

# TOWN OF MOUNT CARMEL, TENNESSEE

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## BOARD OF MAYOR AND ALDERMEN MINUTES February 25, 2014

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### BOARD OF MAYOR AND ALDERMEN MEETING

A regular meeting of the Board of Mayor and Aldermen of the Town of Mount Carmel, Tennessee, was held at the Town of Mount Carmel City Hall, 100 East Main Street, on February 25, 2014, at 5:30 p.m.

Those present and participating at the meeting:

Larry Frost, Mayor  
Paul Hale, Vice-Mayor  
Eugene Christian, Alderman  
Wanda Davidson, Alderman  
Frances Frost, Alderman  
Carl Wolfe, Alderman

Those absent:

Leann DeBord, Alderman

Staff Present:

Christopher Raines, Jr., Town Attorney  
Marian Sandidge, City Recorder  
Tammy Conner, Finance Officer  
Vince Pishner, Building Inspector  
Fred Arnold, Wastewater Treatment Plant Manager  
Ken Weems, Planner  
Jim Heard, Wastewater Plant Operator

#### CALL TO ORDER

The Mount Carmel Board of Mayor and Aldermen was called to order on February 25, 2014, at 5:30 p.m. by Mayor Larry Frost at Mount Carmel City Hall. Mayor Frost also chaired the meeting.

#### INVOCATION AND PLEDGE OF ALLEGIANCE

Alderman Frost conducted the invocation and Vice-Mayor Hale led the Pledge of Allegiance.

#### ROLL CALL

Marian Sandidge, City Recorder, conducted roll call. Board members present were Mayor Frost, Vice-Mayor Hale, Alderman Christian, Alderman Davidson, Alderman Frost. Alderman Wolfe came into the meeting a short time later. Alderman DeBord was absent. An attendance list is attached.

#### WELCOME FROM THE MAYOR

Mayor Frost welcomed all visitors to the meeting, and reminded anyone who wished to speak to fill out a comment card.

#### CONSENT AGENDA, MINUTES, DEPARTMENT REPORTS

A motion was made by Alderman Christian seconded by Alderman Frost to approve the consent agenda, department reports, committee reports, and the minutes of the Board of Mayor and Aldermen meeting of January 28, 2014. The Board unanimously approved. Motion passed.

**NEW BUSINESS**

**A. ACCEPT THE ANNUAL FINANCE STATEMENT ENDING JUNE 30, 2013 – MICKEY ELLIS, CPA.**

Mayor Frost recognized Mickey Ellis, C.P.A. who presented the ANNUAL FINANCIAL STATEMENT ENDING JUNE 30, 2013, to the Board. The Board received an “unqualified opinion” the best possible finding on its 2012-2013 fiscal year audit according to Mr. Ellis. Mount Carmel has exceeded its liabilities at the close of the most recent fiscal year by \$10,731,215. Of this amount \$3,736,622 may be used to meet the Town’s ongoing obligations. The Town’s net assets increased \$509,971 during the current year. As of June 30, 2013, the Town’s General Fund reported a fund balance of \$2,601,441 which was a \$259,782 increase over the prior year. The Sewer Fund had an increase of \$298,938 in net assets with \$189,061 of the increase relating to a capital grant. There were two negative findings: 1) Potential Violation of Traffic Citation Statute. Past employees of the municipality have stated that they were questioned, pressured, and had their continued employment threatened regarding the number (dollar amount) of traffic citations issued. Tennessee Code § 39-16-516(a) states: A political subdivision or any agency of this state may not establish or maintain, formally or informally, a plan to evaluate, promote, compensate, or discipline a law enforcement officer solely by the issuance of a predetermined or specified number of any type or combination of types of traffic citations. The Town is potentially in violation of the above referenced code. *Recommendation:* Any discussion of quotas, monetary goals, etc. necessary for officer advancement or retention should be avoided. 2) Violation of Purchasing Authority. At the September, 2013, board meeting the Board of Mayor and Aldermen approved a bid to purchase specific fire equipment. The actual purchase however, consisted of different items not previously approved. Municipal Technical Advisory Services legal consultants have stated that staff members charged with executing the orders of the Board of Mayor and Aldermen has no authority to alter those orders without additional appropriate approval. The Town is potentially in violation of State purchasing statutes. *Recommendation:* Actual purchases should match items, quantities and amounts contained in approved bids. A motion was made by Vice-Mayor Hale and seconded by Alderman Christian to accept the audit. The Board unanimously agreed. A copy of the FY 2012-13 audit report is attached to the minutes.

**B. ACCEPT OR REJECT THE LIBRARY FLOORING BID.** Mayor Frost presented the following bids for library flooring:

| BIDDER  | ITEM SPECIFICATIONS   | BID PRICE  |
|---|---|------------|
| Clyde's Carpet<br>Clyde Owens<br>438 East Street<br>Church Hill, TN 37642<br>423-357-0427                       | Manufacturer: Brokering Solutions 1300 sq ft                      | \$3,900.00 |
|   | Product No: 3912  |            |
|   | Color: Wheat 6" x 36" planks                                      |            |
|   | Designer Choice Luxury 4MM Vinyl Plank Flooring                   |            |
|   | Labor to Install Uniclic Floating per Manufacturer's Instructions | \$1,856.00 |
|   | Removal and Disposal of Existing Carpet – 155 sq yards            | \$200.00   |
|   | Removal and Replacement of Furnishings                            | \$200.00   |
| Install and/or replace Trim and/or Molding  | \$367.00  |            |
|   | Molding/Trim - 3/4" Quarter Round                                 | \$153.00   |
|   | WARRANTY: 7 years flooring and 2 years labor warranty             |            |
| TOTAL   | \$6,376.00  |            |
| Gene's House of Carpets<br>Dennis Clay Minton<br>140 Kings Mountain Dr<br>Church Hill, TN 37642<br>423-357-8630 | Manufacturer: Brokering Solutions 1300 sq ft                      | \$3,538.00 |
|   | Product No: 3912  |            |
|   | Color: Wheat 6" x 36" planks                                      |            |
|   | Designer Choice Luxury 4MM Vinyl Plank Flooring                   |            |
|   | Labor to Install Uniclic Floating per Manufacturer's Instructions | \$2,600.00 |
|   | Removal and Disposal of Existing Carpet – 155 sq yards            | \$200.00   |
|   | Removal and Replacement of Furnishings                            | \$400.00   |
| Install and/or replace Trim and/or Molding  | \$367.00  |            |
|   | WARRANTY: 7 years flooring and 1 year labor warranty              |            |
| TOTAL   | \$7,114.00  |            |

A motion was made by Alderman Frost to accept the bid of Clyde's Carpets for \$6376, which is the lowest bid and has an additional year's warranty over the other bid. The Board unanimously agreed. Motion passed.

**C. PRESENTATION FROM KEN WEEMS, PLANNER, ON NEW ZONING RESTRICTIONS.** The Mayor introduced Ken Weems, Planner, to the Board. He presented the Board with a map of proposed zoning changes that he, Mayor Frost and Vince Pishner have been working on which will hopefully help benefit the Town with economic development. Among the proposals was the creation of two new districts, MX-1 and MX-2. An MX-1 district includes retail sales use, as well as professional and personal services. An MX-2 district allows for use everything in the MX-1 district but adds multi-family residential use such as apartments and condos. The proposal addresses four separate changes to the present zoning. The first change would be changing the zoning from an R-1 single family/agriculture district to either a B-1 business/commercial district or an MX-2 district 200 feet back on West Carter's Valley Road. The second change would be on either side of the railroad tracks on the back side of Seminole Drive that is currently zoned B-2 commercial to be rezoned to an R-1 district. The third change would involve changing the zoning of a majority of Main Street from a B-2 retail district to an MX-1 district. The last change would be to rezone the portion of Independence Avenue that is currently a B-2 district to an MX-2 district. Weems plans to meet with Mayor Frost later in the week to discuss ways to inform the property owners involved. The proposal will be presented to the Mount Carmel Planning Commission for a recommendation before going to the Board for final approval.

