ 0	\$ 0	\$ 0	\$ 936,103
Deferred Delinquent Property Taxes	53,854	58,910	0	0	0	0	112,764
Other Deferred/Unavailable Revenue	6,329	0	0	0	171,175	0	177,504
Total Deferred Inflows of Resources	\$ 845,572	\$ 209,624	\$ 0	\$ 0	\$ 171,175	\$ 0	\$ 1,226,371

ASSETS

LIABILITIES

DEFERRED INFLOWS OF RESOURCES

(Continued)

Exhibit G-1

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

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works		
\$	0	0	562,826	0	0	0	562,826
	1,414,444	0	0	0	0	0	1,414,444
	0	255,246	0	0	0	0	255,246
	0	0	0	0	590,780	0	590,780
	0	0	99,260	0	0	0	99,260
	3,120	0	0	0	0	0	3,120
	0	0	0	0	75,316	0	75,316
\$	1,417,564	255,246	662,086	0	666,096	0	3,000,992
\$	2,299,631	466,581	662,730	202,125	849,966	0	4,481,033

FUND BALANCES

Restricted:

Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Other Operations
 Restricted for Highways/Public Works

Assigned:

Assigned for Public Safety
 Assigned for Public Health and Welfare
 Assigned for Highways/Public Works

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Exhibit G-2

Coffee County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2013

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney	Constitu- tional Officers - Fees	Highway / Public Works		
<u>Revenues</u>								
Local Taxes	\$ 1,144,396	\$ 142,542	\$ 0	\$ 0	\$ 0	\$ 41,106	\$ 1,328,044	
Licenses and Permits	6,118	0	0	0	0	0	6,118	
Fines, Forfeitures, and Penalties	0	0	211,650	0	0	0	211,650	
Charges for Current Services	83,699	0	0	0	91,020	0	174,719	
Other Local Revenues	55,582	26,100	38,381	0	0	88,763	208,826	
State of Tennessee	84,110	74,603	5,000	0	0	2,388,631	2,552,344	
Federal Government	0	0	1,872	0	0	0	1,872	
Total Revenues	\$ 1,373,905	\$ 243,245	\$ 256,903	\$ 0	\$ 91,020	\$ 2,518,500	\$ 4,483,573	
<u>Expenditures</u>								
Current:								
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,806	\$ 0	\$ 3,806	
Finance	0	0	0	0	4,178	0	4,178	
Administration of Justice	0	0	0	0	83,036	0	83,036	
Public Safety	0	0	256,103	0	0	0	256,103	
Public Health and Welfare	1,256,383	0	0	0	0	0	1,256,383	
Other Operations	28,533	204,192	0	0	0	0	232,725	
Highways	0	0	0	0	0	2,255,984	2,255,984	
Debt Service:								
Principal on Debt	0	0	0	0	0	80,000	80,000	
Interest on Debt	0	0	0	0	0	10,270	10,270	
Total Expenditures	\$ 1,284,916	\$ 204,192	\$ 256,103	\$ 0	\$ 91,020	\$ 2,346,254	\$ 4,182,485	
Excess (Deficiency) of Revenues Over Expenditures	\$ 88,989	\$ 39,053	\$ 800	\$ 0	\$ 0	\$ 172,246	\$ 301,088	

(Continued)

Exhibit G-2

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

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney	Constitu- tional Officers - Fees	Highway / Public Works		
<u>Other Financing Sources (Uses)</u>								
Insurance Recovery	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	6,700 \$	6,700	
Transfers In	0	0	0	0	0	106,000	106,000	
Total Other Financing Sources (Uses)	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	112,700 \$	112,700	
Net Change in Fund Balances	\$ 88,989 \$	39,053 \$	800 \$	0 \$	0 \$	284,946 \$	413,788	
Reclassification	0	0	0	(111,167)	0	0	(111,167)	
Fund Balance, July 1, 2012	1,328,575	216,193	661,286	111,167	0	381,150	2,698,371	
Fund Balance, June 30, 2013	\$ 1,417,564 \$	255,246 \$	662,086 \$	0 \$	0 \$	666,096 \$	3,000,992	

Exhibit G-3

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,144,396	\$ 0	\$ 0	\$ 1,144,396	\$ 1,137,615	\$ 1,137,615	\$ 6,781
Licenses and Permits	6,118	0	0	6,118	6,500	6,500	(382)
Charges for Current Services	83,699	0	0	83,699	109,296	109,296	(25,597)
Other Local Revenues	55,582	0	0	55,582	50,000	50,000	5,582
State of Tennessee	84,110	0	0	84,110	93,700	93,700	(9,590)
Total Revenues	\$ 1,373,905	\$ 0	\$ 0	\$ 1,373,905	\$ 1,397,111	\$ 1,397,111	\$ (23,206)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Management	\$ 274,393	\$ (5,050)	\$ 0	\$ 269,343	\$ 276,185	\$ 276,185	\$ 6,842
Waste Pickup	625,555	(26,083)	3,120	602,592	746,901	746,901	144,309
Convenience Centers	272,635	0	0	272,635	344,304	344,304	71,669
Other Waste Collection	83,800	0	0	83,800	104,796	104,796	20,996
Other Waste Disposal	0	0	0	0	4,500	4,500	4,500
<u>Other Operations</u>							
Other Charges	28,533	0	0	28,533	28,533	28,533	0
Total Expenditures	\$ 1,284,916	\$ (31,133)	\$ 3,120	\$ 1,256,903	\$ 1,505,219	\$ 1,505,219	\$ 248,316
Excess (Deficiency) of Revenues Over Expenditures	\$ 88,989	\$ 31,133	\$ (3,120)	\$ 117,002	\$ (108,108)	\$ (108,108)	\$ 225,110
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 88,989	\$ 31,133	\$ (3,120)	\$ 117,002	\$ (108,108)	\$ (108,108)	\$ 225,110
	1,328,575	(31,133)	0	1,297,442	1,297,442	1,297,442	0
Fund Balance, June 30, 2013	\$ 1,417,564	\$ 0	\$ (3,120)	\$ 1,414,444	\$ 1,189,334	\$ 1,189,334	\$ 225,110

Exhibit G-4

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 142,542	\$ 140,577	\$ 140,577	\$ 1,965
Other Local Revenues	26,100	0	26,100	0
State of Tennessee	74,603	128,235	128,235	(53,632)
Total Revenues	<u>\$ 243,245</u>	<u>\$ 268,812</u>	<u>\$ 294,912</u>	<u>\$ (51,667)</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 204,192	\$ 243,450	\$ 269,550	\$ 65,358
Total Expenditures	<u>\$ 204,192</u>	<u>\$ 243,450</u>	<u>\$ 269,550</u>	<u>\$ 65,358</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 39,053</u>	<u>\$ 25,362</u>	<u>\$ 25,362</u>	<u>\$ 13,691</u>
Net Change in Fund Balance	\$ 39,053	\$ 25,362	\$ 25,362	\$ 13,691
Fund Balance, July 1, 2012	216,193	216,193	216,193	0
Fund Balance, June 30, 2013	<u>\$ 255,246</u>	<u>\$ 241,555</u>	<u>\$ 241,555</u>	<u>\$ 13,691</u>

Exhibit G-5

Coffee 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, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 211,650	\$ 0	\$ 0	\$ 211,650	\$ 195,000	\$ 195,000	\$ 16,650
Other Local Revenues	38,381	0	0	38,381	2,000	2,000	36,381
State of Tennessee	5,000	0	0	5,000	0	0	5,000
Federal Government	1,872	0	0	1,872	0	0	1,872
Total Revenues	\$ 256,903	\$ 0	\$ 0	\$ 256,903	\$ 197,000	\$ 197,000	\$ 59,903
<u>Expenditures</u>							
Public Safety							
Drug Enforcement	\$ 256,103	\$ (95,983)	\$ 99,260	\$ 259,380	\$ 322,320	\$ 322,320	\$ 62,940
Total Expenditures	\$ 256,103	\$ (95,983)	\$ 99,260	\$ 259,380	\$ 322,320	\$ 322,320	\$ 62,940
Excess (Deficiency) of Revenues Over Expenditures	\$ 800	\$ 95,983	\$ (99,260)	\$ (2,477)	\$ (125,320)	\$ (125,320)	\$ 122,843
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 661,286	\$ (95,983)	\$ 0	\$ 565,303	\$ 565,303	\$ 565,303	\$ 0
Fund Balance, June 30, 2013	\$ 662,086	\$ 0	\$ (99,260)	\$ 562,826	\$ 439,983	\$ 439,983	\$ 122,843

Exhibit G-6

Coffee County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Highway/Public Works Fund
 For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 41,106	\$ 0	\$ 41,106	\$ 40,000	\$ 40,000	\$ 1,106
Other Local Revenues	88,763	0	88,763	350	350	88,413
State of Tennessee	2,388,631	0	2,388,631	2,075,600	2,519,498	(130,867)
Total Revenues	\$ 2,518,500	\$ 0	\$ 2,518,500	\$ 2,115,950	\$ 2,559,848	\$ (41,348)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 309,441	\$ 0	\$ 309,441	\$ 318,241	\$ 318,241	\$ 8,800
Highway and Bridge Maintenance	973,626	44,060	1,017,686	1,419,920	1,416,820	399,134
Operation and Maintenance of Equipment	365,747	31,256	397,003	423,572	423,572	26,569
Other Charges	164,805	0	164,805	172,388	172,388	7,583
Capital Outlay	442,365	0	442,365	172,327	535,755	93,390
<u>Principal on Debt</u>						
Highways and Streets	80,000	0	80,000	0	80,000	0
<u>Interest on Debt</u>						
Highways and Streets	10,270	0	10,270	0	10,270	0
Total Expenditures	\$ 2,346,254	\$ 75,316	\$ 2,421,570	\$ 2,506,448	\$ 2,957,046	\$ 535,476
Excess (Deficiency) of Revenues Over Expenditures	\$ 172,246	\$ (75,316)	\$ 96,930	\$ (390,498)	\$ (397,198)	\$ 494,128

(Continued)

Exhibit G-6

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 6,700	\$ 0	\$ 6,700	\$ 0	\$ 6,700	\$ 0
Transfers In	106,000	0	106,000	0	26,000	80,000
Total Other Financing Sources	\$ 112,700	\$ 0	\$ 112,700	\$ 0	\$ 32,700	\$ 80,000
Net Change in Fund Balance	\$ 284,946	\$ (75,316)	\$ 209,630	\$ (390,498)	\$ (364,498)	\$ 574,128
Fund Balance, July 1, 2012	381,150	0	381,150	543,847	543,847	(162,697)
Fund Balance, June 30, 2013	\$ 666,096	\$ (75,316)	\$ 590,780	\$ 153,349	\$ 179,349	\$ 411,431

Major Governmental Funds

Debt Service Funds

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

General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the retirement of bonds issued for school projects outside the territorial limits of the Special School District.

Exhibit H-1

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,072,675	\$ 2,026,868	\$ 2,026,868	\$ 45,807
Other Local Revenues	215,820	250,040	250,040	(34,220)
Total Revenues	<u>\$ 2,288,495</u>	<u>\$ 2,276,908</u>	<u>\$ 2,276,908</u>	<u>\$ 11,587</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 810,000	\$ 810,000	\$ 810,000	\$ 0
<u>Interest on Debt</u>				
General Government	345,132	246,875	345,135	3
<u>Other Debt Service</u>				
General Government	38,915	32,000	47,000	8,085
Total Expenditures	<u>\$ 1,194,047</u>	<u>\$ 1,088,875</u>	<u>\$ 1,202,135</u>	<u>\$ 8,088</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,094,448</u>	<u>\$ 1,188,033</u>	<u>\$ 1,074,773</u>	<u>\$ 19,675</u>
Net Change in Fund Balance	\$ 1,094,448	\$ 1,188,033	\$ 1,074,773	\$ 19,675
Fund Balance, July 1, 2012	941,204	941,205	941,205	(1)
Fund Balance, June 30, 2013	<u>\$ 2,035,652</u>	<u>\$ 2,129,238</u>	<u>\$ 2,015,978</u>	<u>\$ 19,674</u>

Exhibit H-2

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural Debt Service Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,250,312	\$ 3,162,892	\$ 3,162,892	\$ 87,420
Other Local Revenues	8,325	120	120	8,205
Federal Government	409,865	575,255	575,255	(165,390)
Other Governments and Citizens Groups	71,429	0	71,429	0
Total Revenues	<u>\$ 3,739,931</u>	<u>\$ 3,738,267</u>	<u>\$ 3,809,696</u>	<u>\$ (69,765)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,136,979	\$ 1,073,889	\$ 1,145,318	\$ 8,339
<u>Interest on Debt</u>				
Education	1,826,109	1,832,110	1,832,110	6,001
<u>Other Debt Service</u>				
General Government	0	64,500	2,500	2,500
Education	47,802	0	62,000	14,198
Total Expenditures	<u>\$ 3,010,890</u>	<u>\$ 2,970,499</u>	<u>\$ 3,041,928</u>	<u>\$ 31,038</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 729,041</u>	<u>\$ 767,768</u>	<u>\$ 767,768</u>	<u>\$ (38,727)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 146,752	\$ 0	\$ 0	\$ 146,752
Total Other Financing Sources	<u>\$ 146,752</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 146,752</u>
Net Change in Fund Balance	\$ 875,793	\$ 767,768	\$ 767,768	\$ 108,025
Fund Balance, July 1, 2012	<u>5,766,415</u>	<u>5,766,416</u>	<u>5,766,416</u>	<u>(1)</u>
Fund Balance, June 30, 2013	<u>\$ 6,642,208</u>	<u>\$ 6,534,184</u>	<u>\$ 6,534,184</u>	<u>\$ 108,024</u>

Fiduciary Funds

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

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

City School ADA - Tullahoma Fund – The City School ADA - Tullahoma Fund is used to account for the Tullahoma City School's share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis.

City School ADA - Manchester Fund – The City School ADA - Manchester Fund is used to account for the Manchester City School's share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis.

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

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues held in trust for the benefit of the Fourteenth Judicial District Drug Task Force.

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

Exhibit I-1

Coffee County, Tennessee
 Combining Statement of Fiduciary Assets and Liabilities
 Fiduciary Funds
 June 30, 2013

	Agency Funds							Total
	Cities - Sales Tax	City School ADA- Tulahoma Fund	City School ADA- Manchester Fund	Constitu- tional Officers - Agency	Judicial District Drug Fund	District Attorney General Fund		
ASSETS								
Cash	\$ 0	\$ 0	\$ 0	\$ 2,190,432	\$ 0	\$ 0	\$ 0	\$ 2,190,432
Equity in Pooled Cash and Investments	0	37,654	15,541	0	308,203	108,547	0	469,945
Due from Other Governments	2,550,097	194	80	0	10,789	0	0	2,561,160
Property Taxes Receivable	0	5,966,397	2,475,733	0	0	0	0	8,442,130
Allowance for Uncollectible Property	0	(145,902)	(64,067)	0	0	0	0	(209,969)
Total Assets	\$ 2,550,097	\$ 5,858,343	\$ 2,427,287	\$ 2,190,432	\$ 318,992	\$ 108,547	\$ 108,547	\$ 13,453,698
LIABILITIES								
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 782	\$ 193	\$ 0	\$ 975
Due to State of Tennessee	0	0	0	0	155	0	0	155
Due to Other Taxing Units	2,550,097	5,858,343	2,427,287	0	0	0	0	10,835,727
Due to Litigants, Heirs, and Others	0	0	0	2,190,432	0	108,354	0	2,298,786
Due to Joint Ventures	0	0	0	0	318,055	0	0	318,055
Total Liabilities	\$ 2,550,097	\$ 5,858,343	\$ 2,427,287	\$ 2,190,432	\$ 318,992	\$ 108,547	\$ 108,547	\$ 13,453,698

Exhibit I-2

Coffee County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 13,654,131	\$ 13,654,131	\$ 0
Due from Other Governments	1,864,377	2,550,097	1,864,377	2,550,097
Total Assets	\$ 1,864,377	\$ 16,204,228	\$ 15,518,508	\$ 2,550,097
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,864,377	\$ 16,204,228	\$ 15,518,508	\$ 2,550,097
Total Liabilities	\$ 1,864,377	\$ 16,204,228	\$ 15,518,508	\$ 2,550,097
<u>City School ADA-Tulahoma Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 64,873	\$ 5,646,097	\$ 5,673,316	\$ 37,654
Due from Other Governments	250	194	250	194
Property Taxes Receivable	5,613,137	5,966,397	5,613,137	5,966,397
Allowance for Uncollectible Property Taxes	(139,303)	139,303	145,902	(145,902)
Total Assets	\$ 5,538,957	\$ 11,751,991	\$ 11,432,605	\$ 5,858,343
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 5,538,957	\$ 11,751,991	\$ 11,432,605	\$ 5,858,343
Total Liabilities	\$ 5,538,957	\$ 11,751,991	\$ 11,432,605	\$ 5,858,343
<u>City School ADA-Manchester Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 30,134	\$ 2,330,428	\$ 2,345,021	\$ 15,541
Due from Other Governments	116	80	116	80
Property Taxes Receivable	2,607,100	2,475,733	2,607,100	2,475,733
Allowance for Uncollectible Property Taxes	(64,393)	64,393	64,067	(64,067)
Total Assets	\$ 2,572,957	\$ 4,870,634	\$ 5,016,304	\$ 2,427,287
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,572,957	\$ 4,870,634	\$ 5,016,304	\$ 2,427,287
Total Liabilities	\$ 2,572,957	\$ 4,870,634	\$ 5,016,304	\$ 2,427,287
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,078,344	\$ 10,620,781	\$ 10,508,693	\$ 2,190,432
Total Assets	\$ 2,078,344	\$ 10,620,781	\$ 10,508,693	\$ 2,190,432
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,078,344	\$ 10,620,781	\$ 10,508,693	\$ 2,190,432
Total Liabilities	\$ 2,078,344	\$ 10,620,781	\$ 10,508,693	\$ 2,190,432

(Continued)

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 198,908	\$ 401,272	\$ 291,977	\$ 308,203
Due from Other Governments	9,513	10,789	9,513	10,789
Total Assets	\$ 208,421	\$ 412,061	\$ 301,490	\$ 318,992
<u>Liabilities</u>				
Accounts Payable	\$ 450	\$ 782	\$ 450	\$ 782
Due to State of Tennessee	108	155	108	155
Due to Joint Ventures	207,863	411,124	300,932	318,055
Total Liabilities	\$ 208,421	\$ 412,061	\$ 301,490	\$ 318,992
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 156,593	\$ 48,046	\$ 108,547
Total Assets	\$ 0	\$ 156,593	\$ 48,046	\$ 108,547
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 193	\$ 0	\$ 193
Due to Litigants, Heirs, and Others	0	156,400	48,046	108,354
Total Liabilities	\$ 0	\$ 156,593	\$ 48,046	\$ 108,547
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,078,344	\$ 10,620,781	\$ 10,508,693	\$ 2,190,432
Equity in Pooled Cash and Investments	293,915	22,188,521	22,012,491	469,945
Due from Other Governments	1,874,256	2,561,160	1,874,256	2,561,160
Property Taxes Receivable	8,220,237	8,442,130	8,220,237	8,442,130
Allowance for Uncollectible Property Taxes	(203,696)	203,696	209,969	(209,969)
Total Assets	\$ 12,263,056	\$ 44,016,288	\$ 42,825,646	\$ 13,453,698
<u>Liabilities</u>				
Accounts Payable	\$ 450	\$ 975	\$ 450	\$ 975
Due to State of Tennessee	108	155	108	155
Due to Other Taxing Units	9,976,291	32,826,853	31,967,417	10,835,727
Due to Litigants, Heirs, and Others	2,078,344	10,777,181	10,556,739	2,298,786
Due to Joint Ventures	207,863	411,124	300,932	318,055
Total Liabilities	\$ 12,263,056	\$ 44,016,288	\$ 42,825,646	\$ 13,453,698

Coffee County School Department

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

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

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

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

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

Exhibit J-1

Coffee County, Tennessee
Statement of Activities
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 23,811,310	\$ 100,002	\$ 2,499,305	\$ 3,707,421	\$ (17,504,582)
Support Services	12,356,818	0	0	0	(12,356,818)
Operation of Non-Instructional Services	3,527,489	902,367	1,752,696	0	(872,426)
Capital Outlay	422,171	0	0	0	(422,171)
Total Governmental Activities	\$ 40,117,788	\$ 1,002,369	\$ 4,252,001	\$ 3,707,421	\$ (31,155,997)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 8,398,581
Local Option Sales Taxes					3,802,077
Other Local Taxes					2,202
Grants and Contributions Not Restricted to Specific Programs					21,343,455
Unrestricted Investment Earnings					2,300
Miscellaneous					81,691
Sale of Equipment					8,222
Total General Revenues					\$ 33,638,528
Insurance Recovery					\$ 74,508
Change in Net Position					\$ 2,557,039
Net Position, July 1, 2012					29,558,866
Net Position, June 30, 2013					\$ 32,115,905

Exhibit J-2

Coffee County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Coffee County School Department
June 30, 2013

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	<u>General</u>	<u>Other</u>	
	<u>Purpose</u>	<u>Govern-</u>	<u>Total</u>
	<u>School</u>	<u>mental</u>	<u>Governmental</u>
		<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 2,238	\$ 2,262	\$ 4,500
Equity in Pooled Cash and Investments	3,952,792	2,024,011	5,976,803
Accounts Receivable	205,876	9,731	215,607
Due from Other Governments	955,502	164,251	1,119,753
Due from Other Funds	3,529	0	3,529
Property Taxes Receivable	8,872,350	0	8,872,350
Allowance for Uncollectible Property Taxes	(220,596)	0	(220,596)
Total Assets	<u>\$ 13,771,691</u>	<u>\$ 2,200,255</u>	<u>\$ 15,971,946</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 12,212	\$ 5,230	\$ 17,442
Accrued Payroll	2,187,409	247,587	2,434,996
Payroll Deductions Payable	985,520	92,267	1,077,787
Claims and Judgments Payable	122,895	0	122,895
Due to Other Funds	0	3,529	3,529
Total Liabilities	<u>\$ 3,308,036</u>	<u>\$ 348,613</u>	<u>\$ 3,656,649</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 8,394,877	\$ 0	\$ 8,394,877
Deferred Delinquent Property Taxes	228,618	0	228,618
Other Deferred/Unavailable Revenue	337,000	0	337,000
Total Deferred Inflows of Resources	<u>\$ 8,960,495</u>	<u>\$ 0</u>	<u>\$ 8,960,495</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 112,877	\$ 711,829	\$ 824,706
Restricted for Capital Projects	0	1,152,201	1,152,201
Assigned:			
Assigned for Education	158,515	0	158,515
Unassigned	1,231,768	(12,388)	1,219,380
Total Fund Balances	<u>\$ 1,503,160</u>	<u>\$ 1,851,642</u>	<u>\$ 3,354,802</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,771,691</u>	<u>\$ 2,200,255</u>	<u>\$ 15,971,946</u>

Exhibit J-3

Coffee County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Coffee County School Department
June 30, 2013

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	3,354,802
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,438,853	
Add: construction in progress		2,131,713	
Add: buildings and improvements net of accumulated depreciation		26,383,566	
Add: other capital assets net of accumulated depreciation		<u>2,997,298</u>	32,951,430
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other loans to be contributed to the primary government	\$	(214,284)	
Less: compensated absences payable		(103,515)	
Less: other postemployment benefits liability		<u>(4,438,146)</u>	(4,755,945)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>565,618</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>32,115,905</u></u>

Exhibit J-4

Coffee County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2013

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 12,193,742	\$ 0	\$ 12,193,742
Licenses and Permits	2,298	0	2,298
Charges for Current Services	197,878	804,491	1,002,369
Other Local Revenues	102,494	11,174	113,668
State of Tennessee	20,602,432	24,949	20,627,381
Federal Government	396,494	4,544,631	4,941,125
Other Governments and Citizens Groups	257,421	3,450,000	3,707,421
Total Revenues	<u>\$ 33,752,759</u>	<u>\$ 8,835,245</u>	<u>\$ 42,588,004</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 20,320,119	\$ 2,234,568	\$ 22,554,687
Support Services	11,816,961	603,493	12,420,454
Operation of Non-Instructional Services	1,105,247	2,532,235	3,637,482
Capital Outlay	422,171	0	422,171
Debt Service:			
Principal on Debt	71,429	0	71,429
Capital Projects	0	2,644,245	2,644,245
Total Expenditures	<u>\$ 33,735,927</u>	<u>\$ 8,014,541</u>	<u>\$ 41,750,468</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ 16,832</u>	<u>\$ 820,704</u>	<u>\$ 837,536</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Capital Assets	\$ 4,751	\$ 0	\$ 4,751
Insurance Recovery	74,508	0	74,508
Transfers In	24,068	0	24,068
Transfers Out	0	(24,068)	(24,068)
Total Other Financing Sources (Uses)	<u>\$ 103,327</u>	<u>\$ (24,068)</u>	<u>\$ 79,259</u>
Net Change in Fund Balances	\$ 120,159	\$ 796,636	\$ 916,795
Fund Balance, July 1, 2012	<u>1,383,001</u>	<u>1,055,006</u>	<u>2,438,007</u>
Fund Balance, June 30, 2013	<u>\$ 1,503,160</u>	<u>\$ 1,851,642</u>	<u>\$ 3,354,802</u>

Exhibit J-5

Coffee County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2013

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 916,795
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 3,171,820	
Less: current-year depreciation expense	<u>(957,777)</u>	2,214,043
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position</p>		
Less: loss on disposal of capital assets		(10,996)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2013	\$ 565,618	
Less: deferred delinquent property taxes and other deferred June 30, 2012	<u>(553,303)</u>	12,315
<p>(4) The issuance of long-term debt (e.g., bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:</p>		
Add: principal payments on notes		71,429
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in compensated absences payable	\$ (25,606)	
Change in other postemployment benefits liability	<u>(620,941)</u>	<u>(646,547)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,557,039</u>

Exhibit J-6

Coffee County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Coffee County School Department
June 30, 2013

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Other</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>ASSETS</u>					
Cash	\$ 0	\$ 2,262	\$ 2,262	\$ 0	\$ 2,262
Equity in Pooled Cash and Investments	68,017	803,793	871,810	1,152,201	2,024,011
Accounts Receivable	3,907	5,824	9,731	0	9,731
Due from Other Governments	164,080	171	164,251	0	164,251
Total Assets	\$ 236,004	\$ 812,050	\$ 1,048,054	\$ 1,152,201	\$ 2,200,255
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 5,230	\$ 5,230	\$ 0	\$ 5,230
Accrued Payroll	178,949	68,638	247,587	0	247,587
Payroll Deductions Payable	69,443	22,824	92,267	0	92,267
Due to Other Funds	0	3,529	3,529	0	3,529
Total Liabilities	\$ 248,392	\$ 100,221	\$ 348,613	\$ 0	\$ 348,613
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 0	\$ 711,829	\$ 711,829	\$ 0	\$ 711,829
Restricted for Capital Projects	0	0	0	1,152,201	1,152,201
Unassigned	(12,388)	0	(12,388)	0	(12,388)
Total Fund Balances	\$ (12,388)	\$ 711,829	\$ 699,441	\$ 1,152,201	\$ 1,851,642
Total Liabilities and Fund Balances	\$ 236,004	\$ 812,050	\$ 1,048,054	\$ 1,152,201	\$ 2,200,255

Exhibit J-7

Coffee County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2013

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Other</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 804,491	\$ 804,491	\$ 0	\$ 804,491
Other Local Revenues	0	8,482	8,482	2,692	11,174
State of Tennessee	0	24,949	24,949	0	24,949
Federal Government	2,816,884	1,727,747	4,544,631	0	4,544,631
Other Governments and Citizens Groups	0	0	0	3,450,000	3,450,000
Total Revenues	\$ 2,816,884	\$ 2,565,669	\$ 5,382,553	\$ 3,452,692	\$ 8,835,245
<u>Expenditures</u>					
Current:					
Instruction	\$ 2,234,568	\$ 0	\$ 2,234,568	\$ 0	\$ 2,234,568
Support Services	603,493	0	603,493	0	603,493
Operation of Non-Instructional Services	0	2,532,235	2,532,235	0	2,532,235
Capital Projects	0	0	0	2,644,245	2,644,245
Total Expenditures	\$ 2,838,061	\$ 2,532,235	\$ 5,370,296	\$ 2,644,245	\$ 8,014,541
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (21,177)	\$ 33,434	\$ 12,257	\$ 808,447	\$ 820,704
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (24,068)	\$ 0	\$ (24,068)	\$ 0	\$ (24,068)
Total Other Financing Sources (Uses)	\$ (24,068)	\$ 0	\$ (24,068)	\$ 0	\$ (24,068)
Net Change in Fund Balances					
Fund Balance, July 1, 2012	\$ 32,857	\$ 678,395	\$ 711,252	\$ 343,754	\$ 1,055,006
Fund Balance, June 30, 2013	\$ (12,388)	\$ 711,829	\$ 699,441	\$ 1,152,201	\$ 1,851,642

Exhibit J-8

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
General Purpose School Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		7/1/2012	6/30/2013			Original	Final	
Revenues								
Local Taxes	\$ 12,193,742	\$ 0	\$ 0	\$ 12,193,742	\$ 12,493,946	\$ 12,270,346	\$ (76,604)	
Licenses and Permits	2,298	0	0	2,298	2,200	2,200	98	
Charges for Current Services	197,878	0	0	197,878	194,330	194,330	3,548	
Other Local Revenues	102,494	0	0	102,494	51,226	105,486	(2,992)	
State of Tennessee	20,602,432	0	0	20,602,432	20,381,072	20,590,598	11,834	
Federal Government	396,494	0	0	396,494	369,198	407,248	(10,754)	
Other Governments and Citizens Groups	257,421	0	0	257,421	0	50,000	207,421	
Total Revenues	\$ 33,752,759	\$ 0	\$ 0	\$ 33,752,759	\$ 33,491,972	\$ 33,620,208	\$ 132,551	
Expenditures								
<u>Instruction</u>								
Regular Instruction Program	\$ 15,806,154	\$ (73,082)	\$ 78,604	\$ 15,811,676	\$ 16,128,522	\$ 16,052,427	\$ 240,751	
Alternative Instruction Program	15,813	0	0	15,813	0	16,000	187	
Special Education Program	3,122,485	0	25,683	3,148,168	3,163,429	3,189,105	40,937	
Vocational Education Program	1,310,285	(86)	313	1,310,512	1,329,329	1,330,829	20,317	
Student Body Education Program	65,382	0	0	65,382	83,611	83,611	18,229	
<u>Support Services</u>								
Attendance	138,978	0	0	138,978	140,244	140,244	1,266	
Health Services	616,008	(277)	0	615,731	607,034	617,975	2,244	
Other Student Support	925,860	0	4,805	930,665	918,469	932,108	1,443	
Regular Instruction Program	1,203,612	(30)	0	1,203,582	1,210,740	1,229,923	26,341	
Special Education Program	311,383	0	5,146	316,529	329,703	339,703	23,174	
Vocational Education Program	45,031	0	0	45,031	45,046	45,046	15	
Other Programs	215,127	0	0	215,127	0	215,127	0	
Board of Education	1,170,652	0	227	1,170,879	1,167,115	1,179,115	8,236	
Director of Schools	291,558	0	0	291,558	300,834	300,834	9,276	
Office of the Principal	1,679,659	0	0	1,679,659	1,672,660	1,683,926	4,267	
Fiscal Services	288,234	(852)	0	287,382	287,765	287,765	383	