**D. RESOLUTION 14-513. A RESOLUTION ESTABLISHING A CREDIT CARD POLICY FOR THE TOWN OF MOUNT CARMEL, TENNESSEE.** Mayor Frost presented Resolution 14-513, "A RESOLUTION ESTABLISHING A CREDIT CARD POLICY FOR THE TOWN OF MOUNT CARMEL, TENNESSEE." Following some discussion, a motion was made by Aldermen Christian and seconded by Alderman Frost to approve Resolution 14-513 as presented. The Board unanimously agreed. Motion passed.

**E. RESOLUTION 14-514. A RESOLUTION ESTABLISHING AN INTERNAL CONTROLS POLICY FOR THE TOWN OF MOUNT CARMEL, TENNESSEE.** Mayor Frost presented Resolution 14-514, "A RESOLUTION ESTABLISHING AN INTERNAL CONTROLS POLICY FOR THE TOWN OF MOUNT CARMEL, TENNESSEE." Following some discussion, a motion was made by Vice-Mayor Hale and seconded by Alderman Christian to approve Resolution 14-514 as presented. The Board unanimously agreed. Motion passed.

#### **OLD BUSINESS**

**A. ORDINANCE NO. 14-401. AN ORDINANCE OF THE TOWN OF MOUNT CARMEL, TENNESSEE, AMENDING THE FISCAL YEAR 2013-2014 GENERAL FUND BUDGET, PASSED BY ORDINANCE NO. 13-395. (second reading)** Mayor Frost presented Ordinance No. 14-401, "AN ORDINANCE OF THE TOWN OF MOUNT CARMEL, TENNESSEE, AMENDING THE FISCAL YEAR 2013-2014 GENERAL FUND BUDGET PASSED BY ORDINANCE NO 13-395." A motion was made by Vice-Mayor Hale and seconded by Alderman Christian to adopt Ordinance No. 14-401 as presented. Those voting Yes: Christian, Davidson, Frost, Wolfe, Hale and Mayor Frost. Those voting No: None. Those Absent: DeBord. Mayor Frost announced that Ordinance No. 14-401 passed on its second and final reading.

#### **REPORTS**

##### **MAYOR'S COMMENTS**

Mayor Frost reminded everyone how much he appreciated the Town employees. He commended the Public Works employees and the job they do during the recent snow storms.

##### **CITIZEN COMMENTS**

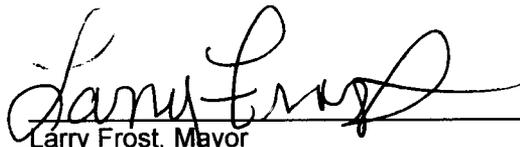
Claude Lawson of 441 Mimosa Street continued to voice his concern about the intersection at Kaywood Avenue and Main Street.

##### **DEPARTMENT REPORTS**

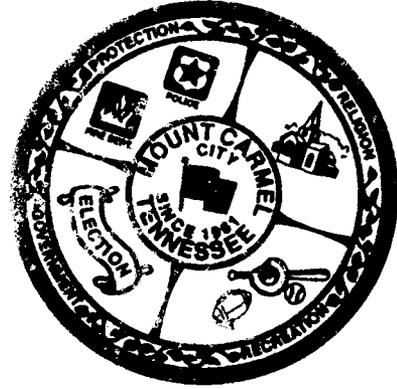
Department heads written reports are attached to the minutes.

**ADJOURN**

Being no further business, a motion was made by Alderman Christian seconded by Alderman Wolfe to adjourn the Mount Carmel Board of Mayor and Aldermen meeting at 6:02 p.m. The Board unanimously agreed. Motion passed.

Approved:   
Larry Frost, Mayor

Attest:   
Marian Sandidge, City Recorder



# TOWN OF MOUNT CARMEL, TENNESSEE

# Sign In

## ATTENDANCE RECORD

DATE: FEBRUARY 25, 2014  
BOARD OF MAYOR & ALDERMEN

|                     |     |
|---------------------|-----|
| 1. Marian Landidge  | 23. |
| 2. Jeremy Conner    | 24. |
| 3. Paul Palmer      | 25. |
| 4. Tom Payne        | 26. |
| 5. Gary Lee         | 27. |
| 6. Frances Frost    | 28. |
| 7. Janice Dean      | 29. |
| 8. Mickey Ellis     | 30. |
| 9. Joseph W. Rogers | 31. |
| 10. Jeff W.         | 32. |
| 11. Paul Ainsworth  | 33. |
| 12. Chris Ramey     | 34. |
| 13. Jim Beard       | 35. |
| 14.                 | 36. |
| 15.                 | 37. |
| 16.                 | 38. |
| 17.                 | 39. |
| 18.                 | 40. |
| 19.                 | 41. |
| 20.                 | 42. |
| 21.                 | 43. |
| 22.                 | 44. |

**TOWN OF MOUNT CARMEL, TENNESSEE**

**FINANCIAL STATEMENTS**

**JUNE 30, 2013**

**TOWN OF MOUNT CARMEL, TENNESSEE**  
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**DAVID M. ELLIS**  
*Certified Public Accountant*

*Member, American Institute of  
Certified Public Accountants*

*Member, Tennessee Society of  
Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Mayor and Alderman and  
The Comptroller of the State of Tennessee  
Town of Mount Carmel  
Mount Carmel, Tennessee

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Mount Carmel, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town'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***

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### ***Opinions***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Mount Carmel, Tennessee, as of June 30, 2013, and the respective changes in financial position and, where

applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Other Matters**

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and Schedule of Funding Progress on pages 3-9, 19-25, and 44 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

##### *Other Information*

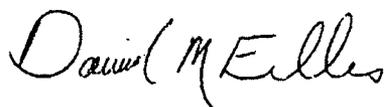
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mount Carmel, Tennessee's basic financial statements. The Schedule of Principal Officials and the other supplementary information section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, I have also issued my report dated February 21, 2014, on my consideration of Town of Mount Carmel, Tennessee's internal control over financial reporting and on my 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 my 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 the Town of Mount Carmel, Tennessee's internal control over financial reporting and compliance.



David M. Ellis, CPA  
Greenville, Tennessee  
February 21, 2014

**TOWN OF MOUNT CARMEL, TENNESSEE  
MANAGEMENT'S DISCUSSION & ANALYSIS  
(Unaudited-Required Supplementary Information)  
For the Year Ended, June 30, 2013**

As management of the Town of Mount Carmel, Tennessee (i.e., the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended June 30, 2013. We encourage readers to consider this information in conjunction with the basic financial statements, the notes to the financial statements and other supplementary information which has been provided.

**Financial Highlights**

Key financial highlights for the year ended June 30, 2013 are as follows:

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$10,731,215. Of this amount, \$3,736,622 (unrestricted net position) may be used to meet the Town's ongoing obligations.
- The Town's total net position increased \$509,971 during the current year.
- As of June 30, 2013, the Town's General Fund reported a fund balance of \$2,601,441 which was a \$259,782 increase over the prior year.
- The proprietary fund being the Sewer Fund had an increase of \$298,938 in net position with \$189,061 of this amount relating to a capital grant.
- During the current year, the Town had no new debt issues.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements 2) fund financial statements and 3) notes to the basic financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to private-sector business.

The Statement of Net Position presents information on all of the Town's assets, liabilities, and deferred outflows and inflows of resources with the difference between these reported as net position. Over time, increases or decreases in net position serves as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net positions changed during the most recent year. All changes in net positions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, fire, police, streets, state street aid, recreation, library, sanitation, senior citizen and the drug fund operations. The business-type activity of the Town represents sewer services with revenues being primarily user charges for services rendered.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the Town can be divided into two categories- governmental funds and proprietary funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating the Town's near-term financial requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental funds balance sheet and the governmental funds statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and activities.

The Town maintains two governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is always considered to be a major fund. Data for the other remaining fund which is the Drug Fund is presented in a single presentation. Prior to June 30, 2011, the Solid Waste Sanitation Fund was reported separate; however, with the implementation of GASB #54, the Solid Waste Sanitation Fund is now reported in the General Fund. A supplemental schedule of activities for the Solid Waste Sanitation Fund is presented as other supplemental information. Individual fund data for the Drug Fund is provided in the form of combining statements elsewhere in the report. The Town adopts an annual budget for its governmental funds and budgetary comparison information is located in the basic financial statements or in supplementary information.