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 1,999,513	\$ 0	\$ 0	\$ 1,999,513	\$ 2,002,536	\$ 3,023	
Maintenance of Plant	617,482	(200)	0	617,282	676,996	59,714	
Transportation	2,313,864	0	18,727	2,332,591	2,389,265	56,674	
<u>Operation of Non-Instructional Services</u>							
Community Services	461,852	0	0	461,852	479,408	17,556	
Early Childhood Education	643,395	0	4,132	647,527	647,527	0	
<u>Capital Outlay</u>							
Regular Capital Outlay	422,171	(332,998)	8,900	98,073	135,000	100,900	
Principal on Debt	71,429	0	0	71,429	71,429	0	
Education	33,735,927	(407,525)	146,537	33,474,939	33,657,280	634,933	
Total Expenditures	\$ 16,832	\$ 407,525	\$ (146,537)	\$ 277,820	\$ (489,664)	\$ 767,484	
Excess (Deficiency) of Revenues Over Expenditures							
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 4,751	\$ 0	\$ 0	\$ 4,751	\$ 0	\$ 4,751	
Insurance Recovery	74,508	0	0	74,508	0	(23,704)	
Transfers In	24,068	0	0	24,068	40,000	(15,932)	
Transfers Out	0	0	0	0	(14,751)	14,751	
Total Other Financing Sources	\$ 103,327	\$ 0	\$ 0	\$ 103,327	\$ 25,249	\$ (20,134)	
Net Change in Fund Balance	\$ 120,159	\$ 407,525	\$ (146,537)	\$ 381,147	\$ (366,203)	\$ 747,350	
Fund Balance, July 1, 2012	1,383,001	(407,525)	0	975,476	1,123,425	(147,949)	
Fund Balance, June 30, 2013	\$ 1,503,160	\$ 0	\$ (146,537)	\$ 1,356,623	\$ 983,366	\$ 599,401	

Exhibit J-9

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
School Federal Projects Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 2,816,884	\$ 0	\$ 2,816,884	\$ 3,062,223	\$ 3,062,223	\$ (245,339)
Total Revenues	\$ 2,816,884	\$ 0	\$ 2,816,884	\$ 3,062,223	\$ 3,062,223	\$ (245,339)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,271,673	\$ (21,366)	\$ 1,250,307	\$ 1,328,235	\$ 1,356,173	\$ 105,866
Special Education Program	878,065	(6,712)	871,353	872,358	871,353	0
Vocational Education Program	84,830	(8,347)	76,483	75,000	76,588	105
<u>Support Services</u>						
Other Student Support	69,458	(1,635)	67,823	108,206	107,931	40,108
Regular Instruction Program	468,766	(449)	468,317	559,600	532,036	63,719
Special Education Program	44,553	(4,404)	40,149	39,145	40,150	1
Vocational Education Program	2,418	0	2,418	3,800	2,314	(104)
Office of the Principal	1,500	0	1,500	1,500	1,500	0
Transportation	16,798	0	16,798	51,995	51,995	35,197
Total Expenditures	\$ 2,838,061	\$ (42,913)	\$ 2,795,148	\$ 3,039,839	\$ 3,040,040	\$ 244,892
Excess (Deficiency) of Revenues Over Expenditures	\$ (21,177)	\$ 42,913	\$ 21,736	\$ 22,384	\$ 22,183	\$ (447)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (24,068)	\$ 0	\$ (24,068)	\$ (25,965)	\$ (26,112)	\$ 2,044
Total Other Financing Sources	\$ (24,068)	\$ 0	\$ (24,068)	\$ (25,965)	\$ (26,112)	\$ 2,044
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (45,245)	\$ 42,913	\$ (2,332)	\$ (3,581)	\$ (3,929)	\$ 1,597
Fund Balance, July 1, 2012	32,857	(42,913)	(10,056)	3,581	3,929	(13,985)
Fund Balance, June 30, 2013	\$ (12,388)	\$ 0	\$ (12,388)	\$ 0	\$ 0	\$ (12,388)

Exhibit J-10

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Coffee County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 804,491	\$ 860,620	\$ 860,620	\$ (56,129)
Other Local Revenues	8,482	2,400	8,800	(318)
State of Tennessee	24,949	30,400	24,000	949
Federal Government	1,727,747	1,879,800	1,879,800	(152,053)
Total Revenues	<u>\$ 2,565,669</u>	<u>\$ 2,773,220</u>	<u>\$ 2,773,220</u>	<u>\$ (207,551)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,532,235	\$ 2,658,395	\$ 2,658,395	\$ 126,160
Total Expenditures	<u>\$ 2,532,235</u>	<u>\$ 2,658,395</u>	<u>\$ 2,658,395</u>	<u>\$ 126,160</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 33,434</u>	<u>\$ 114,825</u>	<u>\$ 114,825</u>	<u>\$ (81,391)</u>
Net Change in Fund Balance	\$ 33,434	\$ 114,825	\$ 114,825	\$ (81,391)
Fund Balance, July 1, 2012	<u>678,395</u>	<u>665,326</u>	<u>665,326</u>	<u>13,069</u>
Fund Balance, June 30, 2013	<u>\$ 711,829</u>	<u>\$ 780,151</u>	<u>\$ 780,151</u>	<u>\$ (68,322)</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Coffee County, Tennessee
 Schedule of Changes in Long-term Notes, Other Loans, and Bonds
 For the Year Ended June 30, 2013

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-12	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-13
GOVERNMENTAL ACTIVITIES:								
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Jail Construction - Capital Outlay Note	\$ (1)	(2) 1.6 %	10-4-11	10-1-14	\$ 1,500,000	0 \$	0 \$	1,500,000
Jail Construction - Bond Anticipation Note	19,985,000	(2) .83	12-21-12	12-15-14	0	19,985,000	0	19,985,000
General Obligation Bond Anticipation Note, Series 2013A	5,000	(2) 3.125	3-21-13	3-21-15	0	5,000	0	5,000
General Obligation Bond Anticipation Note, Series 2013B	5,000	(2) 3.125	3-21-13	3-21-15	0	5,000	0	5,000
General Obligation Bond Anticipation Note, Series 2013C	5,000	(2) 3.125	3-21-13	3-21-15	0	5,000	0	5,000
Total Payable through General Fund					\$ 1,500,000	\$ 20,000,000	0 \$	21,500,000
<u>Payable through Highway Public Works Fund</u>								
Equipment and Vehicles	500,000	2.3	9-26-11	8-1-17	\$ 461,000	0 \$	80,000 \$	381,000
Total Payable through Highway/Public Works Fund					\$ 461,000	0 \$	80,000 \$	381,000
Total Notes Payable					\$ 1,961,000	\$ 20,000,000	80,000 \$	21,881,000
OTHER LOANS PAYABLE								
<u>Payable through General Fund</u>								
City of Tullahoma Sales Tax Agreement	1,750,000	Variable	11-8-11	12-31-16	\$ 1,400,000	0 \$	350,000 \$	1,050,000
Total Payable through General Fund					\$ 1,400,000	0 \$	350,000 \$	1,050,000
<u>Payable through General Debt Service Fund</u>								
Public Improvement, Series Z-4-A	4,510,000	3.55 to 4	11-2-06	3-1-21	\$ 4,050,000	0 \$	355,000 \$	3,695,000
Total Payable through General Debt Service Fund					\$ 4,050,000	0 \$	355,000 \$	3,695,000
<u>Payable through Rural Debt Service Fund</u>								
Education Improvement Series Z-6-A	7,600,000	4.75	12-10-08	6-1-26	\$ 6,725,000	0 \$	165,000 \$	6,560,000
Qualified School Construction Bonds Series 2010	3,027,000	0 (3)	10-7-10	7-1-27	2,869,600	0	188,880	2,680,720
Energy Efficiency Improvements	500,000	0 (4)	7-26-11	9-1-22	424,380	75,620	41,670	458,330
Total Payable through Rural Debt Service Fund					\$ 10,018,980	\$ 75,620	\$ 395,550	\$ 9,699,050
<u>Contributed by School Department through General Purpose School Fund</u>								
Energy Efficiency Improvements	500,000	0 (4)	9-5-07	7-15-15	\$ 285,713	0 \$	71,429 \$	214,284
Total Contributed by School Department through General Purpose School Fund					\$ 285,713	0 \$	71,429 \$	214,284
Total Other Loans Payable					\$ 15,754,693	\$ 75,620	\$ 1,171,979	\$ 14,658,334

(Continued)

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-12	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-13
GOVERNMENTAL ACTIVITIES (CONT.):								
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation Refunding Bonds, Series 2006C	\$ 2,745,000	4 %	11-29-06	2-1-15	\$ 480,000	\$ 0	\$ 155,000	\$ 325,000
General Obligation Refunding Bonds, Series 2009	1,500,000	2.56	10-1-09	6-1-17	1,500,000	0	300,000	1,200,000
Total Payable through General Debt Service Fund					\$ 1,980,000	\$ 0	\$ 455,000	\$ 1,525,000
Payable through Rural Debt Service Fund								
Rural School Refunding, Series 2006B	2,615,000	4	11-29-06	2-1-15	\$ 1,065,000	\$ 0	\$ 340,000	\$ 725,000
Senior High School Refunding Bonds, Series 2006A	4,110,000	3.75 to 4	11-29-06	2-1-18	2,575,000	0	330,000	2,245,000
Build America Bonds	(5)	4.75	7-15-09	6-1-44	12,666,719	3,450,000	0	16,116,719
Total Payable through Rural Debt Service Fund					\$ 16,306,719	\$ 3,450,000	\$ 670,000	\$ 19,086,719
Total Bonds Payable					\$ 18,286,719	\$ 3,450,000	\$ 1,125,000	\$ 20,611,719
BUSINESS-TYPE ACTIVITIES:								
OTHER LOANS PAYABLE								
Payable through Wayside Acres Sewer Fund								
Sewer Construction	224,000	4.125	10-10-06	10-10-44	\$ 208,601	\$ 0	\$ 3,102	\$ 205,499
Sewer Construction	100,000	4.375	12-20-06	12-20-44	93,687	0	1,316	92,371
Total Other Loans Payable					\$ 302,288	\$ 0	\$ 4,418	\$ 297,870

- (1) Total amount approved was \$2,000,000, of which \$500,000 remains available for draws as of June 30, 2013.
- (2) These notes were issued for a jail construction project, which the county is currently involved in. The county intends to retire these notes with the issuance of \$22 million in general obligation bonds scheduled to be issued during the year ending June 30, 2015.
- (3) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy resulting in a net interest rate of zero percent.
- (4) In the prior year, this debt was reflected as notes payable; however, they have been reclassified as other loans to better reflect the nature of the debt.
- (5) Total amount approved was \$17,125,000, of which \$1,008,281 remains available for draws as of June 30, 2013.

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes		Total
	Principal	Interest	
2014	\$ 82,000	\$ 198,634	\$ 280,634
2015	21,583,000	95,812	21,678,812
2016	85,000	4,485	89,485
2017	87,000	2,518	89,518
2018	44,000	506	44,506
Total	\$ 21,881,000	\$ 301,955	\$ 22,182,955

Year Ending June 30	Other Loans		Total
	Principal	Interest (1)	
2014	\$ 1,225,313	\$ 597,457	\$ 1,822,770
2015	1,260,313	574,857	1,835,170
2016	1,510,310	550,857	2,061,167
2017	1,148,884	515,782	1,664,666
2018	1,183,884	479,332	1,663,216
2019	1,253,884	441,284	1,695,168
2020	1,298,884	399,117	1,698,001
2021	1,393,884	354,299	1,748,183
2022	838,884	304,499	1,143,383
2023	762,174	274,499	1,036,673
2024	803,880	246,249	1,050,129
2025	868,880	215,499	1,084,379
2026	883,880	181,499	1,065,379
2027	207,474	146,746	354,220
2028	17,806	73,374	91,180
Total	\$ 14,658,334	\$ 5,355,350	\$ 20,013,684

(Continued)

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES (CONT.)

Year Ending June 30	Bonds		Total
	Principal	Interest	
2014	\$ 1,160,000	\$ 1,388,725	\$ 2,548,725
2015	1,200,000	1,345,325	2,545,325
2016	1,005,000	1,300,325	2,305,325
2017	1,035,000	1,264,888	2,299,888
2018	95,000	1,227,958	1,322,958
2019	0	1,224,300	1,224,300
2020	0	1,224,300	1,224,300
2021	0	1,224,300	1,224,300
2022	0	1,224,300	1,224,300
2023	0	1,224,300	1,224,300
2024	0	1,224,300	1,224,300
2025	0	1,224,300	1,224,300
2026	0	1,224,300	1,224,300
2027	0	1,224,300	1,224,300
2028	0	1,224,300	1,224,300
2029	0	1,224,300	1,224,300
2030	0	1,224,300	1,224,300
2031	0	1,224,300	1,224,300
2032	0	1,224,300	1,224,300
2033	0	1,224,300	1,224,300
2034	0	1,224,300	1,224,300
2035	0	1,224,300	1,224,300
2036	0	1,224,300	1,224,300
2037	0	1,224,300	1,224,300
2038	2,125,000	1,224,300	3,349,300
2039	2,225,000	1,075,550	3,300,550
2040	2,325,000	919,800	3,244,800
2041	2,425,000	752,400	3,177,400
2042	2,550,000	577,800	3,127,800
2043	2,675,000	394,200	3,069,200
2044	1,791,719	201,600	1,993,319
Total	\$ 20,611,719	\$ 34,934,571	\$ 55,546,290

(Continued)

Exhibit K-2

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

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Other Loans		Total
	Principal	Interest	
2014	\$ 4,680	\$ 12,432	\$ 17,112
2015	4,880	12,232	17,112
2016	5,089	12,023	17,112
2017	5,306	11,806	17,112
2018	5,533	11,579	17,112
2019	5,770	11,342	17,112
2020	6,016	11,096	17,112
2021	6,274	10,838	17,112
2022	6,543	10,569	17,112
2023	6,822	10,290	17,112
2024	7,114	9,998	17,112
2025	7,418	9,694	17,112
2026	7,736	9,376	17,112
2027	8,067	9,045	17,112
2028	8,412	8,700	17,112
2029	8,773	8,339	17,112
2030	9,149	7,963	17,112
2031	9,540	7,572	17,112
2032	9,948	7,164	17,112
2033	10,375	6,737	17,112
2034	10,818	6,294	17,112
2035	11,282	5,830	17,112
2036	11,766	5,346	17,112
2037	12,269	4,843	17,112
2038	12,795	4,316	17,111
2039	13,344	3,768	17,112
2040	13,915	3,197	17,112
2041	14,511	2,601	17,112
2042	15,134	1,978	17,112
2043	15,782	1,330	17,112
2044	16,458	615	17,073
2045	6,351	39	6,390
Total	\$ 297,870	\$ 238,952	\$ 536,822

(1) Includes interest requirements on Qualified School Construction Bonds, Series 2010, before federal interest rate subsidy.

Exhibit K-3

Coffee County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Coffee County School Department
For the Year Ended June 30, 2013

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General Capital Projects	Ambulance Service	Operations	\$ 50,000
"	Highway/Public Works	"	106,000
General	Rural Debt Service	"	146,752
General Capital Projects	Wayside Acres Sewer	"	24,000
Total Transfers Primary Government			<u>\$ 326,752</u>
<u>DISCRETELY PRESENTED COFFEE</u> <u>COFFEE SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ <u>24,068</u>

Coffee County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Coffee County School Department
For the Year Ended June 30, 2013

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 81,510	\$ 50,000	Auto-Owners Mutual Insurance Company
Road Superintendent	Section 8-24-102, TCA	77,629	100,000	"
Director of Schools	State Board of Education and Coffee County Board of Education	109,000 (1)	(2)	"
Trustee	Section 8-24-102, TCA	70,572	1,727,490	"
Assessor of Property	Section 8-24-102, TCA	70,572	10,000	State Auto Insurance Company
Director of Accounts and Budgets	Coffee County Commission	69,006	20,000	Auto-Owners Mutual Insurance Company
County Clerk	Section 8-24-102, TCA	70,572	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	70,572		
Clerk and Master	Section 8-24-102, TCA	70,572	50,000	"
Register of Deeds	Section 8-24-102, TCA	70,572	25,000	"
Sheriff	Section 8-24-102, TCA	77,629 (3)	25,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments (excluding Highway Department)			150,000	Tennessee Risk Management Trust
Public Employee Dishonesty - Highway Department			150,000	Local Government Insurance Pool
Public Employee Dishonesty - School Department			150,000	Tennessee Risk Management Trust

(1) Includes a chief executive officer training supplement of \$1,000.
(2) The director is covered under the School Department's blanket bond.
(3) Does not include a law enforcement training supplement of \$600.

Exhibit K-5

Coffee County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2013

	Special Revenue Funds							Highway / Public Works
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees		
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 6,584,920	\$ 725,446	\$ 467,783	\$ 141,567	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	240,524	22,134	0	517	0	0	0	0
Trustee's Collections - Bankruptcy	17,842	134	0	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	106,799	24,681	0	0	0	0	0	0
Interest and Penalty	90,720	13,989	396	458	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	488	128	35	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	2,173	570	154	0	0	0	0	0
<u>County Local Option Taxes</u>								
Local Option Sales Tax	317,947	99,523	0	0	0	0	0	0
Litigation Tax - General	231,185	0	0	0	0	0	0	0
Litigation Tax - Special Purpose	123,054	0	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	0
Litigation Tax - Courtroom Security	79,455	0	0	0	0	0	0	0
Business Tax	885,103	0	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0	41,106
<u>Statutory Local Taxes</u>								
Bank Excise Tax	102,391	0	0	0	0	0	0	0
Wholesale Beer Tax	0	257,791	0	0	0	0	0	0
Interstate Telecommunications Tax	2,157	0	0	0	0	0	0	0
Total Local Taxes	\$ 8,784,758	\$ 1,144,396	\$ 468,368	\$ 142,542	\$ 0	\$ 0	\$ 0	\$ 41,106
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	\$ 132,415	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>								
Beer Permits	0	6,118	0	0	0	0	0	0
Building Permits	57,481	0	0	0	0	0	0	0
Plumbing Permits	5,075	0	0	0	0	0	0	0
Other Permits	6,125	0	7,000	0	0	0	0	0
Total Licenses and Permits	\$ 201,096	\$ 6,118	\$ 7,000	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 9,670	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	13,894	0	0	0	0	0	0	0
Drug Control Fines	191,280	0	0	0	4,069	0	0	0

(Continued)

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

	Special Revenue Funds							Highway / Public Works
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>Circuit Court (Cont.)</u>								
Judicial Commissioner Fees	\$ 1,310	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
DUJ Treatment Fines	1,000	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	61,740	0	0	0	0	0	0	0
Courtroom Security Fee	181	0	0	0	0	0	0	0
<u>General Sessions Court</u>								
Fines	59,097	0	0	0	0	0	0	0
Officers Costs	75,309	0	0	0	0	0	0	0
Game and Fish Fines	187	0	0	0	0	0	0	0
Drug Control Fines	249	0	0	0	194,339	0	0	0
Jail Fees	15,893	0	0	0	0	0	0	0
Interpreter Fees	244	0	0	0	0	0	0	0
Judicial Commissioner Fees	6,176	0	0	0	0	0	0	0
DUJ Treatment Fines	13,588	0	0	0	0	0	0	0
Courtroom Security Fee	2,857	0	0	0	0	0	0	0
<u>Juvenile Court</u>								
Fines	2,139	0	0	0	0	0	0	0
Officers Costs	5,687	0	0	0	0	0	0	0
Judicial Commissioner Fees	1,084	0	0	0	0	0	0	0
<u>Chancery Court</u>								
Officers Costs	4,792	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	6,395	0	0	0	0	0	0	0
Courtroom Security Fee	5,492	0	0	0	0	0	0	0
<u>Other Courts - In-county</u>								
Drug Control Fines	22,704	0	0	0	0	0	0	0
Drug Court Fees	37,015	0	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	0	13,242	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 537,983	\$ 0	\$ 0	\$ 0	\$ 211,650	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Convenience Waste Centers Collection Charge	\$ 0	\$ 10,520	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fees	0	73,179	0	0	0	0	0	0
Patient Charges	7,749	0	1,701,393	0	0	0	0	0
Other General Service Charges	5,274	0	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>							
<u>Fees</u>							
Subdivision Lot Fees	\$ 7,595	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Recreation Fees	17,266	0	0	0	0	0	0
Copy Fees	7,413	0	565	0	0	0	0
Library Fees	53,924	0	0	0	0	0	0
Archives and Records Management Fee - County Clerk	177	0	0	0	0	0	0
Greenbelt Late Application Fee	350	0	0	0	0	0	0
Telephone Commissions	71,115	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	91,020	0
Data Processing Fee - Register	16,496	0	0	0	0	0	0
Probation Fees	253,460	0	0	0	0	0	0
Data Processing Fee - Sheriff	6,840	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	5,250	0	0	0	0	0	0
Data Processing Fee - County Clerk	4,446	0	0	0	0	0	0
<u>Other Charges for Services</u>							
Other Charges for Services	51,600	0	5,020	0	0	0	0
<u>Total Charges for Current Services</u>	<u>\$ 508,955</u>	<u>\$ 83,699</u>	<u>\$ 1,706,978</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 91,020</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 379
Lease/Rentals	19,705	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0	1,949
Commissary Sales	6,085	0	0	0	0	0	0
Sale of Maps	90	0	0	0	0	0	0
Sale of Recycled Materials	0	55,516	0	0	0	0	801
Miscellaneous Refunds	13,220	66	0	0	0	0	11
<u>Nonrecurring Items</u>							
Sale of Equipment	3,239	0	0	0	38,381	0	85,623
Sale of Property	0	0	0	26,100	0	0	0
Damages Recovered from Individuals	490	0	0	0	0	0	0
Contributions and Gifts	282,444	0	375	0	0	0	0
<u>Total Other Local Revenues</u>	<u>\$ 325,273</u>	<u>\$ 55,582</u>	<u>\$ 375</u>	<u>\$ 26,100</u>	<u>\$ 38,381</u>	<u>\$ 0</u>	<u>\$ 88,763</u>
<u>Fees Received from County Officials</u>							
Fees in-Lieu-of Salary County Clerk	\$ 543,177	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds							Highway / Public Works
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees		
<u>Fees Received from County Officials (Cont.)</u>								
<u>Fees in-Lieu-of Salary (Cont.)</u>								
Circuit Court Clerk	\$ 1,019,933	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Clerk and Master	226,921	0	0	0	0	0	0	0
Register	212,545	0	0	0	0	0	0	0
Sheriff	37,962	0	0	0	0	0	0	0
Trustee	850,532	0	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 2,891,070	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 14,320	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	34,797	0	0	0	0	0	0
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	23,400	0	0	0	0	0	0	0
Other Public Safety Grants	11,143	0	0	0	5,000	0	0	0
<u>Health and Welfare Grants</u>								
Other Health and Welfare Grants	1,000	0	0	0	0	0	0	0
<u>Public Works Grants</u>								
Bridge Program	0	0	0	0	0	0	0	442,365
State Aid Program	0	0	0	0	0	0	0	82,697
Litter Program	0	49,313	0	0	0	0	0	0
Tennessee Industrial Infrastructure Program	0	0	0	74,603	0	0	0	0
<u>Other State Revenues</u>								
Income Tax	77,420	0	0	0	0	0	0	0
Beer Tax	18,586	0	0	0	0	0	0	0
Alcoholic Beverage Tax	77,301	0	0	0	0	0	0	0
Mixed Drink Tax	2,705	0	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	27,872	0	0	0	0	0	0	0
Emergency Hospital - Prisoners	537,604	0	0	0	0	0	0	0
Contracted Prisoner Boarding	745,472	0	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0	1,825,474
Petroleum Special Tax	0	0	0	0	0	0	0	38,095
T.B.I. - Equipment Reimbursement	2,200	0	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0
Other State Grants	563,652	0	0	0	0	0	0	0
Other State Revenues	42,713	0	0	0	0	0	0	0
Total State of Tennessee	\$ 2,160,552	\$ 84,110	\$ 0	\$ 74,603	\$ 5,000	\$ 0	\$ 0	\$ 2,388,631

(Continued)

Exhibit K-5

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 94,317	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	90,050	0	0	0	0	0	0
Homeland Security Grants	125,898	0	0	0	0	0	0
Law Enforcement Grants	0	0	0	0	1,872	0	0
Direct Federal Revenue	146,752	0	0	0	0	0	0
Tax Credit Bond Rebate	457,017	0	0	0	1,872	0	0
Total Federal Government	\$ 943,034	\$ 0	\$ 0	\$ 0	\$ 1,872	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 92,540	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	5,655	0	0	0	0	0	0
<u>Citizens Groups</u>							
Donations	18,484	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 116,679	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Total</u>	\$ 15,983,383	\$ 1,373,905	\$ 2,182,721	\$ 243,245	\$ 256,903	\$ 91,020	\$ 2,518,500

(Continued)

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

	Debt Service Funds		Capital Projects Funds			Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,675,617	\$ 948,291	\$ 0	\$ 0	\$ 0	\$ 10,543,624
Trustee's Collections - Prior Year	31,850	30,953	0	0	0	325,978
Trustee's Collections - Bankruptcy	1,945	1,210	0	0	0	21,131
Circuit/Clerk & Master Collections - Prior Years	14,144	16,774	0	0	0	162,398
Interest and Penalty	12,468	13,976	0	0	0	132,007
Payments in-Lieu-of Taxes - T.V.A.	124	143	0	0	0	918
Payments in-Lieu-of Taxes - Other	553	635	0	0	0	4,085
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	2,238,330	298,570	0	0	2,954,370
Litigation Tax - General	0	0	0	0	0	231,185
Litigation Tax - Special Purpose	0	0	0	0	0	123,054
Litigation Tax - Jail, Workhouse, or Courthouse	335,974	0	0	0	0	335,974
Litigation Tax - Courtroom Security	0	0	0	0	0	79,455
Business Tax	0	0	0	0	0	885,103
Mineral Severance Tax	0	0	0	0	0	41,106
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	102,391
Wholesale Beer Tax	0	0	0	0	0	257,791
Interstate Telecommunications Tax	0	0	0	0	0	2,157
Total Local Taxes	\$ 2,072,675	\$ 3,250,312	\$ 298,570	\$ 0	\$ 0	\$ 16,202,727
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 132,415
<u>Permits</u>						
Beer Permits	0	0	0	0	0	6,118
Building Permits	0	0	0	0	0	57,481
Plumbing Permits	0	0	0	0	0	5,075
Other Permits	0	0	0	0	0	13,125
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 214,214
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,670
Officers Costs	0	0	0	0	0	13,894
Drug Control Fines	0	0	0	0	0	195,349

(Continued)

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

	Debt Service Funds		Capital Projects Funds			Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Circuit Court (Cont.)</u>						
Judicial Commissioner Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,310
DUI Treatment Fines	0	0	0	0	0	1,000
Data Entry Fee - Circuit Court	0	0	0	0	0	61,740
Courtroom Security Fee	0	0	0	0	0	181
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	59,097
Officers Costs	0	0	0	0	0	75,309
Game and Fish Fines	0	0	0	0	0	187
Drug Control Fines	0	0	0	0	0	194,588
Jail Fees	0	0	0	0	0	15,893
Interpreter Fees	0	0	0	0	0	244
Judicial Commissioner Fees	0	0	0	0	0	6,176
DUI Treatment Fines	0	0	0	0	0	13,588
Courtroom Security Fee	0	0	0	0	0	2,857
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	2,139
Officers Costs	0	0	0	0	0	5,687
Judicial Commissioner Fees	0	0	0	0	0	1,084
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	4,792
Data Entry Fee - Chancery Court	0	0	0	0	0	6,395
Courtroom Security Fee	0	0	0	0	0	5,492
<u>Other Courts - In-county</u>						
Drug Control Fines	0	0	0	0	0	22,704
Drug Court Fees	0	0	0	0	0	37,015
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	13,242
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 749,633
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,520
Solid Waste Disposal Fees	0	0	0	0	0	73,179
Patient Charges	0	0	0	0	0	1,709,142
Other General Service Charges	0	0	0	0	0	5,274

(Continued)

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

	Debt Service Funds			Capital Projects Funds			Total
	General Debt Service	Rural Debt Service	Education Capital Projects	General Capital Projects	Education Capital Projects	Education Capital Projects	
<u>Charges for Current Services (Cont.)</u>							
<u>Fees</u>							
Subdivision Lot Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,595
Recreation Fees	0	0	0	0	0	0	17,266
Copy Fees	0	0	0	0	0	0	7,978
Library Fees	0	0	0	0	0	0	53,924
Archives and Records Management Fee - County Clerk	0	0	0	0	0	0	177
Greenbelt Late Application Fee	0	0	0	0	0	0	350
Telephone Commissions	0	0	0	0	0	0	71,115
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	91,020
Data Processing Fee - Register	0	0	0	0	0	0	16,496
Probation Fees	0	0	0	0	0	0	253,460
Data Processing Fee - Sheriff	0	0	0	0	0	0	6,840
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	5,250
Data Processing Fee - County Clerk	0	0	0	0	0	0	4,446
<u>Other Charges for Services</u>							
Other Charges for Services	0	0	0	0	0	0	56,620
<u>Total Charges for Current Services</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,390,652</u>
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 110,780	\$ 8,325	\$ 275	\$ 176,449	\$ 0	\$ 0	296,208
Lease/Rentals	105,040	0	0	0	0	0	124,745
Sale of Materials and Supplies	0	0	0	0	0	0	1,949
Commissary Sales	0	0	0	0	0	0	6,085
Sale of Maps	0	0	0	0	0	0	90
Sale of Recycled Materials	0	0	0	0	0	0	56,317
Miscellaneous Refunds	0	0	0	0	0	0	13,297
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	0	127,243
Sale of Property	0	0	0	0	0	0	26,100
Damages Recovered from Individuals	0	0	0	0	0	0	490
Contributions and Gifts	0	0	0	0	0	0	282,819
<u>Total Other Local Revenues</u>	<u>215,820</u>	<u>8,325</u>	<u>275</u>	<u>176,449</u>	<u>0</u>	<u>0</u>	<u>935,343</u>
<u>Fees Received from County Officials</u>							
Fees in-Lieu-of Salary County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	543,177

(Continued)

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

	Debt Service Funds			Capital Projects Funds			Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects			
<u>Fees Received from County Officials (Cont.)</u>							
<u>Fees in-Lieu-of Salary (Cont.)</u>							
Circuit Court Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,019,933
Clerk and Master	0	0	0	0	0	0	226,921
Register	0	0	0	0	0	0	212,545
Sheriff	0	0	0	0	0	0	37,962
Trustee	0	0	0	0	0	0	850,532
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,891,070
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	14,320
Solid Waste Grants	0	0	0	0	0	0	34,797
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	0	23,400
Other Public Safety Grants	0	0	0	0	0	0	16,143
<u>Health and Welfare Grants</u>							
Other Health and Welfare Grants	0	0	0	0	0	0	1,000
<u>Public Works Grants</u>							
Bridge Program	0	0	0	0	0	0	442,365
State Aid Program	0	0	0	0	0	0	82,697
Litter Program	0	0	0	0	0	0	49,313
Tennessee Industrial Infrastructure Program	0	0	0	0	0	0	74,603
<u>Other State Revenues</u>							
Income Tax	0	0	0	0	0	0	77,420
Beer Tax	0	0	0	0	0	0	18,586
Alcoholic Beverage Tax	0	0	0	0	0	0	77,301
Mixed Drink Tax	0	0	0	0	0	0	2,705
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	27,872
Emergency Hospital - Prisoners	0	0	0	0	0	0	537,604
Contracted Prisoner Boarding	0	0	0	0	0	0	745,472
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	1,825,474
Petroleum Special Tax	0	0	0	0	0	0	38,095
T.B.I. - Equipment Reimbursement	0	0	0	0	0	0	2,200
Registrar's Salary Supplement	0	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	0	563,652
Other State Revenues	0	0	0	0	0	0	42,713
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,712,896

(Continued)