### **Proprietary Funds**

The Town maintains one proprietary fund being the Sewer Fund. Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. Proprietary or enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Fund, since this is considered to be a major fund of the Town.

### **Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Required & Other Supplementary Information**

In addition to the basic financial statements and accompanying notes, additional supplementary information can be found in sections of this report.

### **Government-Wide Financial Analysis**

The Town presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB34), Basic Financial Statements and Management's Discussion and Analysis (MD & A) - for state and local governments.

As noted earlier, net position changes over time serves as a useful indicator of the Town's financial position. In the case of the Town, its overall net position increased \$509,971 in the current year.

The largest portion of the Town's net position (63%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, sewer system plant, lines, swimming pool and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided for from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The second largest portion net position consists of unrestricted net position (35%) and this may be used to meet the Town's ongoing obligations to citizens and creditors.

An additional portion of the Town's net position (2%) represents resources that are subject to external restriction on how they may be used.

The Town of Mount Carmel's net position and changes in net position are presented below:

|  | Governmental Activities |                    | Business-Type Activities |                    | Total               |                     |
|--|-------------------------|--------------------|--------------------------|--------------------|---------------------|---------------------|
|  | 2013                    | 2012               | 2013                     | 2012               | 2013                | 2012                |
| <b>Assets &amp; Deferred Outflows of Resources</b>           |                         |                    |                          |                    |                     |                     |
| Current & Other Assets                                       | \$ 3,884,770            | \$ 3,652,052       | \$ 1,330,406             | \$ 1,138,046       | \$ 5,215,176        | \$ 4,790,098        |
| Capital Assets (net)   | 2,309,917               | 2,393,823          | 5,917,325                | 5,930,183          | 8,227,242           | 8,324,006           |
| Deferred Outflows of Resources                               | -                       | -                  | 21,577                   | 27,323             | 21,577              | 27,323              |
| <b>Total Assets &amp; Deferred Outflows of Resources</b>     | <b>6,194,687</b>        | <b>6,045,875</b>   | <b>7,269,308</b>         | <b>7,095,552</b>   | <b>13,463,995</b>   | <b>13,141,427</b>   |
| <b>Liabilities &amp; Deferred Inflows of Resources</b>       |                         |                    |                          |                    |                     |                     |
| Long-Term Liabilities  | 33,412                  | 83,773             | 1,415,130                | 1,581,212          | 1,448,542           | 1,664,985           |
| Other Liabilities  | 82,165                  | 1,192,086          | 104,012                  | 63,112             | 186,177             | 1,255,198           |
| Deferred Inflows of Resources                                | 1,098,061               | -                  | -                        | -                  | 1,098,061           | -                   |
| <b>Total Liabilities &amp; Deferred Inflows of Resources</b> | <b>1,213,638</b>        | <b>1,275,859</b>   | <b>1,519,142</b>         | <b>1,644,324</b>   | <b>2,732,780</b>    | <b>2,920,183</b>    |
| <b>Net Position</b>  |                         |                    |                          |                    |                     |                     |
| Net Investment in Capital Assets                             | 2,298,523               | 2,332,429          | 4,507,534                | 4,381,408          | 6,806,057           | 6,713,837           |
| Restricted   | 58,164                  | 73,906             | 130,372                  | 130,372            | 188,536             | 204,278             |
| Unrestricted   | 2,624,362               | 2,363,681          | 1,112,260                | 939,448            | 3,736,622           | 3,303,129           |
| <b>Total Net Position</b>                                    | <b>\$4,981,049</b>      | <b>\$4,770,016</b> | <b>\$5,750,166</b>       | <b>\$5,451,228</b> | <b>\$10,731,215</b> | <b>\$10,221,244</b> |

|                                       | Governmental Activities |                    | Business-Type Activities |                    | Total               |                     |
|---------------------------------------|-------------------------|--------------------|--------------------------|--------------------|---------------------|---------------------|
|                                       | 2013                    | 2012               | 2013                     | 2012               | 2013                | 2012                |
| <b>Revenue</b>                        |                         |                    |                          |                    |                     |                     |
| Charges for Services                  | \$ 244,793              | \$ 233,912         | \$ 782,948               | \$ 787,062         | \$ 1,027,741        | \$ 1,020,974        |
| Operating Grants/Contributions        | 194,704                 | 202,479            | -                        | -                  | 194,704             | 202,479             |
| Capital Grants/Contributions          | 1,427                   | 9,086              | 189,061                  | 33,470             | 190,488             | 42,556              |
| Property Taxes                        | 1,114,366               | 1,098,171          | -                        | -                  | 1,114,366           | 1,098,171           |
| Local Sales Tax                       | 300,499                 | 303,102            | -                        | -                  | 300,499             | 303,102             |
| Other Taxes                           | 118,824                 | 99,329             | -                        | -                  | 118,824             | 99,329              |
| Intergovernmental                     | 506,427                 | 494,093            | -                        | -                  | 506,427             | 494,093             |
| Other                                 | 27,384                  | 69,070             | 1,540                    | 2,359              | 28,924              | 71,429              |
| <b>Total Revenue</b>                  | <b>2,508,424</b>        | <b>2,509,242</b>   | <b>973,549</b>           | <b>822,891</b>     | <b>3,481,973</b>    | <b>3,332,133</b>    |
| <b>Expenses</b>                       |                         |                    |                          |                    |                     |                     |
| General Government                    | 129,949                 | 109,706            | -                        | -                  | 129,949             | 109,706             |
| Financial/Administration              | 336,938                 | 331,028            | -                        | -                  | 336,938             | 331,028             |
| Public Safety - Police/Fire           | 744,811                 | 805,817            | -                        | -                  | 744,811             | 805,817             |
| Drug Fund Operations                  | 37,943                  | 9,729              | -                        | -                  | 37,943              | 9,729               |
| Animal Control                        | 34,044                  | 31,467             | -                        | -                  | 34,044              | 31,467              |
| Building Inspection                   | 26,770                  | 24,566             | -                        | -                  | 26,770              | 24,566              |
| Highways & Streets                    | 683,266                 | 472,053            | -                        | -                  | 683,266             | 472,053             |
| Solid Waste - Sanitation              | 212,627                 | 205,071            | -                        | -                  | 212,627             | 205,071             |
| Recreation                            | 47,423                  | 33,970             | -                        | -                  | 47,423              | 33,970              |
| Library                               | 41,673                  | 49,141             | -                        | -                  | 41,673              | 49,141              |
| Maintenance                           | -                       | -                  | -                        | -                  | -                   | -                   |
| Interest - Gov. Activity Debt         | 1,947                   | 6,732              | -                        | -                  | 1,947               | 6,732               |
| Sewer Operations/Debt Service         | -                       | -                  | 674,611                  | 721,188            | 674,611             | 721,188             |
| <b>Total Expenses</b>                 | <b>2,297,391</b>        | <b>2,079,280</b>   | <b>674,611</b>           | <b>721,188</b>     | <b>2,972,002</b>    | <b>2,800,468</b>    |
| <b>Change in Net Assets</b>           | <b>211,033</b>          | <b>429,962</b>     | <b>298,938</b>           | <b>101,703</b>     | <b>509,971</b>      | <b>531,665</b>      |
| <b>Beginning Net Assets, Restated</b> | <b>4,770,016</b>        | <b>4,340,054</b>   | <b>5,451,228</b>         | <b>5,349,525</b>   | <b>10,221,244</b>   | <b>9,689,579</b>    |
| <b>Ending Net Assets</b>              | <b>\$4,981,049</b>      | <b>\$4,770,016</b> | <b>\$5,750,166</b>       | <b>\$5,451,228</b> | <b>\$10,731,215</b> | <b>\$10,221,244</b> |

\*Certain comparative financial information from the prior year has been reclassified to conform to the current year presentation as a result of GASB #63 and 65.

### Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The focus of the Town's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending in the next fiscal year.

At the end of the current fiscal year, the Towns' governmental funds reported combined ending fund balances of \$2,642,443. In the governmental funds revenues and other sources totaled \$2,509,599 while expenditures totaled \$2,265,792 resulting in a \$243,807 increase to fund balance. At June 30, 2013, 97% of the governmental fund balances were unassigned.

With respect to the General Fund, the overall fund balance increased \$259,782.

### Proprietary Funds

The Town maintains one proprietary fund being the Sewer Fund and in the current year, the Sewer Fund had an increase in net position of \$298,938 with \$189,061 of the increase relating to a capital grant for sewer improvements.

### General Fund Budgetary Highlights

The Town made revisions to its original budget approved by the Town Council. Overall these changes resulted in a \$43,842 increase in budgeted revenues and \$78,992 increase in budgeted expenditures. Actual revenues exceeded final budgeted revenues by \$261,183 and actual expenditures were below final budgeted expenditures by \$383,517.

### Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2013, totaled \$8,227,242 (net of accumulated depreciation). The investment in capital assets includes land, buildings, equipment, improvements, infrastructure, and sewer plant and lines. A summary of the capital assets are as follows:

|                                   | Governmental Activities |                     | Business-Type Activities |                     | Total               |                     |
|-----------------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
|                                   | <u>2013</u>             | <u>2012</u>         | <u>2013</u>              | <u>2012</u>         | <u>2013</u>         | <u>2012</u>         |
| <b>Capital Assets</b>             |                         |                     |                          |                     |                     |                     |
| Land                              | \$ 110,927              | \$ 110,927          | \$ 167,190               | \$ 167,190          | \$ 278,117          | \$ 278,117          |
| Construction in Progress          | -                       | -                   | 195,304                  | -                   | 195,304             | -                   |
| Buildings/Improvements            | 591,644                 | 591,644             | -                        | -                   | 591,644             | 591,644             |
| Machinery/Equipment/Vehicles      | 1,725,200               | 1,623,519           | 588,944                  | 588,037             | 2,314,144           | 2,211,556           |
| Infrastructure                    | 3,907,153               | 3,907,153           | -                        | -                   | 3,907,153           | 3,907,153           |
| Utility Plant & Lines             | -                       | -                   | 9,962,842                | 9,954,936           | 9,962,842           | 9,954,936           |
| Library                           | 115,205                 | 115,205             | -                        | -                   | 115,205             | 115,205             |
| <b>Total Capital Assets</b>       | <b>6,450,129</b>        | <b>6,348,448</b>    | <b>10,914,280</b>        | <b>10,710,163</b>   | <b>17,364,409</b>   | <b>17,058,611</b>   |
| Less: Accumulated Depreciation    | (4,140,212)             | (3,954,625)         | (4,996,955)              | (4,779,980)         | (9,137,167)         | (8,734,605)         |
| <b>Total Capital Assets (net)</b> | <b>\$ 2,309,917</b>     | <b>\$ 2,393,823</b> | <b>\$ 5,917,325</b>      | <b>\$ 5,930,183</b> | <b>\$ 8,227,242</b> | <b>\$ 8,324,006</b> |

During the current year, in the governmental activities area, the Town had \$101,681 in new capital asset additions and the Sewer Fund had \$204,117 in new capital asset additions.

### Debt Administration

For the year ending June 30, 2013, the Town had no new debt issues and a comparison of outstanding debt is presented below:

|                         | Governmental Activities |                  | Business-Type Activities |                     | Total               |                     |
|-------------------------|-------------------------|------------------|--------------------------|---------------------|---------------------|---------------------|
|                         | <u>2013</u>             | <u>2012</u>      | <u>2013</u>              | <u>2012</u>         | <u>2013</u>         | <u>2012</u>         |
| Bonds Payable           | \$ -                    | \$ -             | \$ 1,357,715             | \$ 1,499,308        | \$ 1,357,715        | \$ 1,499,308        |
| Capital Outlay Notes    | 11,394                  | 61,394           | 52,076                   | 76,790              | 63,470              | 138,184             |
| <b>Total</b>            |                         |                  |                          |                     |                     |                     |
| <b>Outstanding Debt</b> | <b>\$ 11,394</b>        | <b>\$ 61,394</b> | <b>\$ 1,409,791</b>      | <b>\$ 1,576,098</b> | <b>\$ 1,421,185</b> | <b>\$ 1,637,492</b> |

### **Economic Factors & Next Year's Budgets & Rates**

The Town's elected and appointed officials consider many factors when setting the fiscal 2013-14 budget including tax rates and fees that will be charged for business-type activities. Mount Carmel adjoins the city limits of Kingsport, Tennessee. As a result, a majority of the Towns' residents are employed in the Kingsport area as Mount Carmel has no major industries in its boundaries and sales tax revenues are primarily dependent on one major lumber company. For the year ending 2013-2014, the Town for its General Fund budgeted \$2,061,218 in revenues and \$2,209,508 in expenditures with the difference being funded by prior year accumulation in the fund balance. There were no proposed changes in the sewer rates for the enterprise fund. Subsequent to June 30, 2013, the Town issued \$545,000 in General Obligation Refunding Bonds to refund certain debt issues in the Sewer Fund. This was undertaken to take advantage of the overall changes in market interest rates.

### **Contacting the Town's Financial Management**

This report is designed to provide those interested with a general overview of the Town's finances. If you have questions about this report or need additional information, contact the City Recorder at the Town of Mount Carmel, Mount Carmel, Tennessee.

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

| <b>ASSETS</b>                               | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>         |
|---|------------------------------------|-------------------------------------|----------------------|
| <b>Current Assets</b>                       |                                    |                                     |                      |
| Cash & Cash Equivalents                     | \$ 2,434,914                       | \$ 987,686                          | \$ 3,422,600         |
| Taxes Receivable                            | 1,175,511                          | -                                   | 1,175,511            |
| Intergovernmental Receivables               | 197,375                            | -                                   | 197,375              |
| Receivables (net)                           | 20,011                             | 132,489                             | 152,500              |
| Inventory                                   | 25,657                             | 47,454                              | 73,111               |
| <b>Restricted Assets</b>                    |                                    |                                     |                      |
| Cash & Cash Equivalents                     | 31,302                             | 130,372                             | 161,674              |
| Grant Receivable                            | -                                  | 32,405                              | 32,405               |
| <b>Capital Assets Not Being Depreciated</b> |                                    |                                     |                      |
| Land  | 110,927                            | 167,190                             | 278,117              |
| Construction in Progress                    | -                                  | 195,304                             | 195,304              |
| <b>Capital Assets Net of Depreciation</b>   |                                    |                                     |                      |
| Buildings                                   | 129,415                            | -                                   | 129,415              |
| Sewer System                                | -                                  | 5,516,240                           | 5,516,240            |
| Equipment and Other                         | 2,069,575                          | 38,591                              | 2,108,166            |
| <b>Total Assets</b>                         | <b>6,194,687</b>                   | <b>7,247,731</b>                    | <b>13,442,418</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                                    |                                     |                      |
| Deferred Charge on Refunding                | -                                  | 21,577                              | 21,577               |
| <b>Total Deferred Outflows of Resources</b> | <b>-</b>                           | <b>21,577</b>                       | <b>21,577</b>        |
| <b>LIABILITIES</b>                          |                                    |                                     |                      |
| <b>Current Liabilities</b>                  |                                    |                                     |                      |
| Accounts Payable                            | 56,281                             | 93,422                              | 149,703              |
| Accrued Expenses                            | 25,884                             | 10,300                              | 36,184               |
| Customer Deposits                           | -                                  | 290                                 | 290                  |
| <b>Noncurrent Liabilities</b>               |                                    |                                     |                      |
| Due within one year                         | 33,412                             | 175,296                             | 208,708              |
| Due in more than one year                   | -                                  | 1,239,834                           | 1,239,834            |
| <b>Total Liabilities</b>                    | <b>115,577</b>                     | <b>1,519,142</b>                    | <b>1,634,719</b>     |
| <b>Deferred Inflows of Resources</b>        |                                    |                                     |                      |
| Deferred Current Property Taxes             | 1,098,061                          | -                                   | 1,098,061            |
| <b>Total Deferred Inflows of Resources</b>  | <b>1,098,061</b>                   | <b>-</b>                            | <b>1,098,061</b>     |
| <b>NET POSITION</b>                         |                                    |                                     |                      |
| Net Investment In Capital Assets            | 2,298,523                          | 4,507,534                           | 6,806,057            |
| <b>Restricted</b>                           |                                    |                                     |                      |
| Debt Service                                | -                                  | 130,372                             | 130,372              |
| State Street Aid                            | 26,862                             | -                                   | 26,862               |
| Drug Operations                             | 31,302                             | -                                   | 31,302               |
| Unrestricted                                | 2,624,362                          | 1,112,260                           | 3,736,622            |
| <b>Total Net Position</b>                   | <b>\$ 4,981,049</b>                | <b>\$ 5,750,166</b>                 | <b>\$ 10,731,215</b> |