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

	Debt Service Funds		Capital Projects Funds			Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects		
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	94,317
Civil Defense Reimbursement	0	0	0	0	0	90,050
Homeland Security Grants	0	0	0	0	0	125,898
Law Enforcement Grants	0	0	0	0	0	1,872
Direct Federal Revenue	0	0	0	0	0	
Tax Credit Bond Rebate	0	409,865	0	0	0	556,617
Total Federal Government	\$ 0	\$ 409,865	\$ 0	\$ 0	\$ 0	\$ 868,754
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 71,429	\$ 0	\$ 0	\$ 0	163,969
Contracted Services	0	0	0	0	0	5,655
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	18,484
Total Other Governments and Citizens Groups	\$ 0	\$ 71,429	\$ 0	\$ 0	\$ 0	\$ 188,108
Total	\$ 2,288,495	\$ 3,739,931	\$ 475,019	\$ 275	\$ 29,153,397	

Exhibit K-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2013

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Other Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 7,908,759	\$ 0	\$ 0	\$ 0	7,908,759
Trustee's Collections - Prior Year	246,817	0	0	0	246,817
Trustee's Collections - Bankruptcy	18,288	0	0	0	18,288
Circuit/Clerk & Master Collections - Prior Years	116,729	0	0	0	116,729
Interest and Penalty	96,266	0	0	0	96,266
Payments in-Lieu-of Taxes - T.V.A.	587	0	0	0	587
Payments in-Lieu-of Taxes - Other	2,610	0	0	0	2,610
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,801,484	0	0	0	3,801,484
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	2,202	0	0	0	2,202
Total Local Taxes	\$ 12,193,742	\$ 0	\$ 0	\$ 0	12,193,742
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,298	\$ 0	\$ 0	\$ 0	2,298
Total Licenses and Permits	\$ 2,298	\$ 0	\$ 0	\$ 0	2,298
<u>Charges for Current Services</u>					
<u>Fees</u>					
Recreation Fees	\$ 969	\$ 0	\$ 0	\$ 0	969
<u>Education Charges</u>					
Tuition - Summer School	2,300	0	0	0	2,300
Lunch Payments - Children	0	0	489,302	0	489,302
Lunch Payments - Adults	0	0	46,736	0	46,736
Income from Breakfast	0	0	48,938	0	48,938
A la carte Sales	0	0	219,295	0	219,295
Receipts from Individual Schools	97,702	0	0	0	97,702
Community Service Fees - Children	96,907	0	0	0	96,907
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	220	0	220
Total Charges for Current Services	\$ 197,878	\$ 0	\$ 804,491	\$ 0	1,002,369
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	2,300	\$ 0	2,300
Sale of Materials and Supplies	6,483	0	982	2,622	10,087
Refund of Telecommunication and Internet Fees (E-Rate)	31,610	0	0	0	31,610
Miscellaneous Refunds	5,389	0	0	0	5,389
<u>Nonrecurring Items</u>					
Sale of Equipment	8,222	0	0	0	8,222
Damages Recovered from Individuals	6,121	0	0	0	6,121
Contributions and Gifts	16,255	0	5,200	0	21,455
<u>Other Local Revenues</u>					
Other Local Revenues	28,414	0	0	70	28,484
Total Other Local Revenues	\$ 102,494	\$ 0	\$ 8,482	\$ 2,692	113,668
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 215,127	\$ 0	\$ 0	\$ 0	215,127
<u>State Education Funds</u>					
Basic Education Program	18,411,356	0	0	0	18,411,356
Early Childhood Education	647,398	0	0	0	647,398
School Food Service	0	0	24,949	0	24,949
Driver Education	12,859	0	0	0	12,859

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Other State Education Funds	\$ 189,249	\$ 0	\$ 0	\$ 0	\$ 189,249
Career Ladder Program	149,735	0	0	0	149,735
Career Ladder - Extended Contract	41,200	0	0	0	41,200
<u>Other State Revenues</u>					
Alcoholic Beverage Tax	3,784	0	0	0	3,784
State Revenue Sharing - T.V.A.	931,144	0	0	0	931,144
Other State Grants	580	0	0	0	580
Total State of Tennessee	\$ 20,602,432	\$ 0	\$ 24,949	\$ 0	\$ 20,627,381
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,162,714	\$ 0	\$ 1,162,714
USDA - Commodities	0	0	144,761	0	144,761
Breakfast	0	0	414,032	0	414,032
USDA - Other	0	0	6,240	0	6,240
Vocational Education - Basic Grants to States	0	105,939	0	0	105,939
Title I Grants to Local Education Agencies	0	1,322,823	0	0	1,322,823
Special Education - Grants to States	38,050	900,947	0	0	938,997
Special Education Preschool Grants	0	23,084	0	0	23,084
English Language Acquisition Grants	0	5,477	0	0	5,477
Rural Education	0	83,785	0	0	83,785
Eisenhower Professional Development State Grants	0	165,756	0	0	165,756
Race-to-the-Top - ARRA	0	205,733	0	0	205,733
Other Federal through State	307,042	3,340	0	0	310,382
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	51,402	0	0	0	51,402
Total Federal Government	\$ 396,494	\$ 2,816,884	\$ 1,727,747	\$ 0	\$ 4,941,125
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 257,421	\$ 0	\$ 0	\$ 3,450,000	\$ 3,707,421
Total Other Governments and Citizens Groups	\$ 257,421	\$ 0	\$ 0	\$ 3,450,000	\$ 3,707,421
Total	\$ 33,752,759	\$ 2,816,884	\$ 2,565,669	\$ 3,452,692	\$ 42,588,004

Exhibit K-7

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2013

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	18,300	
Social Security		1,400	
Audit Services		15,839	
Dues and Memberships		1,700	
Maintenance Agreements		524	
Printing, Stationery, and Forms		302	
Travel		5,362	
Total County Commission			\$ 43,427

Board of Equalization

Board and Committee Members Fees	\$	1,386	
Social Security		80	
Total Board of Equalization			1,466

Other Boards and Committees

Board and Committee Members Fees	\$	18,600	
Social Security		1,423	
Travel		289	
Total Other Boards and Committees			20,312

County Mayor/Executive

County Official/Administrative Officer	\$	81,510	
Secretary(ies)		34,032	
Part-time Personnel		3,879	
Social Security		8,505	
State Retirement		9,844	
Medical Insurance		5,901	
Dental Insurance		516	
Unemployment Compensation		90	
Communication		6,758	
Dues and Memberships		13,222	
Legal Notices, Recording, and Court Costs		4,122	
Maintenance Agreements		2,497	
Office Supplies		1,460	
Other Charges		4,050	
Total County Mayor/Executive			176,386

County Attorney

County Official/Administrative Officer	\$	4,800	
Legal Services		40,200	
Other Charges		7,380	
Total County Attorney			52,380

Election Commission

County Official/Administrative Officer	\$	63,515	
Deputy(ies)		60,087	
Clerical Personnel		6,398	
Overtime Pay		1,580	
Election Commission		9,089	
Election Workers		63,606	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Social Security	\$	12,513	
State Retirement		10,581	
Medical Insurance		14,867	
Dental Insurance		608	
Unemployment Compensation		659	
Communication		4,516	
Operating Lease Payments		1,492	
Legal Notices, Recording, and Court Costs		37,694	
Maintenance Agreements		18,397	
Maintenance and Repair Services - Equipment		4,860	
Postal Charges		1,410	
Travel		2,438	
Other Contracted Services		3,826	
Office Supplies		3,870	
Utilities		243	
Data Processing Equipment		13,359	
Total Election Commission	\$		335,608

Register of Deeds

County Official/Administrative Officer	\$	70,572	
Deputy(ies)		73,018	
Social Security		10,727	
State Retirement		8,993	
Medical Insurance		15,960	
Dental Insurance		774	
Unemployment Compensation		203	
Communication		1,839	
Operating Lease Payments		16,889	
Maintenance Agreements		3,131	
Other Contracted Services		3,500	
Data Processing Supplies		3,106	
Office Supplies		2,222	
Total Register of Deeds			210,934

Codes Compliance

Investigator(s)	\$	41,812	
Part-time Personnel		7,343	
Social Security		3,573	
Medical Insurance		1,488	
Dental Insurance		236	
Unemployment Compensation		180	
Communication		891	
Consultants		4,572	
Dues and Memberships		161	
Legal Notices, Recording, and Court Costs		815	
Maintenance and Repair Services - Vehicles		893	
Printing, Stationery, and Forms		788	
Gasoline		2,016	
Office Supplies		1,945	
In Service/Staff Development		745	
Data Processing Equipment		1,192	
Total Codes Compliance			68,650

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Supervisor/Director	\$	46,203	
Custodial Personnel		20,726	
Maintenance Personnel		111,124	
Overtime Pay		11,670	
Social Security		13,790	
State Retirement		15,200	
Medical Insurance		12,701	
Dental Insurance		1,633	
Unemployment Compensation		539	
Communication		30,079	
Maintenance Agreements		54,713	
Maintenance and Repair Services - Buildings		99,024	
Maintenance and Repair Services - Equipment		4,187	
Maintenance and Repair Services - Vehicles		621	
Pest Control		3,095	
Disposal Fees		176	
Other Contracted Services		40,697	
Custodial Supplies		16,695	
Data Processing Supplies		7,166	
Electricity		124,842	
Gasoline		5,824	
Natural Gas		24,704	
Office Supplies		1,134	
Water and Sewer		5,593	
Total County Buildings			\$ 652,136

Other General Administration

Communication	\$	6,327	
Data Processing Services		6,518	
Maintenance Agreements		14,799	
Postal Charges		57,500	
Total Other General Administration			85,144

Preservation of Records

Other Charges	\$	2,335	
Total Preservation of Records			2,335

Finance

Accounting and Budgeting

Supervisor/Director	\$	69,006	
Accountants/Bookkeepers		174,990	
Social Security		18,212	
State Retirement		20,789	
Medical Insurance		23,141	
Dental Insurance		1,547	
Unemployment Compensation		540	
Communication		1,176	
Dues and Memberships		530	
Legal Notices, Recording, and Court Costs		2,493	
Maintenance Agreements		12,280	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Other Contracted Services	\$	78	
Gasoline		244	
Office Supplies		6,827	
In Service/Staff Development		3,520	
Total Accounting and Budgeting			\$ 335,373

Property Assessor's Office

County Official/Administrative Officer	\$	70,572	
Clerical Personnel		148,901	
Social Security		16,604	
State Retirement		18,699	
Medical Insurance		21,296	
Dental Insurance		1,547	
Unemployment Compensation		450	
Audit Services		24,845	
Communication		1,831	
Data Processing Services		24,291	
Dues and Memberships		1,500	
Maintenance Agreements		362	
Maintenance and Repair Services - Vehicles		600	
Printing, Stationery, and Forms		493	
Gasoline		4,264	
Office Supplies		964	
Total Property Assessor's Office			337,219

Reappraisal Program

Other Salaries and Wages	\$	10,134	
Social Security		775	
Unemployment Compensation		101	
Data Processing Supplies		1,937	
Other Charges		339	
Total Reappraisal Program			13,286

County Trustee's Office

County Official/Administrative Officer	\$	70,572	
Deputy(ies)		125,857	
Social Security		14,048	
State Retirement		16,736	
Medical Insurance		28,257	
Dental Insurance		1,289	
Unemployment Compensation		360	
Communication		1,272	
Maintenance Agreements		9,488	
Maintenance and Repair Services - Office Equipment		53	
Postal Charges		7,329	
Travel		1,002	
Other Contracted Services		6,299	
Office Supplies		1,994	
Total County Trustee's Office			284,556

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office

County Official/Administrative Officer	\$	70,572	
Deputy(ies)		177,886	
Social Security		18,504	
State Retirement		20,140	
Medical Insurance		32,296	
Dental Insurance		2,020	
Unemployment Compensation		709	
Communication		2,547	
Maintenance Agreements		25,455	
Printing, Stationery, and Forms		1,506	
Office Supplies		1,756	
Total County Clerk's Office			\$ 353,391

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	70,572	
Deputy(ies)		647,177	
Part-time Personnel		24,102	
Overtime Pay		9,402	
Jury and Witness Expense		10,384	
Social Security		55,195	
State Retirement		52,913	
Medical Insurance		107,224	
Dental Insurance		5,330	
Unemployment Compensation		2,254	
Communication		4,092	
Maintenance Agreements		15,696	
Printing, Stationery, and Forms		12,069	
Travel		419	
Duplicating Supplies		1,159	
Office Supplies		10,920	
Other Charges		39,794	
Total Circuit Court			1,068,702

General Sessions Judge

Judge(s)	\$	306,450	
Social Security		18,339	
State Retirement		13,055	
Medical Insurance		11,408	
Dental Insurance		516	
Communication		1,273	
Dues and Memberships		365	
Evaluation and Testing		195	
Legal Services		3,664	
Travel		2,635	
Office Supplies		329	
Periodicals		8,185	
Total General Sessions Judge			366,414

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court

Drug Treatment	\$ 263,590	
Total Drug Court		\$ 263,590

Chancery Court

County Official/Administrative Officer	\$ 70,572	
Deputy(ies)	119,587	
Social Security	14,523	
State Retirement	16,201	
Medical Insurance	18,000	
Dental Insurance	1,289	
Unemployment Compensation	525	
Communication	2,716	
Maintenance Agreements	10,170	
Printing, Stationery, and Forms	551	
Travel	195	
Office Supplies	2,820	
Periodicals	678	
Other Supplies and Materials	13,885	
Total Chancery Court		271,712

Judicial Commissioners

County Official/Administrative Officer	\$ 75,403	
Temporary Personnel	9,635	
Social Security	6,643	
State Retirement	6,031	
Medical Insurance	13,585	
Dental Insurance	795	
Unemployment Compensation	364	
Communication	1,220	
Maintenance Agreements	421	
Office Supplies	331	
In Service/Staff Development	322	
Total Judicial Commissioners		114,750

Probation Services

Supervisor/Director	\$ 38,695	
Probation Officer(s)	83,341	
Clerical Personnel	19,890	
Part-time Personnel	26,856	
Social Security	12,363	
State Retirement	9,824	
Medical Insurance	13,225	
Dental Insurance	774	
Unemployment Compensation	620	
Communication	2,201	
Maintenance Agreements	1,976	
Maintenance and Repair Services - Vehicles	919	
Printing, Stationery, and Forms	552	
Travel	34	
Gasoline	480	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Office Supplies	\$	2,344	
Uniforms		476	
Other Supplies and Materials		1,148	
In Service/Staff Development		132	
Total Probation Services			\$ 215,850

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	77,629	
Deputy(ies)		1,326,943	
Salary Supplements		23,400	
Secretary(ies)		42,355	
Clerical Personnel		53,517	
Overtime Pay		112,169	
Other Salaries and Wages		82,455	
Social Security		131,155	
State Retirement		132,388	
Medical Insurance		172,717	
Dental Insurance		9,129	
Unemployment Compensation		4,119	
Communication		27,502	
Dues and Memberships		2,888	
Maintenance Agreements		7,076	
Maintenance and Repair Services - Vehicles		50,953	
Printing, Stationery, and Forms		838	
Travel		3,056	
Gasoline		227,402	
Law Enforcement Supplies		2,049	
Office Supplies		4,786	
Uniforms		5,372	
Law Enforcement Equipment		3,062	
Total Sheriff's Department			2,502,960

Traffic Control

Contracts with Other Public Agencies	\$	3,375	
Road Signs		4,661	
Total Traffic Control			8,036

Administration of the Sexual Offender Registry

Law Enforcement Supplies	\$	1,429	
Total Administration of the Sexual Offender Registry			1,429

Jail

Deputy(ies)	\$	203,864	
Medical Personnel		121,210	
Guards		611,745	
Clerical Personnel		41,578	
Attendants		9,333	
Cafeteria Personnel		27,429	
Overtime Pay		62,903	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Bonus Payments	\$	18,068	
Other Salaries and Wages		42,452	
Social Security		85,640	
State Retirement		79,906	
Medical Insurance		171,535	
Dental Insurance		10,184	
Unemployment Compensation		4,541	
Communication		12,822	
Contracts with Private Agencies		52,070	
Evaluation and Testing		2,000	
Maintenance Agreements		10,582	
Maintenance and Repair Services - Equipment		1,132	
Medical and Dental Services		1,098,469	
Printing, Stationery, and Forms		548	
Transportation - Other than Students		7,763	
Travel		3,967	
Custodial Supplies		34,349	
Electricity		108,098	
Food Supplies		305,328	
Natural Gas		24,623	
Office Supplies		3,965	
Periodicals		1,111	
Prisoners Clothing		10,292	
Uniforms		5,234	
Water and Sewer		63,398	
Total Jail			\$ 3,236,139