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

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**STATEMENT OF ACTIVITIES**  
For the Year ended June 30, 2013

| Functions/Programs                         | Expenses           | PROGRAM REVENUES        |                                     |                                   | Net (Expense)<br>Revenue | Governmental<br>Activities | Business-Type<br>Activities | Total                |
|--|--------------------|-------------------------|-------------------------------------|-----------------------------------|--------------------------|----------------------------|-----------------------------|----------------------|
|  |                    | Charges for<br>Services | Operating Grants &<br>Contributions | Capital Grants &<br>Contributions |                          |                            |                             |                      |
| <b>Primary Government</b>                  |                    |                         |                                     |                                   |                          |                            |                             |                      |
| <b>Governmental Activities:</b>            |                    |                         |                                     |                                   |                          |                            |                             |                      |
| General Government                         | \$ 129,949         | \$ 22,539               | \$ -                                | \$ -                              | \$ (107,410)             |                            |                             |                      |
| Financial & Administration                 | 336,938            | -                       | -                                   | -                                 | (336,938)                |                            |                             |                      |
| Public Safety-Police/Fire                  | 744,811            | 166,750                 | 49,491                              | -                                 | (528,570)                |                            |                             |                      |
| Drug Fund Operations                       | 37,943             | 21,907                  | -                                   | -                                 | (16,036)                 |                            |                             |                      |
| Animal Control                             | 34,044             | 730                     | -                                   | -                                 | (33,314)                 |                            |                             |                      |
| Building Inspection                        | 26,770             | 7,909                   | -                                   | -                                 | (18,861)                 |                            |                             |                      |
| Highways & Streets                         | 683,266            | 24,958                  | 139,465                             | -                                 | (518,843)                |                            |                             |                      |
| Solid Waste/Sanitation                     | 212,627            | -                       | -                                   | -                                 | (212,627)                |                            |                             |                      |
| Recreation                                 | 47,423             | -                       | 100                                 | -                                 | (47,323)                 |                            |                             |                      |
| Library                                    | 41,673             | -                       | 5,648                               | 1,427                             | (34,598)                 |                            |                             |                      |
| Maintenance                                | -                  | -                       | -                                   | -                                 | -                        |                            |                             |                      |
| Interest on Long-Term Debt                 | 1,947              | -                       | -                                   | -                                 | (1,947)                  |                            |                             |                      |
| <b>Total Governmental Activities</b>       | <b>2,297,391</b>   | <b>244,793</b>          | <b>194,704</b>                      | <b>1,427</b>                      | <b>(1,856,467)</b>       |                            |                             |                      |
| <b>Business-Type Activities:</b>           |                    |                         |                                     |                                   |                          |                            |                             |                      |
| Sewer                                      | 674,611            | 782,948                 | -                                   | 189,061                           | 297,398                  |                            |                             |                      |
| <b>Total Business-Type Activities</b>      | <b>674,611</b>     | <b>782,948</b>          | <b>-</b>                            | <b>189,061</b>                    | <b>297,398</b>           |                            |                             |                      |
| <b>Total Primary Government</b>            | <b>\$2,972,002</b> | <b>\$ 1,027,741</b>     | <b>\$ 194,704</b>                   | <b>\$ 190,488</b>                 | <b>\$ (1,559,069)</b>    |                            |                             |                      |
| <b>Change in Net Position</b>              |                    |                         |                                     |                                   |                          |                            |                             |                      |
| <b>General Revenues</b>                    |                    |                         |                                     |                                   |                          | (1,856,467)                | 297,398                     | (1,559,069)          |
| Property Taxes                             |                    |                         |                                     |                                   |                          | 1,114,366                  | -                           | 1,114,366            |
| Local Option Sales Tax                     |                    |                         |                                     |                                   |                          | 300,499                    | -                           | 300,499              |
| Franchise Taxes                            |                    |                         |                                     |                                   |                          | 66,682                     | -                           | 66,682               |
| Beer Taxes                                 |                    |                         |                                     |                                   |                          | 52,142                     | -                           | 52,142               |
| Intergovernmental                          |                    |                         |                                     |                                   |                          | 506,427                    | -                           | 506,427              |
| Interest Income                            |                    |                         |                                     |                                   |                          | 5,304                      | 1,540                       | 6,844                |
| Miscellaneous                              |                    |                         |                                     |                                   |                          | 22,080                     | -                           | 22,080               |
| <b>Total General Revenues</b>              |                    |                         |                                     |                                   |                          | <b>2,067,500</b>           | <b>1,540</b>                | <b>2,069,040</b>     |
| <b>Increase (Decrease) in Net Position</b> |                    |                         |                                     |                                   |                          | 211,033                    | 298,938                     | 509,971              |
| <b>Net Position-Beginning -Restated</b>    |                    |                         |                                     |                                   |                          | 4,770,016                  | 5,451,228                   | 10,221,244           |
| <b>Net Position-Ending</b>                 |                    |                         |                                     |                                   |                          | <b>\$ 4,981,049</b>        | <b>\$ 5,750,166</b>         | <b>\$ 10,731,215</b> |

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

## TOWN OF MOUNT CARMEL, TENNESSEE

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2013

|  | General Fund        | Other<br>Governmental<br>Fund | Total<br>Governmental<br>Funds |
|--|---------------------|-------------------------------|--------------------------------|
| <b>ASSETS</b>                              |                     |                               |                                |
| Cash & Cash Equivalents                    | \$ 2,434,914        | \$ 31,302                     | \$ 2,466,216                   |
| Taxes Receivable                           | 1,175,511           | -                             | 1,175,511                      |
| Accounts Receivable                        | 20,011              | -                             | 20,011                         |
| Intergovernmental Receivables              | 197,375             | -                             | 197,375                        |
| Inventory                                  | 25,657              | -                             | 25,657                         |
| <b>Total Assets</b>                        | <b>\$ 3,853,468</b> | <b>\$ 31,302</b>              | <b>\$ 3,884,770</b>            |
| <b>LIABILITIES</b>                         |                     |                               |                                |
| Accounts Payable                           | 56,281              | -                             | 56,281                         |
| Accrued Expenses                           | -                   | -                             | -                              |
| Accrued Salaries & Benefits                | 25,884              | -                             | 25,884                         |
| Customer Deposits                          | -                   | -                             | -                              |
| <b>Total Liabilities</b>                   | <b>82,165</b>       | <b>-</b>                      | <b>82,165</b>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>       |                     |                               |                                |
| Deferred Current Property Taxes            | 1,098,061           | -                             | 1,098,061                      |
| Deferred Delinquent Property Taxes         | 72,101              | -                             | 72,101                         |
| <b>Total Deferred Inflows Of Resources</b> | <b>1,170,162</b>    | <b>-</b>                      | <b>1,170,162</b>               |
| <b>FUND BALANCES</b>                       |                     |                               |                                |
| Nonspendable                               | 25,657              | -                             | 25,657                         |
| Committed                                  | -                   | -                             | -                              |
| Assigned                                   | -                   | -                             | -                              |
| Restricted                                 | 26,862              | 31,302                        | 58,164                         |
| Unassigned                                 | 2,548,622           | -                             | 2,548,622                      |
| <b>Total Fund Balances</b>                 | <b>2,601,141</b>    | <b>31,302</b>                 | <b>2,632,443</b>               |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 3,853,468</b> | <b>\$ 31,302</b>              | <b>\$ 3,884,770</b>            |