Juvenile Services

Supervisor/Director	\$	41,051	
Youth Service Officer(s)		123,300	
Salary Supplements		9,000	
Part-time Personnel		12,060	
Other Salaries and Wages		7,800	
In-Service Training		1,015	
Social Security		14,057	
State Retirement		15,434	
Medical Insurance		23,465	
Dental Insurance		1,289	
Unemployment Compensation		551	
Communication		2,325	
Contracts with Government Agencies		45,230	
Maintenance Agreements		1,610	
Travel		3,265	
Other Contracted Services		1,745	
Office Supplies		1,642	
Total Juvenile Services			304,839

Rural Fire Protection

Contributions	\$	282,000	
Total Rural Fire Protection			282,000

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense

Supervisor/Director	\$	40,091	
Other Salaries and Wages		33,630	
Social Security		5,213	
State Retirement		6,333	
Medical Insurance		7,848	
Dental Insurance		451	
Unemployment Compensation		180	
Communication		5,165	
Dues and Memberships		395	
Maintenance and Repair Services - Vehicles		2,076	
Travel		1,694	
Food Supplies		741	
Gasoline		4,411	
Office Supplies		2,619	
Uniforms		2,167	
Other Supplies and Materials		3,284	
In Service/Staff Development		271	
Other Charges		31,834	
Communication Equipment		94,818	
Total Civil Defense			\$ 243,221

Rescue Squad

Contributions	\$	17,000	
Total Rescue Squad			17,000

County Coroner/Medical Examiner

Medical and Dental Services	\$	40,000	
Total County Coroner/Medical Examiner			40,000

Other Public Safety

Supervisor/Director	\$	43,551	
Salary Supplements		29,829	
Dispatchers/Radio Operators		439,734	
Educational Assistants		38,184	
Overtime Pay		18,069	
Other Salaries and Wages		19,668	
Social Security		42,474	
State Retirement		46,493	
Medical Insurance		88,512	
Dental Insurance		4,814	
Unemployment Compensation		1,816	
Total Other Public Safety			773,144

Public Health and Welfare

Local Health Center

Medical Personnel	\$	198,595	
Clerical Personnel		135,015	
Educational Assistants		100,107	
Social Security		32,610	
State Retirement		31,836	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Medical Insurance	\$	47,897	
Dental Insurance		2,665	
Unemployment Compensation		1,692	
Communication		9,093	
Contributions		40,000	
Maintenance and Repair Services - Buildings		3,831	
Travel		20,647	
Drugs and Medical Supplies		72	
Office Supplies		101	
Utilities		10,010	
Other Supplies and Materials		196	
Liability Insurance		197	
In Service/Staff Development		442	
Total Local Health Center			\$ 635,006

Rabies and Animal Control

Supervisor/Director	\$	31,048	
Deputy(ies)		21,489	
Overtime Pay		2,575	
Social Security		4,216	
State Retirement		4,696	
Medical Insurance		8,997	
Dental Insurance		516	
Unemployment Compensation		180	
Communication		2,979	
Dues and Memberships		125	
Maintenance and Repair Services - Buildings		472	
Maintenance and Repair Services - Vehicles		4,143	
Veterinary Services		2,335	
Custodial Supplies		882	
Drugs and Medical Supplies		33	
Gasoline		5,552	
Office Supplies		1,048	
Uniforms		727	
Utilities		1,200	
In Service/Staff Development		695	
Communication Equipment		1,184	
Total Rabies and Animal Control			95,092

Ambulance/Emergency Medical Services

Maintenance and Repair Services - Vehicles	\$	2,244	
Drugs and Medical Supplies		4,447	
Furniture and Fixtures		900	
Motor Vehicles		123,860	
Other Equipment		264	
Total Ambulance/Emergency Medical Services			131,715

Alcohol and Drug Programs

Other Supplies and Materials	\$	2,000	
Total Alcohol and Drug Programs			2,000

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Appropriation to State

Contributions	\$ 82,378	
Total Appropriation to State		\$ 82,378

General Welfare Assistance

Contributions	\$ 8,780	
Total General Welfare Assistance		8,780

Other Waste Disposal

Disposal Fees	\$ 39,029	
Total Other Waste Disposal		39,029

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 59,478	
Tax Relief Program	131,782	
Total Senior Citizens Assistance		191,260

Libraries

Librarians	\$ 475,517	
Social Security	34,362	
State Retirement	30,112	
Medical Insurance	63,543	
Dental Insurance	3,565	
Unemployment Compensation	2,221	
Communication	6,665	
Data Processing Services	5,531	
Dues and Memberships	450	
Janitorial Services	13,150	
Maintenance Agreements	44,064	
Maintenance and Repair Services - Buildings	304	
Maintenance and Repair Services - Equipment	864	
Printing, Stationery, and Forms	456	
Travel	1,915	
Other Contracted Services	7,710	
Riprap	31,404	
Library Books/Media	75,297	
Office Supplies	11,253	
Periodicals	3,038	
Utilities	43,590	
Other Supplies and Materials	16,268	
Data Processing Equipment	350	
Office Equipment	12,239	
Total Libraries		883,868

Other Social, Cultural, and Recreational

Librarians	\$ 1,134	
Social Security	83	
State Retirement	41	
Unemployment Compensation	5	
Other Contracted Services	2,500	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational (Cont.)

Riprap	\$	644	
Library Books/Media		1,531	
Other Supplies and Materials		2,152	
Office Equipment		1,600	
Total Other Social, Cultural, and Recreational			\$ 9,690

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	78,975	
Secretary(ies)		49,244	
Social Security		804	
State Retirement		905	
Unemployment Compensation		90	
Other Fringe Benefits		43,514	
Communication		669	
Contracts with Private Agencies		43,874	
Maintenance and Repair Services - Office Equipment		796	
Travel		997	
Data Processing Supplies		1,200	
Utilities		2,190	
Other Charges		1,000	
Total Agriculture Extension Service			224,258

Soil Conservation

Secretary(ies)	\$	32,938	
Other Salaries and Wages		25,769	
Social Security		3,884	
State Retirement		5,002	
Medical Insurance		11,831	
Dental Insurance		516	
Unemployment Compensation		180	
Contributions		2,000	
Total Soil Conservation			82,120

Other Operations

Industrial Development

Contributions	\$	250,000	
Total Industrial Development			250,000

Veterans' Services

Clerical Personnel	\$	6,910	
Social Security		529	
Unemployment Compensation		67	
Communication		756	
Travel		300	
Electricity		1,200	
Natural Gas		650	
Office Supplies		202	
Water and Sewer		281	
Total Veterans' Services			10,895

(Continued)

Exhibit K-7

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

<u>General Fund (Cont.)</u>		
<u>Other Operations (Cont.)</u>		
<u>Other Charges</u>		
Judgments	\$ 116,073	
Liability Insurance	310,923	
Premiums on Corporate Surety Bonds	455	
Trustee's Commission	186,509	
Workers' Compensation Insurance	239,200	
Liability Claims	2,980	
Loss from Joint Ventures	76,385	
Other Charges	23,758	
Total Other Charges		\$ 956,283
<u>Contributions to Other Agencies</u>		
Contributions	\$ 14,450	
Total Contributions to Other Agencies		14,450
<u>Payments to Cities</u>		
Contributions	\$ 15,000	
Total Payments to Cities		15,000
<u>Miscellaneous</u>		
Other Charges	\$ 94,317	
Total Miscellaneous		94,317
<u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Other Loans	\$ 350,000	
Total General Government		350,000
<u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Other Loans	\$ 17,500	
Total General Government		17,500
Total General Fund		\$ 16,776,030
<u>Solid Waste/Sanitation Fund</u>		
<u>Public Health and Welfare</u>		
<u>Sanitation Management</u>		
Supervisor/Director	\$ 46,203	
Secretary(ies)	32,938	
Overtime Pay	1,897	
In-Service Training	130	
Social Security	6,093	
State Retirement	6,904	
Medical Insurance	11,015	
Dental Insurance	516	
Unemployment Compensation	142	
Communication	2,436	
Maintenance and Repair Services - Buildings	7,265	
Postal Charges	992	
Custodial Supplies	981	

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Utilities	\$	9,736	
Other Supplies and Materials		3,796	
Trustee's Commission		19,905	
Other Charges		14,412	
Site Development		9,100	
Building Purchases		99,932	
Total Sanitation Management			\$ 274,393

Waste Pickup

Truck Drivers	\$	110,268	
Guards		24,186	
Overtime Pay		13,926	
Social Security		10,673	
State Retirement		7,197	
Medical Insurance		27,930	
Dental Insurance		1,032	
Unemployment Compensation		450	
Contracts with Government Agencies		20,736	
Contracts with Private Agencies		280,609	
Maintenance and Repair Services - Equipment		978	
Maintenance and Repair Services - Vehicles		8,664	
Medical and Dental Services		288	
Diesel Fuel		61,410	
Garage Supplies		1,826	
Gasoline		8,650	
Tires and Tubes		6,957	
Uniforms		1,770	
Other Supplies and Materials		2,426	
Vehicle and Equipment Insurance		9,496	
Motor Vehicles		25,304	
Other Equipment		779	
Total Waste Pickup			625,555

Convenience Centers

Attendants	\$	153,327	
Overtime Pay		6,308	
Other Salaries and Wages		14,428	
Social Security		13,111	
State Retirement		7,511	
Medical Insurance		31,993	
Dental Insurance		2,085	
Unemployment Compensation		1,109	
Communication		5,415	
Maintenance and Repair Services - Buildings		5,990	
Maintenance and Repair Services - Equipment		11,945	
Rentals		7,560	
Crushed Stone		163	
Electricity		8,010	
Other Equipment		3,680	
Total Convenience Centers			272,635

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Collection

Supervisor/Director	\$	14,001	
Secretary(ies)		8,411	
Overtime Pay		140	
Social Security		1,680	
State Retirement		1,921	
Unemployment Compensation		38	
Contracts with Government Agencies		1,598	
Contracts with Private Agencies		51,976	
Contracts with Vehicle Owners		2,245	
Maintenance and Repair Services - Equipment		787	
Crushed Stone		148	
Office Supplies		630	
Other Equipment		225	
Total Other Waste Collection			\$ 83,800

Other Operations

Other Charges

Workers' Compensation Insurance	\$	28,533	
Total Other Charges			28,533

Total Solid Waste/Sanitation Fund \$ 1,284,916

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Assistant(s)	\$	46,529	
Supervisor/Director		55,897	
Accountants/Bookkeepers		26,677	
Medical Personnel		811,500	
Overtime Pay		414,000	
In-Service Training		6,085	
Social Security		101,430	
State Retirement		95,125	
Medical Insurance		135,205	
Dental Insurance		6,463	
Unemployment Compensation		4,087	
Communication		15,675	
Consultants		3,000	
Dues and Memberships		420	
Operating Lease Payments		3,690	
Licenses		4,700	
Maintenance and Repair Services - Equipment		11,701	
Maintenance and Repair Services - Vehicles		61,559	
Medical and Dental Services		275	
Travel		1,923	
Other Contracted Services		121,356	
Custodial Supplies		2,051	
Drugs and Medical Supplies		56,692	
Gasoline		87,437	
Office Supplies		4,733	

(Continued)

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

<u>Ambulance Service Fund (Cont.)</u>		
<u>Public Health and Welfare (Cont.)</u>		
<u>Ambulance/Emergency Medical Services (Cont.)</u>		
Tires and Tubes	\$	5,599
Uniforms		11,479
Utilities		29,726
Other Supplies and Materials		3,649
Liability Insurance		19,567
Trustee's Commission		26,271
Vehicle and Equipment Insurance		29,968
Total Ambulance/Emergency Medical Services		<u>\$ 2,204,469</u>
Total Ambulance Service Fund		\$ 2,204,469
<u>Local Purpose Tax Fund</u>		
<u>Other Operations</u>		
<u>Industrial Development</u>		
Contracts with Government Agencies	\$	75,000
Engineering Services		3,700
Other Contracted Services		7,594
Utilities		622
Trustee's Commission		2,851
Land		26,100
State Aid Projects		88,325
Total Industrial Development		<u>\$ 204,192</u>
Total Local Purpose Tax Fund		204,192
<u>Drug Control Fund</u>		
<u>Public Safety</u>		
<u>Drug Enforcement</u>		
Advertising	\$	736
Confidential Drug Enforcement Payments		5,000
Dues and Memberships		3,950
Maintenance and Repair Services - Buildings		6,858
Maintenance and Repair Services - Equipment		1,539
Maintenance and Repair Services - Vehicles		6,878
Travel		13,935
Instructional Supplies and Materials		5,542
Law Enforcement Supplies		5,367
Uniforms		284
Trustee's Commission		34
Communication Equipment		31,635
Data Processing Equipment		34,110
Furniture and Fixtures		1,857
Law Enforcement Equipment		25,945
Motor Vehicles		112,433
Total Drug Enforcement		<u>\$ 256,103</u>
Total Drug Control Fund		256,103

(Continued)

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

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 3,806	
Total Register of Deeds		\$ 3,806

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 686	
Total County Trustee's Office		686

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 3,492	
Total County Clerk's Office		3,492

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$ 52,225	
Total Circuit Court		52,225

General Sessions Court Clerk

Constitutional Officers' Operating Expenses	\$ 19,975	
Total General Sessions Court Clerk		19,975

Chancery Court

Constitutional Officers' Operating Expenses	\$ 10,836	
Total Chancery Court		<u>10,836</u>

Total Constitutional Officers - Fees Fund		\$ 91,020
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 77,629	
Assistant(s)	46,777	
Supervisor/Director	31,286	
Secretary(ies)	31,357	
Board and Committee Members Fees	5,900	
Social Security	14,729	
State Retirement	15,942	
Life Insurance	1,333	
Medical Insurance	37,744	
Dental Insurance	1,032	
Unemployment Compensation	783	
Accounting Services	12,000	
Dues and Memberships	3,230	
Engineering Services	25,228	
Evaluation and Testing	755	
Legal Services	388	
Travel	656	
Other Contracted Services	296	
Office Supplies	466	
Other Charges	1,910	
Total Administration		\$ 309,441

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Equipment Operators	\$	355,177	
Social Security		27,062	
State Retirement		23,540	
Life Insurance		4,445	
Medical Insurance		123,835	
Dental Insurance		3,027	
Unemployment Compensation		4,226	
Other Contracted Services		10,390	
Asphalt - Cold Mix		7,564	
Asphalt - Hot Mix		972	
Asphalt - Liquid		309,563	
Crushed Stone		75,779	
Pipe - Concrete		10,913	
Road Signs		10,337	
Other Supplies and Materials		6,796	
Total Highway and Bridge Maintenance			\$ 973,626

Operation and Maintenance of Equipment

Mechanic(s)	\$	86,790	
Social Security		6,550	
State Retirement		6,699	
Life Insurance		639	
Medical Insurance		18,209	
Dental Insurance		668	
Unemployment Compensation		736	
Laundry Service		2,700	
Diesel Fuel		86,117	
Equipment and Machinery Parts		93,695	
Garage Supplies		1,709	
Gasoline		26,105	
Lubricants		12,137	
Tires and Tubes		17,555	
Other Supplies and Materials		5,438	
Total Operation and Maintenance of Equipment			365,747

Other Charges

Communication	\$	3,835	
Electricity		6,289	
Natural Gas		3,518	
Water and Sewer		682	
Liability Insurance		47,850	
Trustee's Commission		19,022	
Workers' Compensation Insurance		82,609	
Other Charges		1,000	
Total Other Charges			164,805

Capital Outlay

Bridge Construction	\$	442,365	
Total Capital Outlay			442,365

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Principal on Debt

Highways and Streets

Principal on Notes	\$ 80,000	
Total Highways and Streets		\$ 80,000

Interest on Debt

Highways and Streets

Interest on Notes	\$ 10,270	
Total Highways and Streets		<u>10,270</u>

Total Highway/Public Works Fund		\$ 2,346,254
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General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 455,000	
Principal on Other Loans	355,000	
Total General Government		\$ 810,000

Interest on Debt

General Government

Interest on Bonds	\$ 64,200	
Interest on Notes	122,260	
Interest on Other Loans	158,672	
Total General Government		345,132

Other Debt Service

General Government

Fiscal Agent Charges	\$ 2,172	
Trustee's Commission	36,743	
Total General Government		<u>38,915</u>

Total General Debt Service Fund		1,194,047
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Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 670,000	
Principal on Other Loans	466,979	
Total Education		\$ 1,136,979

Interest on Debt

Education

Interest on Bonds	\$ 1,366,525	
Interest on Other Loans	459,584	
Total Education		1,826,109

Other Debt Service

Education

Fiscal Agent Charges	\$ 5,490	
Trustee's Commission	42,312	
Total Education		<u>47,802</u>

Total Rural Debt Service Fund		3,010,890
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(Continued)

Exhibit K-7

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

<u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>General Administration Projects</u>		
Trustee's Commission	\$ 2,930	
Total General Administration Projects		\$ 2,930
 <u>Public Safety Projects</u>		
Architects	\$ 58,482	
Consultants	7,500	
Contracts with Private Agencies	4,588,684	
Evaluation and Testing	34,200	
Legal Services	3,238	
Other Charges	849	
Total Public Safety Projects		<u>4,692,953</u>
Total General Capital Projects Fund		\$ 4,695,883
 <u>Education Capital Projects Fund</u>		
<u>Capital Projects - Donated</u>		
<u>Capital Projects Donated to School Department</u>		
Contributions	\$ 3,707,421	
Total Capital Projects Donated to School Department		<u>\$ 3,707,421</u>
Total Education Capital Projects Fund		<u>3,707,421</u>
Total Governmental Funds - Primary Government		<u><u>\$ 35,771,225</u></u>

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2013

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 10,598,381	
Career Ladder Program	84,937	
Career Ladder Extended Contracts	31,180	
Homebound Teachers	15,499	
Instructional Computer Personnel	60,392	
Educational Assistants	239,506	
Other Salaries and Wages	15,264	
Certified Substitute Teachers	28,355	
Non-certified Substitute Teachers	141,106	
Social Security	643,709	
State Retirement	957,067	
Life Insurance	50,715	
Medical Insurance	1,907,036	
Dental Insurance	77,123	
Employer Medicare	153,277	
Communication	76,760	
Maintenance and Repair Services - Equipment	60,041	
Other Contracted Services	11,018	
Instructional Supplies and Materials	161,427	
Textbooks	240,163	
Other Supplies and Materials	99,593	
Other Charges	31,648	
Regular Instruction Equipment	121,957	
Total Regular Instruction Program		\$ 15,806,154

Alternative Instruction Program

Other Charges	\$ 15,813	
Total Alternative Instruction Program		15,813

Special Education Program

Teachers	\$ 1,629,175	
Career Ladder Program	16,467	
Homebound Teachers	3,730	
Educational Assistants	200,945	
Speech Pathologist	153,246	
Other Salaries and Wages	159,047	
Certified Substitute Teachers	1,260	
Non-certified Substitute Teachers	15,478	
Social Security	124,378	
State Retirement	185,207	
Life Insurance	10,559	
Medical Insurance	398,961	
Dental Insurance	25,029	
Employer Medicare	29,485	
Maintenance and Repair Services - Equipment	187	
Other Contracted Services	134,873	
Instructional Supplies and Materials	12,460	
Other Supplies and Materials	13,102	
Special Education Equipment	8,896	
Total Special Education Program		3,122,485

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Teachers	\$	908,115	
Career Ladder Program		6,000	
Educational Assistants		13,730	
Certified Substitute Teachers		6,132	
Non-certified Substitute Teachers		10,680	
Social Security		55,461	
State Retirement		81,516	
Life Insurance		4,175	
Medical Insurance		156,635	
Dental Insurance		6,055	
Employer Medicare		13,145	
Instructional Supplies and Materials		25,965	
Vocational Instruction Equipment		22,676	
Total Vocational Education Program			\$ 1,310,285

Student Body Education Program

Other Salaries and Wages	\$	49,479	
Social Security		2,589	
State Retirement		3,729	
Employer Medicare		608	
Other Charges		8,977	
Total Student Body Education Program			65,382

Support Services

Attendance

Supervisor/Director	\$	63,509	
Career Ladder Program		1,000	
Secretary(ies)		28,488	
Social Security		5,415	
State Retirement		8,156	
Life Insurance		369	
Medical Insurance		13,276	
Dental Insurance		543	
Employer Medicare		1,266	
Travel		1,694	
Other Contracted Services		11,526	
Other Supplies and Materials		1,372	
Attendance Equipment		2,364	
Total Attendance			138,978

Health Services

Supervisor/Director	\$	53,936	
Medical Personnel		359,461	
Secretary(ies)		12,570	
Other Salaries and Wages		10,438	
Social Security		25,268	
State Retirement		36,672	
Life Insurance		1,698	
Medical Insurance		74,696	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Dental Insurance	\$	2,716	
Employer Medicare		5,913	
Travel		4,682	
Other Contracted Services		3,300	
Other Supplies and Materials		14,870	
In Service/Staff Development		3,330	
Other Charges		2,931	
Health Equipment		248	
Other Equipment		3,279	
Total Health Services			\$ 616,008

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		513,671	
Psychological Personnel		22,757	
Secretary(ies)		67,151	
Other Salaries and Wages		33,287	
Social Security		37,696	
State Retirement		56,457	
Life Insurance		2,737	
Medical Insurance		116,887	
Dental Insurance		4,458	
Employer Medicare		8,816	
Evaluation and Testing		56,081	
Travel		1,996	
Other Contracted Services		866	
Total Other Student Support			925,860

Regular Instruction Program

Supervisor/Director	\$	307,040	
Career Ladder Program		8,000	
Career Ladder Extended Contracts		4,220	
Librarians		406,230	
Secretary(ies)		67,287	
Other Salaries and Wages		74,000	
Social Security		46,679	
State Retirement		69,704	
Life Insurance		2,723	
Medical Insurance		133,891	
Dental Insurance		5,786	
Employer Medicare		11,713	
Travel		19,629	
Library Books/Media		24,867	
In Service/Staff Development		16,214	
Other Charges		5,629	
Total Regular Instruction Program			1,203,612

Special Education Program

Supervisor/Director	\$	65,519	
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(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Career Ladder Program	\$	1,000	
Psychological Personnel		133,584	
Secretary(ies)		18,916	
Other Salaries and Wages		2,043	
Social Security		12,576	
State Retirement		18,343	
Life Insurance		571	
Medical Insurance		26,452	
Dental Insurance		769	
Employer Medicare		2,941	
Communication		82	
Maintenance and Repair Services - Equipment		1,588	
Travel		7,626	
Other Supplies and Materials		1,434	
In Service/Staff Development		17,739	
Other Charges		200	
Total Special Education Program			\$ 311,383

Vocational Education Program

Supervisor/Director	\$	33,844	
Social Security		2,101	
State Retirement		3,005	
Life Insurance		100	
Medical Insurance		2,874	
Dental Insurance		168	
Employer Medicare		491	
Communication		25	
Travel		2,423	
Total Vocational Education Program			45,031

Other Programs

On-Behalf Payments to OPEB	\$	215,127	
Total Other Programs			215,127

Board of Education

Secretary to Board	\$	451	
Board and Committee Members Fees		11,795	
Social Security		424	
State Retirement		38	
Life Insurance		3,518	
Medical Insurance		187,716	
Dental Insurance		9,292	
Unemployment Compensation		29,819	
Employer Medicare		176	
Audit Services		5,350	
Bank Charges		1,214	
Dues and Memberships		12,471	
Legal Services		20,366	
Travel		2,517	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Liability Insurance	\$	280,403	
Trustee's Commission		252,850	
Workers' Compensation Insurance		269,407	
In Service/Staff Development		15,405	
Criminal Investigation of Applicants - TBI		5,924	
Other Charges		61,516	
Total Board of Education			\$ 1,170,652

Director of Schools

County Official/Administrative Officer	\$	108,000	
Career Ladder Program		1,000	
Secretary(ies)		34,444	
Clerical Personnel		22,721	
Other Salaries and Wages		135	
Social Security		10,181	
State Retirement		13,754	
Life Insurance		512	
Medical Insurance		22,854	
Dental Insurance		815	
Employer Medicare		2,381	
Communication		9,558	
Dues and Memberships		2,195	
Maintenance and Repair Services - Equipment		15,393	
Postal Charges		2,197	
Travel		4,611	
Office Supplies		9,157	
Utilities		26,264	
In Service/Staff Development		5,048	
Other Charges		338	
Total Director of Schools			291,558

Office of the Principal

Principals	\$	594,999	
Career Ladder Program		4,000	
Accountants/Bookkeepers		52,490	
Assistant Principals		297,505	
Secretary(ies)		273,270	
Social Security		71,208	
State Retirement		106,962	
Life Insurance		5,061	
Medical Insurance		214,593	
Dental Insurance		7,604	
Employer Medicare		16,661	
Communication		26,631	
Travel		3,063	
Office Supplies		5,032	
Other Charges		580	
Total Office of the Principal			1,679,659

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Supervisor/Director	\$	43,760	
Accountants/Bookkeepers		156,966	
Social Security		10,827	
State Retirement		15,582	
Life Insurance		913	
Medical Insurance		32,013	
Dental Insurance		1,358	
Employer Medicare		2,819	
Travel		381	
Other Contracted Services		18,763	
Other Supplies and Materials		3,808	
In Service/Staff Development		1,044	
Total Fiscal Services			\$ 288,234

Operation of Plant

Custodial Personnel	\$	537,000	
Social Security		31,349	
State Retirement		40,398	
Life Insurance		4,300	
Medical Insurance		150,039	
Dental Insurance		5,929	
Employer Medicare		7,497	
Laundry Service		7,080	
Electricity		992,799	
Natural Gas		59,667	
Propane Gas		4,191	
Water and Sewer		64,587	
Other Supplies and Materials		94,677	
Total Operation of Plant			1,999,513

Maintenance of Plant

Assistant(s)	\$	16,640	
Supervisor/Director		43,935	
Maintenance Personnel		223,328	
Other Salaries and Wages		15,000	
Social Security		17,586	
State Retirement		24,718	
Life Insurance		1,531	
Medical Insurance		56,473	
Dental Insurance		2,172	
Employer Medicare		4,113	
Communication		3,805	
Maintenance and Repair Services - Buildings		7,500	
Maintenance and Repair Services - Equipment		9,523	
Other Supplies and Materials		162,523	
In Service/Staff Development		200	
Maintenance Equipment		28,435	
Total Maintenance of Plant			617,482

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	57,877	
Mechanic(s)		134,640	
Bus Drivers		763,186	
Clerical Personnel		41,261	
Social Security		57,771	
State Retirement		80,029	
Life Insurance		10,784	
Medical Insurance		390,904	
Dental Insurance		16,746	
Employer Medicare		13,511	
Communication		1,894	
Laundry Service		5,437	
Maintenance and Repair Services - Equipment		229	
Travel		1,634	
Diesel Fuel		280,462	
Gasoline		20,560	
Office Supplies		1,192	
Tires and Tubes		24,837	
Utilities		11,800	
Vehicle Parts		103,476	
In Service/Staff Development		1,042	
Other Charges		2,870	
Administration Equipment		3,700	
Transportation Equipment		288,022	
Total Transportation			\$ 2,313,864

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	231,192	
Social Security		14,046	
State Retirement		6,301	
Life Insurance		1,636	
Medical Insurance		15,286	
Dental Insurance		3,802	
Employer Medicare		3,285	
Communication		2,592	
Travel		5,706	
Other Contracted Services		57,704	
Food Supplies		8,147	
Other Supplies and Materials		69,034	
In Service/Staff Development		17,771	
Other Charges		24,283	
Other Capital Outlay		1,067	
Total Community Services			461,852

Early Childhood Education

Teachers	\$	311,532	
Psychological Personnel		16,078	
Educational Assistants		85,700	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Other Salaries and Wages	\$	29,302	
Certified Substitute Teachers		755	
Non-certified Substitute Teachers		5,400	
Social Security		23,839	
State Retirement		36,521	
Life Insurance		997	
Medical Insurance		111,751	
Employer Medicare		5,902	
Communication		3,155	
Travel		3,251	
Instructional Supplies and Materials		5,175	
Other Supplies and Materials		1,940	
Other Charges		206	
Other Equipment		1,891	
Total Early Childhood Education			\$ 643,395

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	233,430	
Heating and Air Conditioning Equipment		75,620	
Other Capital Outlay		113,121	
Total Regular Capital Outlay			422,171

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	71,429	
Total Education			71,429

Total General Purpose School Fund \$ 33,735,927

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	652,991	
Educational Assistants		33,773	
Other Salaries and Wages		116,796	
Certified Substitute Teachers		14,036	
Non-certified Substitute Teachers		36,100	
Social Security		49,436	
State Retirement		68,424	
Life Insurance		3,555	
Medical Insurance		140,707	
Employer Medicare		12,032	
Instructional Supplies and Materials		48,029	
Other Charges		671	
Regular Instruction Equipment		95,123	
Total Regular Instruction Program			\$ 1,271,673

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	78,469	
Educational Assistants		396,953	
Other Salaries and Wages		18,484	
Certified Substitute Teachers		1,992	
Non-certified Substitute Teachers		15,872	
Social Security		29,388	
State Retirement		38,967	
Life Insurance		5,763	
Medical Insurance		238,042	
Employer Medicare		6,903	
Maintenance and Repair Services - Equipment		202	
Other Contracted Services		25,537	
Instructional Supplies and Materials		7,878	
Textbooks		2,762	
Other Supplies and Materials		5,425	
Other Charges		1,987	
Special Education Equipment		3,441	
Total Special Education Program			\$ 878,065

Vocational Education Program

Maintenance and Repair Services - Equipment	\$	1,402	
Instructional Supplies and Materials		4,741	
Other Supplies and Materials		1,578	
Other Charges		900	
Vocational Instruction Equipment		76,209	
Total Vocational Education Program			84,830

Support Services

Other Student Support

Other Salaries and Wages	\$	2,225	
Social Security		134	
State Retirement		198	
Employer Medicare		31	
Evaluation and Testing		2,001	
Travel		25,714	
Other Supplies and Materials		33,622	
Other Charges		5,533	
Total Other Student Support			69,458

Regular Instruction Program

Supervisor/Director	\$	33,235	
Secretary(ies)		21,920	
Other Salaries and Wages		203,276	
Social Security		15,505	
State Retirement		22,870	
Life Insurance		1,126	
Medical Insurance		42,869	
Employer Medicare		3,626	
Travel		1,239	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Contracted Services	\$	445	
Other Supplies and Materials		1,793	
In Service/Staff Development		119,640	
Administration Equipment		1,222	
Total Regular Instruction Program			\$ 468,766

Special Education Program

Psychological Personnel	\$	2,177	
Secretary(ies)		18,918	
Social Security		1,308	
State Retirement		1,805	
Life Insurance		84	
Medical Insurance		5,473	
Employer Medicare		306	
Travel		86	
Other Supplies and Materials		3,966	
In Service/Staff Development		7,253	
Other Charges		1,677	
Administration Equipment		1,500	
Total Special Education Program			44,553

Vocational Education Program

Travel	\$	1,403	
Other Supplies and Materials		616	
In Service/Staff Development		399	
Total Vocational Education Program			2,418

Office of the Principal

Communication	\$	1,500	
Total Office of the Principal			1,500

Transportation

Other Salaries and Wages	\$	5,482	
Social Security		340	
State Retirement		467	
Employer Medicare		79	
Diesel Fuel		10,230	
Other Charges		200	
Total Transportation			16,798