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

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

**Total Fund Balances - Governmental Funds** **\$ 2,632,443**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Fund. 2,309,917

Interest payable on long-term debt does not require current financial resources; therefore, interest payable is not reported as a liability in the Governmental Funds. -

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds.

|                            |        |          |
|----------------------------|--------|----------|
| Due within one year:       | 33,412 |          |
| Due in more than one year: | -      |          |
|                            | 33,412 | (33,412) |

Unearned revenue is not recognized on property taxes in the Governmental Funds, as it is not available within the time period. 72,101

**Net Position of Governmental Activities** **\$ 4,981,049**

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2013**

|  | General Fund        | Other<br>Governmental<br>Fund | Total<br>Governmental<br>Funds |
|--|---------------------|-------------------------------|--------------------------------|
| <b>REVENUES</b>  |                     |                               |                                |
| Taxes:   |                     |                               |                                |
| Property taxes   | \$ 1,097,152        | \$ -                          | \$ 1,097,152                   |
| Interest & Penalties - Taxes                                 | 18,389              | -                             | 18,389                         |
| Local Option Sales Tax                                       | 300,499             | -                             | 300,499                        |
| Wholesale Beer Tax   | 52,142              | -                             | 52,142                         |
| Cable TV Franchise Tax                                       | 66,682              | -                             | 66,682                         |
| Total Taxes  | 1,534,864           | -                             | 1,534,864                      |
| Intergovernmental Revenue                                    | 679,207             | -                             | 679,207                        |
| Charges for Services:  |                     |                               |                                |
| Building Permits   | 7,909               | -                             | 7,909                          |
| Highway Contract Services                                    | 24,958              | -                             | 24,958                         |
| Animal Control   | 730                 | -                             | 730                            |
| Fines/Forfeitures/Enforcement                                | 166,132             | 21,907                        | 188,039                        |
| Other Charges  | 23,157              | -                             | 23,157                         |
| Total Charges for Services                                   | 222,886             | 21,907                        | 244,793                        |
| Donations  | 23,351              | -                             | 23,351                         |
| Sales of Surplus Property                                    | -                   | -                             | -                              |
| Interest Income  | 5,243               | 61                            | 5,304                          |
| Miscellaneous Income   | 22,080              | -                             | 22,080                         |
| Total Revenues   | 2,487,631           | 21,968                        | 2,509,599                      |
| <b>EXPENDITURES</b>  |                     |                               |                                |
| General Government   | 120,029             | -                             | 120,029                        |
| Financial & Administration                                   | 336,938             | -                             | 336,938                        |
| Public Safety  | 711,480             | -                             | 711,480                        |
| Drug Fund Operations   | -                   | 37,943                        | 37,943                         |
| Animal Control   | 33,364              | -                             | 33,364                         |
| Building Inspection  | 26,770              | -                             | 26,770                         |
| Highway & Streets  | 644,698             | -                             | 644,698                        |
| Solid Waste - Sanitation                                     | 212,627             | -                             | 212,627                        |
| Recreation   | 46,377              | -                             | 46,377                         |
| Library  | 41,673              | -                             | 41,673                         |
| Maintenance  | -                   | -                             | -                              |
| Debt Service   | 53,893              | -                             | 53,893                         |
| Total Expenditures   | 2,227,849           | 37,943                        | 2,265,792                      |
| Excess (Deficiency) of Revenues Over<br>(Under) Expenditures | 259,782             | (15,975)                      | 243,807                        |
| Other Financing Sources (Uses)                               | -                   | -                             | -                              |
| Net Change in Fund Balances                                  | 259,782             | (15,975)                      | 243,807                        |
| <b>Fund Balances - Beginning</b>                             | <b>2,341,359</b>    | <b>47,277</b>                 | <b>2,388,636</b>               |
| <b>Fund Balances - Ending</b>                                | <b>\$ 2,601,141</b> | <b>\$ 31,302</b>              | <b>\$ 2,632,443</b>            |

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

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND**  
**BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**For the Year Ended June 30, 2013**

|  |           |                       |
|--|-----------|-----------------------|
| <b>Net Change in Fund Balances - Total Governmental Funds</b>  | <b>\$</b> | <b>243,807</b>        |
| Amounts reported for governmental activities in the Statement of Activities are different because:   |           |                       |
| Governmental funds report capital outlay as expenditures. However, in the government-wide Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount of capital assets purchased in the current period.   |           | 101,681               |
| Depreciation expense on capital assets is reported in the government-wide Statement of Activities and Changes in Net Assets but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in Governmental Funds.  |           | (185,587)             |
| The issuance of long-term debt 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 an effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt. \$50,000 is the principal paid on debt in the current year. New debt issues totaled \$0. |           | 50,000                |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources; therefore, they are not reported as expenditures in Governmental Funds. Change in compensated absence accrual.  |           | 361                   |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Governmental Funds. Property taxes - \$1,175.  |           | (1,175)               |
| Accrued interest expense on long-term debt is reported in the government-wide Statement of Activities and Changes in Net Assets but does not require the use of current financial resources; therefore, accrued interest is not reported as an expenditure in Governmental Funds.  |           | 1,946                 |
| <b>Change in Net Position of Governmental Activities</b>   | <b>\$</b> | <b><u>211,033</u></b> |

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

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**June 30, 2013**

|   | <b>SEWER FUND</b>   |
|---|---------------------|
| <b>ASSETS</b>                               |                     |
| <b>Current Assets</b>                       |                     |
| Cash & Cash Equivalents                     | \$ 987,686          |
| Accounts Receivable (net)                   | 132,489             |
| Inventory                                   | 47,454              |
| <b>Noncurrent &amp; Restricted Assets</b>   |                     |
| Cash & Cash Equivalents                     | 130,372             |
| Grant Receivable                            | 32,405              |
| Utility Plant & Equipment (net)             | 5,917,325           |
| <b>Total Assets</b>                         | <b>7,247,731</b>    |
| <br><b>Deferred Outflows of Resources</b>   |                     |
| Deferred Charge On Refunding                | 21,577              |
| <b>Total Deferred Outflows of Resources</b> | <b>21,577</b>       |
| <br><b>LIABILITIES</b>                      |                     |
| <b>Current Liabilities</b>                  |                     |
| Accounts Payable & Accrued Liabilities      | 93,422              |
| Accrued Interest                            | 5,959               |
| Accrued Salaries & Benefits                 | 4,341               |
| Accrued Compensated Absences - current      | 5,339               |
| Customer Deposits                           | 290                 |
| Capital Outlay Notes Payable - current      | 25,547              |
| Bonds Payable - current                     | 144,410             |
| <b>Noncurrent Liabilities</b>               |                     |
| Capital Outlay Notes Payable                | 26,529              |
| Bonds Payable                               | 1,213,305           |
| <b>Total Liabilities</b>                    | <b>1,519,142</b>    |
| <br><b>NET POSITION</b>                     |                     |
| Net Investments In Capital Assets           | 4,507,534           |
| Restricted for Debt Service                 | 130,372             |
| Unrestricted                                | 1,112,260           |
| <b>Total Net Position</b>                   | <b>\$ 5,750,166</b> |