Total School Federal Projects Fund \$ 2,838,061

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	60,474	
Accountants/Bookkeepers		32,808	
Cafeteria Personnel		680,711	
Other Salaries and Wages		15,214	

(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Social Security	\$	45,579	
State Retirement		58,049	
Life Insurance		7,799	
Medical Insurance		277,707	
Dental Insurance		11,519	
Employer Medicare		10,660	
Accounting Services		618	
Communication		1,400	
Maintenance and Repair Services - Equipment		12,728	
Travel		8,956	
Other Contracted Services		10,590	
Food Preparation Supplies		89,223	
Food Supplies		1,022,747	
Office Supplies		5,096	
USDA - Commodities		144,761	
Other Supplies and Materials		2,028	
Liability Insurance		343	
In Service/Staff Development		6,819	
Other Charges		11,043	
Food Service Equipment		15,363	
Total Food Service			\$ 2,532,235

Total Central Cafeteria Fund \$ 2,532,235

Other Capital Projects Fund

Capital Projects

Education Capital Projects

Advertising	\$	4,871	
Architects		731,619	
Engineering Services		37,354	
Legal Services		6,000	
Other Charges		18,062	
Building Improvements		32,563	
Food Service Equipment		129,000	
Heating and Air Conditioning Equipment		500,891	
Land		557,060	
Site Development		622,075	
Other Capital Outlay		4,750	
Total Education Capital Projects			\$ 2,644,245

Total Other Capital Projects Fund 2,644,245

Total Governmental Funds - Coffee County School Department \$ 41,750,468

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2013

	Enterprise Fund
	Wayside Acres Sewer Fund
<hr/>	
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Water Treatment Charges	\$ 13,963
Other General Service Charges	18,475
Total Operating Revenues	<u>\$ 32,438</u>
Total Revenues	<u>\$ 32,438</u>
 <u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Public Health and Welfare</u>	
Communication	\$ 577
Engineering Services	5,547
Maintenance and Repair Services - Equipment	397
Permits	172
Other Contracted Services	11,607
Electricity	3,109
Water and Sewer	83
Other Supplies and Materials	675
Liability Insurance	650
Depreciation	26,952
Total Operating Expenses	<u>\$ 49,769</u>
<u>Nonoperating Expenses</u>	
Interest on Other Loans	\$ 12,694
Total Nonoperating Expenses	<u>\$ 12,694</u>
Total Expenses	<u>\$ 62,463</u>

Exhibit K-10

Coffee County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2013

	Cities - Sales Tax Fund	City School ADA- Tulahoma Fund	City School ADA- Manchester Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 5,307,102	\$ 2,191,056	\$ 7,498,158
Trustee's Collections - Prior Years	0	181,451	74,913	256,364
Trustee's Collections - Bankruptcy	0	12,317	5,086	17,403
Circuit/Clerk and Master Collections - Prior Years	0	74,110	30,156	104,266
Interest and Penalty	0	63,385	26,035	89,420
Payments in-Lieu-of Taxes - TVA	0	395	163	558
Payments in-Lieu-of Taxes - Local Utilities	0	1,757	725	2,482
Interstate Telecommunications Tax	0	1,483	612	2,095
Local Option Sales Tax	8,485,435	0	0	8,485,435
Marriage Licenses	0	1,548	630	2,178
Alcoholic Beverage Tax	0	2,549	1,052	3,601
Total Cash Receipts	\$ 8,485,435	\$ 5,646,097	\$ 2,330,428	\$ 16,461,960
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 8,400,581	\$ 5,561,006	\$ 2,298,646	\$ 16,260,233
Trustee's Commission	84,854	112,310	46,375	243,539
Total Cash Disbursements	\$ 8,485,435	\$ 5,673,316	\$ 2,345,021	\$ 16,503,772
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ (27,219)	\$ (14,593)	\$ (41,812)
Cash Balance, July 1, 2012	0	64,873	30,134	95,007
Cash Balance, June 30, 2013	\$ 0	\$ 37,654	\$ 15,541	\$ 53,195

SINGLE AUDIT SECTION



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Coffee County's basic financial statements, and have issued our report thereon dated February 21, 2014. Our report includes a reference to other auditors who audited the financial statements of the Coffee County Emergency Communications District, the Public Building Authority of Coffee County, and the Industrial Board of Coffee County as described in our report on Coffee County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coffee 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 Coffee County's internal control. Accordingly, we do not express an opinion on the effectiveness of Coffee 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. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2013-001, 2013-003, 2013-005, 2013-006, and 2013-007.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coffee County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2013-002 and 2013-004.

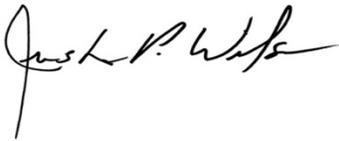
Coffee County's Response to Findings

Coffee County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Coffee 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 Coffee County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 21, 2014

JPW/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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**Report on Compliance for Each Major Federal Program; Report on Internal Control
Over Compliance; and Report on the Schedule of Expenditures of Federal Awards
Required by OMB Circular A-133**

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Coffee County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Coffee County's major federal programs for the year ended June 30, 2013. Coffee 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 Coffee County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program

occurred. An audit includes examining, on a test basis, evidence about Coffee 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 Coffee County's compliance.

Opinion on Each Major Federal Program

In our opinion, Coffee 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, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and is described in the accompanying Schedule of Findings and Questioned Costs as item 2013-008. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

Management of Coffee 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 Coffee County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Coffee County's internal control over compliance.

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

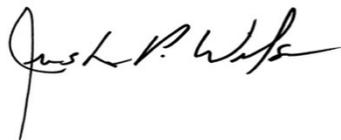
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Coffee County's basic financial statements. We issued our report thereon dated February 21, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 21, 2014

JPW/sb

Coffee County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2013

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	\$ 414,032
National School Lunch Program	10.555	N/A	1,168,954 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	144,761 (3)
Total U.S. Department of Agriculture			<u>\$ 1,727,747</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnership Program	14.239	HM-10-10	<u>\$ 94,317</u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	(2)	\$ 1,872
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	5,320
Total U.S. Department of Justice			<u>\$ 7,192</u>
U.S. Department of Transportation:			
Passed-through Governor's Highway Safety Office:			
Alcohol Open Container Requirements	20.607	(2)	<u>\$ 16,143</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 1,343,622
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	950,113
Special Education - Preschool Grants	84.173	N/A	23,084
Career and Technical Education - Basic Grants to States	84.048	N/A	115,921
Rural Education	84.358	N/A	84,851
Improving Teacher Quality State Grants	84.367	N/A	165,756
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	205,753
Education Jobs Fund	84.410	N/A	5,602
Passed through City of Tullahoma Board of Education:			
English Language Acquisition Grants	84.365	N/A	5,477
Total U.S. Department of Education			<u>\$ 2,900,179</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Mental Health and Developmental Disabilities:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	GG-11-33055-00	\$ 82,572
Drug-free Communities Support Program Grants	93.276	5H79SP015691	140,638
Block Grants for Prevention and Treatment of Substance Abuse	93959	(2)	74,658
Passed-through State Department of Children's Services:			
Temporary Assistance for Needy Families	93.558	(2)	9,174
Total U.S. Department of Health and Human Services			<u>\$ 307,042</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(2)	\$ 33,350
Interoperable Emergency Communications	97.055	(2)	56,700
Homeland Security Grant Program	97.067	(2)	125,898
Total U.S. Department of Homeland Security			<u>\$ 215,948</u>
Total Expenditures of Federal Awards			<u>\$ 5,268,568</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
Early Childhood Education - State Department of Education	N/A	(2)	\$ 647,398
ConnectTenn - State Department of Education	N/A	(2)	14,449
Arts Student Ticket Subsidy - State Arts Commission	N/A	(2)	580
Statewide Student Management System - State Department of Education	N/A	(2)	11,527
Family Resource Center - State Department of Education	N/A	(2)	59,224
Safe Schools - State Department of Education	N/A	(2)	19,049
Coordinated School Health - State Department of Education	N/A	(2)	85,000
Juvenile Services Program - State Commission on Children and Youth	N/A	GG-10-29424-00	9,000
FastTrack Industrial Development Program - State Department of Economic and Community Development	N/A	(2)	74,603
Tennessee Agriculture Enhancement Program Grant - State Department of Agriculture	N/A	(2)	1,000
Litter Program - State Department of Transportation	N/A	(2)	49,313
Rural Local Health Services - State Department of Health	N/A	GG-13-38508-00	561,307
State Archives Grant - State Library and Archives	N/A	(2)	2,345
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	<u>34,797</u>
Total State Grants			<u>\$ 1,569,592</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$1,313,715.

Coffee County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2013

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Coffee County, Tennessee, for the year ended June 30, 2012, which have not been corrected.

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.02	208	Insurance payroll liability accounts were not reconciled monthly

OFFICE OF REGISTER OF DEEDS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.05	210	Multiple employees operated from the same cash drawer

OFFICES OF DIRECTOR OF SCHOOLS, TRUSTEE, COUNTY CLERK, REGISTER OF DEEDS, AND SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.06	210	Duties were not segregated adequately

COFFEE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on Coffee County's financial statements is unmodified.
2. The audit of the financial statements of Coffee County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed one finding that is required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the State Fiscal Stabilization Fund – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Coffee County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination and the annual monitoring by the State Department of Property Assessments on assessors of property, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written response of the director of schools is included in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2013-001 **THE SCHOOL FEDERAL PROJECTS FUND HAD A DEFICIT IN UNASSIGNED FUND BALANCE AT JUNE 30, 2013**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The School Federal Projects Fund had a deficit in unassigned fund balance of \$12,388 at June 30, 2013. This deficit resulted from expenditures exceeding available funds. Generally accepted accounting principles dictate that expenditures be held within available funding. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

Officials should liquidate the deficit in unassigned fund balance. Steps should be taken to ensure that expenditures are held within available funding.

FINDING 2013-002 **THE SCHOOL DEPARTMENT DID NOT COMPLY WITH MANAGEMENT DIRECTIVES FROM THE OFFICE OF TENNESSEE RECOVERY ACT MANAGEMENT**
(Noncompliance Under *Government Auditing Standards* and OMB Circular A-133)

During the year examined, the School Department received an American Recovery and Reinvestment Act (ARRA) Race-to-the-Top Grant (CFDA No. 84.395). The Office of Tennessee Recovery Act Management (TRAM) established directives for county governments that receive ARRA grants. These directives are intended to promote transparency and accountability for ARRA grants. The School Department did not prepare an action plan for the Race-to-the-Top Grant, which details how the department is going to accomplish the goals and objectives of the grant. TRAM Directive No. 9 requires county governments to prepare an action plan for each ARRA grant it receives. The failure to prepare action plans increases the risks that the school system will not meet the goals and objectives of the grant. When ARRA grant requirements are not followed, the Office of Management and Budget can terminate the grants; suspend or debar the county from receiving grants; or, in serious cases, may apply civil or criminal penalties. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

The School Department's designated official for the Race-to-the-Top Grant should ensure compliance with the TRAM directives for transparency and accountability.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Coffee County Schools received the initial ARRA grant (stimulus) in 2008-09. Directives were established by TRAM to promote transparency and accountability for the ARRA grants. Coffee County Schools developed an action plan and a risk assessment for the original ARRA grants. Auditors were provided with the original risk assessment for Title I. However, auditors were not provided with a Race-to-the-Top Risk Assessment and Action Plan. Action will be immediately taken to ensure that Coffee County Schools are in compliance with TRAM directives.

FINDING 2013-003

INSURANCE PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED MONTHLY

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

General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments each month in the General Purpose School, School Federal Projects, and Central Cafeteria funds. As a result, unidentified balances accumulated in the liability accounts for several payroll deductions. Sound business practices dictate that payroll liability accounts should be reconciled with billings monthly. The failure to regularly reconcile payroll liability accounts is a significant deficiency that increases the risk that errors will not be discovered and corrected in a timely manner. This deficiency exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors discovered should be corrected promptly.

OFFICE OF ASSESSOR OF PROPERTY

FINDING 2013-004

NEW OWNERS OF GREENBELT PROPERTIES WERE NOT REQUIRED TO FILE A NEW APPLICATION FOR AGRICULTURAL PROPERTY

(Noncompliance Under *Government Auditing Standards*)

The assessor did not require new owners of property that had been previously qualified as agricultural at the date of sale to file a new application in a timely manner to continue the Greenbelt classification as required by Section 67-5-1005(a)(1), *Tennessee Code Annotated*.

The statute further provides for the assessor to notify the new owners that the property is disqualified from receiving Greenbelt classification unless the new owners file an application within 30 days of such notification together with a late fee of \$50. This deficiency is the result of management's failure to properly comply with state statutes and could result in the loss of county revenue if property that no longer qualifies for Greenbelt classification is assessed at the lower Greenbelt rate rather than at market value.

RECOMMENDATION

New owners of properties that qualified for Greenbelt the previous year as agricultural should be required to file a new application in a timely manner. The failure to timely apply should result in disqualification and the assessment of rollback taxes as required by statute.

OFFICE OF TRUSTEE

FINDING 2013-005

USERNAMES AND PASSWORDS WERE SHARED BY EMPLOYEES

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

Although each employee had been assigned a unique username and password for accessing the office's accounting software, this information was shared with other employees. If inappropriate activity were to occur, the employee responsible for this activity would not be easily identified because employees had access to each other's username and password. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency was the result of a lack of management oversight. This deficiency was corrected during the fiscal year when brought to the attention of management.

RECOMMENDATION

Each employee should access the application using his or her unique username and password to ensure that transactions are properly identified to that employee. Usernames and passwords should be confidential and should not be shared among employees.

OFFICE OF REGISTER OF DEEDS

FINDING 2013-006

MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER

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

Multiple employees operated from the same cash drawer in the Office of Register of Deeds. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee’s receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the register would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision by the register resulting in a loss of control over assets. Also, this finding exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The register of deeds should assign each employee their own cash drawer.

OFFICES OF DIRECTOR OF SCHOOLS, TRUSTEE, COUNTY CLERK, REGISTER OF DEEDS, AND SHERIFF

FINDING 2013-007

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the officials and employees in the Offices of Director of Schools, Trustee, County Clerk, Register of Deeds, and Sheriff. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management’s decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this finding exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

BEST PRACTICE

COFFEE COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Coffee County operates under the provisions of the Fiscal Control Acts of 1957 for central purchasing covering the funds controlled by the county mayor and the road superintendent. Also, the county operates under the provisions of a local resolution, which creates the Office of Director of Accounts and Budgets. Under this resolution, the director of accounts and budgets directs the operation of the funds under the control of the county mayor. For years, the director of accounts and budgets has also performed all accounting and budgeting functions for the county's Highway Department; however, there is no state law or local resolution governing this arrangement in Coffee County. The nature and operation of this informal arrangement has created a type of Office of Central Accounting and Budgeting similar to that created by the adoption of the County Fiscal Procedure Law of 1957. However, neither this arrangement nor the 1957 Act includes the county's School Department.

Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Coffee County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

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

Federal Agency	Finding Number	Federal CFDA Number	Criteria	Explanation	Amount Questioned
U.S. Department of Education: Passed-through State Department of Education: State Fiscal Stabilization Fund (SFSF) - Race-to-the Top Incentive Grant, Recovery Act	2013-008	84.395	Circular A-133 Section 500(d)(1)	Noncompliance - See Finding 2013-002. The School Department did not comply with management directives from the Office of Tennessee Recovery Act Management	\$ 0

COFFEE COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2013

There were no audit findings relative to federal awards presented in the prior-year's Schedule of Findings and Questioned Costs. There was an audit finding relative to federal awards presented in the current-year's Schedule of Findings and Questioned Costs.

Office of Director of Schools – Corrective Action Plan for Current-year's Finding

FINDING 2013-008

Contact person: Dr. LaDonna McFall

Corrective action planned: The School Department intends to take immediate action to ensure compliance with TRAM directives, including the preparation of the required risk assessment and action plans.

Anticipated completion date: 2013-14