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

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**For the Year Ended June 30, 2013**

|   | <b>SEWER FUND</b> |
|---|-------------------|
| <b>OPERATING REVENUE</b>                    |                   |
| Charges for Services                        | \$ 782,948        |
| <b>Total Operating Revenue</b>              | 782,948           |
| <br><b>OPERATING EXPENSE</b>                |                   |
| Personnel Services                          | 155,177           |
| Materials & Supplies                        | 3,823             |
| Repairs & Maintenance                       | 85,680            |
| Contractual Services                        | 32,337            |
| Utilities & Telephone                       | 77,979            |
| Insurance                                   | 14,619            |
| General Expenses                            | 36,865            |
| Depreciation                                | 216,975           |
| <b>Total Operating Expense</b>              | 623,455           |
| <br><b>Income (Loss) from Operations</b>    | 159,493           |
| <br><b>NONOPERATING REVENUE (EXPENSE)</b>   |                   |
| Interest Income                             | 1,540             |
| Interest Expense                            | (51,156)          |
| <b>Total Nonoperating Revenue (Expense)</b> | (49,616)          |
| <br>Income Before Contributions             | 109,877           |
| Capital Grants                              | 189,061           |
| <b>Change in Net Position</b>               | 298,938           |
| <br><b>NET POSITION-BEGINNING RESTATED</b>  | 5,451,228         |
| <b>NET POSITION-ENDING</b>                  | \$ 5,750,166      |

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

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**For the Year Ended June 30, 2013**

|  | <b>SEWER FUND</b>   |
|--|---------------------|
| <b>Cash Flows from Operating Activities</b>  |                     |
| Cash Received from Customers   | \$ 775,682          |
| Cash Payments for Supplies/Services  | (215,387)           |
| Cash Payments to Employees/Personnel   | (154,495)           |
| <b>Net Cash Provided by Operating Activities</b>   | <b>405,800</b>      |
| <b>Cash Flows from Capital &amp; Related Financing Activities</b>  |                     |
| Purchases of Capital Assets  | (204,117)           |
| Retirement of Debt   | (166,307)           |
| Interest Paid on Debt  | (45,409)            |
| Capital Grants Received  | 156,656             |
| <b>Net Cash Provided by (Used for) Capital &amp; Related Financing Activities</b>                                  | <b>(259,177)</b>    |
| <b>Cash Flow from Investing Activities</b>   |                     |
| Interest Income  | 1,540               |
| <b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>  | <b>148,163</b>      |
| <b>Cash &amp; Cash Equivalents - Beginning</b>   | <b>969,895</b>      |
| <b>Cash &amp; Cash Equivalents - Ending</b>  | <b>\$ 1,118,058</b> |
| <br><b>Reconciliation of Income from Operations to Net Cash Provided by (Used for) Operating Activities</b>        |                     |
| Income from Operations   | 159,493             |
| <br><b>Adjustments to Reconcile Income from Operations to Net Cash Provided by (Used for) Operating Activities</b> |                     |
| Depreciation   | 216,975             |
| (Increase) Decrease in:  |                     |
| Accounts Receivable  | (5,326)             |
| Inventory  | (6,467)             |
| Increase (Decrease) in:  |                     |
| Accounts Payable & Accrued Liabilities   | 41,125              |
| <b>Net Cash Provided by (Used for) Operating Activities</b>  | <b>\$ 405,800</b>   |
| <br><b>Reconciliation of Total Cash &amp; Cash Equivalents</b>   |                     |
| Cash & Cash Equivalents  | 987,686             |
| Restricted Cash & Cash Equivalents   | 130,372             |
| <b>Total Cash &amp; Cash Equivalents</b>   | <b>\$ 1,118,058</b> |

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

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCE**  
**- BUDGET & ACTUAL GENERAL FUND -**  
**For the Year Ended June 30, 2013**

|  | Budgeted Amounts |              | Actual       | Variance with Final<br>Budget - Positive<br>(Negative) |
|--|------------------|--------------|--------------|--|
|  | Original         | Final        |              |  |
| <b>REVENUE</b>                         |                  |              |              |  |
| <b>Taxes</b>                           |                  |              |              |  |
| Property Taxes                         | \$ 1,045,670     | \$ 1,045,670 | \$ 1,097,152 | \$ 51,482  |
| Interest & Penalties - Taxes           | 10,000           | 10,000       | 18,389       | 8,389  |
| Local Option Sales Tax                 | 250,000          | 250,000      | 300,499      | 50,499   |
| Wholesale Beer Tax                     | 25,000           | 25,000       | 52,142       | 27,142   |
| Cable TV Franchise Tax                 | 53,000           | 53,000       | 66,682       | 13,682   |
| <b>Total Taxes</b>                     | 1,383,670        | 1,383,670    | 1,534,864    | 151,194  |
| <b>Intergovernmental Revenue</b>       |                  |              |              |  |
| State Sales Tax                        | 345,000          | 345,000      | 375,263      | 30,263   |
| State Income Tax                       | 2,200            | 2,200        | 14,259       | 12,059   |
| State Beer Tax                         | 2,500            | 2,500        | 2,684        | 184  |
| State Street Aid                       | 138,000          | 138,000      | 139,465      | 1,465  |
| State Gas Tax                          | 10,000           | 10,000       | 11,124       | 1,124  |
| TVA in Lieu                            | 58,000           | 58,000       | 98,412       | 40,412   |
| State Pay Supplement                   | 4,800            | 4,800        | 4,200        | (600)  |
| Telecommunication Tax                  | 300              | 300          | 485          | 185  |
| Federal/State/Other Grants             | 10,000           | 53,842       | 33,315       | (20,527)   |
| <b>Total Intergovernmental Revenue</b> | 570,800          | 614,642      | 679,207      | 64,565   |
| <b>Charges for Services</b>            |                  |              |              |  |
| State Highway Services                 | 15,000           | 15,000       | 24,958       | 9,958  |
| Rental Income                          | 22,536           | 22,536       | 22,539       | 3  |
| Training Classes/Other                 | 4,950            | 4,950        | 400          | (4,550)  |
| Wrecker Services                       | 200              | 200          | 218          | 18   |
| <b>Total Charges for Services</b>      | 42,686           | 42,686       | 48,115       | 5,429  |
| <b>Fines &amp; Forfeitures</b>         |                  |              |              |  |
| City Court Fines                       | 90,000           | 90,000       | 106,703      | 16,703   |
| County Court Fines                     | 6,000            | 6,000        | 10,161       | 4,161  |
| Animal Control                         | 400              | 400          | 730          | 330  |
| Speed Enforcement                      | 50,000           | 50,000       | 49,268       | (732)  |
| <b>Total Fines &amp; Forfeitures</b>   | 146,400          | 146,400      | 166,862      | 20,462   |
| <b>Licenses &amp; Permits</b>          |                  |              |              |  |
| Building Permits                       | 6,000            | 6,000        | 7,909        | 1,909  |
| <b>Total Licenses &amp; Permits</b>    | 6,000            | 6,000        | 7,909        | 1,909  |
| <b>Other Revenue</b>                   |                  |              |              |  |
| Interest Income                        | 3,800            | 3,800        | 5,243        | 1,443  |
| Donations/Other                        | 20,250           | 20,250       | 23,351       | 3,101  |
| Miscellaneous                          | 9,000            | 9,000        | 22,080       | 13,080   |
| Surplus Sales                          | -                | -            | -            | -  |
| <b>Total Other Revenue</b>             | 33,050           | 33,050       | 50,674       | 17,624   |
| <b>TOTAL REVENUES</b>                  | \$ 2,182,606     | \$ 2,226,448 | \$ 2,487,631 | \$ 261,183   |

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

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCE**  
**- BUDGET & ACTUAL GENERAL FUND -**  
**For the Year Ended June 30, 2013**

|                                       | Budgeted Amounts |         | Actual  | Variance with Final<br>Budget - Positive<br>(Negative) |
|---------------------------------------|------------------|---------|---------|--|
|                                       | Original         | Final   |         |  |
| <b>EXPENDITURES</b>                   |                  |         |         |  |
| <b>General Government</b>             |                  |         |         |  |
| Election Expense                      | \$ 1,500         | \$ 350  | \$ -    | \$ 350   |
| Dues                                  | 1,600            | 1,600   | 1,540   | 60   |
| Block Party                           | -                | -       | -       | -  |
| Utilities                             | 13,000           | 13,800  | 13,785  | 15   |
| Telephone                             | 4,500            | 4,500   | 3,592   | 908  |
| Engineering                           | 14,000           | 14,000  | 3,350   | 10,650   |
| Insurance                             | 51,000           | 51,000  | 43,858  | 7,142  |
| Reappraisal Cost                      | 6,500            | 6,500   | 5,912   | 588  |
| Safety Program                        | 2,000            | 2,000   | 1,882   | 118  |
| Bank Charges                          | 100              | 100     | -       | 100  |
| First TN Dev. District                | 800              | 1,150   | 1,110   | 40   |
| First TN Human Resources              | 2,000            | 2,000   | 2,000   | -  |
| Of One Accord Donation                | 1,000            | 1,000   | 1,000   | -  |
| Senior Citizens                       | 36,000           | 39,500  | 39,500  | -  |
| Chamber of Commerce                   | 2,500            | 2,500   | 2,500   | -  |
| <b>Total General Government</b>       | 136,500          | 140,000 | 120,029 | 19,971   |
| <b>Financial &amp; Administration</b> |                  |         |         |  |
| Salaries                              | 184,100          | 181,600 | 175,311 | 6,289  |
| Payroll Taxes                         | 13,540           | 13,540  | 12,922  | 618  |
| Health Insurance                      | 23,000           | 21,500  | 17,148  | 4,352  |
| Retirement                            | 20,000           | 20,000  | 18,378  | 1,622  |
| Worker's Compensation Ins.            | 2,400            | 2,400   | 668     | 1,732  |
| Training                              | 3,000            | 3,000   | 950     | 2,050  |
| Internet & Web Services               | 1,616            | 1,616   | 945     | 671  |
| Cable TV Channel                      | 72               | 72      | 36      | 36   |
| Housing Authority                     | 2,000            | 2,000   | -       | 2,000  |
| Advertising                           | 1,200            | 1,400   | 1,394   | 6  |
| City Judge                            | 4,800            | 5,000   | 5,000   | -  |
| Medical Services                      | 200              | 200     | 126     | 74   |
| Legal Services                        | 21,500           | 21,000  | 9,949   | 11,051   |
| Accounting Services                   | 24,050           | 20,550  | 18,686  | 1,864  |
| Computer & Support                    | 15,000           | 15,800  | 15,751  | 49   |
| State Planning Fees                   | 8,400            | 10,500  | 10,500  | -  |
| Repairs & Maintenance                 | 15,000           | 15,000  | 11,908  | 3,092  |
| Travel                                | 4,000            | 4,000   | 3,615   | 385  |
| Tax Commission Fees                   | 2,500            | 2,500   | 1,953   | 547  |
| Miscellaneous                         | 5,000            | 5,700   | 5,684   | 16   |
| Contractual Fees                      | 4,700            | 4,700   | 2,753   | 1,947  |
| Office Expense & Supplies             | 15,864           | 15,864  | 14,326  | 1,538  |
| Copier Maintenance/Lease              | 1,512            | 1,512   | 1,512   | -  |

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

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCE**  
**- BUDGET & ACTUAL GENERAL FUND -**  
**For the Year Ended June 30, 2013**

|   | Budgeted Amounts |          |          | Variance with Final<br>Budget - Positive<br>(Negative) |
|---|------------------|----------|----------|--|
|   | Original         | Final    | Actual   |  |
| Capital Outlay                              | \$ -             | \$ 7,500 | \$ 7,423 | \$ 77  |
| <b>Total Financial &amp; Administration</b> | 373,454          | 376,954  | 336,938  | 40,016   |
| <b>Public Safety - Police</b>               |                  |          |          |  |
| Salaries/Wages                              | 348,400          | 340,350  | 323,459  | 16,891   |
| Payroll Taxes                               | 27,900           | 27,900   | 22,618   | 5,282  |
| Health Insurance                            | 80,000           | 80,000   | 60,025   | 19,975   |
| Retirement                                  | 35,000           | 35,800   | 35,781   | 19   |
| Worker's Compensation Ins.                  | 23,500           | 23,500   | 11,556   | 11,944   |
| Training                                    | 5,000            | 2,000    | 1,375    | 625  |
| Dues & E-Com Expense                        | 700              | 900      | 877      | 23   |
| Utilities/Telephone                         | 8,500            | 6,200    | 5,648    | 552  |
| Internet Services                           | 4,900            | 4,900    | 3,543    | 1,357  |
| Computer & Support                          | 19,200           | 21,900   | 21,881   | 19   |
| Medical Services                            | 1,000            | 1,000    | 478      | 522  |
| Towing Services                             | 1,000            | 1,000    | 360      | 640  |
| Travel                                      | 4,000            | 3,000    | 2,272    | 728  |
| Office Expense                              | 8,000            | 8,000    | 4,327    | 3,673  |
| Operating Supplies                          | 10,000           | 10,000   | 3,857    | 6,143  |
| Child Restraint Seats                       | -                | -        | -        | -  |
| Clothing/Uniforms                           | 4,800            | 4,800    | 3,188    | 1,612  |
| Vehicle/Fuel Expense                        | 61,000           | 68,500   | 53,597   | 14,903   |
| Copier Lease                                | 1,752            | 1,752    | 1,752    | -  |
| Miscellaneous/Radio Expense                 | 4,200            | 4,200    | 2,461    | 1,739  |
| Department of Safety                        | 12,500           | 15,100   | 15,045   | 55   |
| Bullet Proof Vests                          | 2,000            | 2,000    | 330      | 1,670  |
| Capital Outlay                              | 10,000           | 51,440   | 14,812   | 36,628   |
| Training Classes                            | 100              | 100      | -        | 100  |
| <b>Total Public Safety - Police</b>         | 673,452          | 714,342  | 589,242  | 125,100  |
| <b>Public Safety - Fire</b>                 |                  |          |          |  |
| Salaries/Wages                              | 53,000           | 48,800   | 41,008   | 7,792  |
| Payroll Taxes                               | 4,290            | 4,290    | 2,951    | 1,339  |
| Health Insurance                            | 6,000            | 5,200    | 4,414    | 786  |
| Retirement                                  | 5,800            | 5,800    | 4,849    | 951  |
| Worker's Compensation Ins.                  | 5,800            | 5,800    | 1,496    | 4,304  |
| Training                                    | 2,000            | 3,800    | 3,621    | 179  |
| Internet Services                           | -                | -        | -        | -  |
| Dues  | 670              | 670      | 150      | 520  |
| Public Relations                            | 2,000            | 2,150    | 2,105    | 45   |
| Utilities/Telephone                         | 14,800           | 14,800   | 12,771   | 2,029  |
| Medical Services                            | 1,000            | 1,000    | 215      | 785  |
| Computer & Support                          | 440              | 690      | 668      | 22   |
| Repairs & Maintenance                       | 10,000           | 8,852    | 5,903    | 2,949  |

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

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCE**  
**- BUDGET & ACTUAL GENERAL FUND -**  
**For the Year Ended June 30, 2013**

|                                   | Budgeted Amounts |                |                | Variance with Final<br>Budget - Positive<br>(Negative) |
|-----------------------------------|------------------|----------------|----------------|--|
|                                   | Original         | Final          | Actual         |  |
| Travel                            | \$ 1,200         | \$ 1,200       | \$ 1,027       | \$ 173   |
| OSHA Testing                      | 3,500            | 3,500          | 2,513          | 987  |
| Contractual Services              | 1,400            | 1,400          | 715            | 685  |
| Office Expense/Postage            | 3,000            | 1,000          | 608            | 392  |
| Operating Supplies                | 5,000            | 5,000          | 2,960          | 2,040  |
| Clothing/Uniforms                 | 2,000            | 2,000          | 1,545          | 455  |
| Vehicle/Fuel Expense              | 28,000           | 30,800         | 25,275         | 5,525  |
| Radio Expense                     | 1,000            | 1,000          | 144            | 856  |
| Miscellaneous                     | 1,500            | 1,500          | 367            | 1,133  |
| Capital Outlay                    | 51,500           | 57,600         | 6,933          | 50,667   |
| Copier Maintenance                | -                | -              | -              | -  |
| <b>Total Public Safety - Fire</b> | <b>203,900</b>   | <b>206,852</b> | <b>122,238</b> | <b>84,614</b>  |
| <b>Total Public Safety</b>        | <b>877,352</b>   | <b>921,194</b> | <b>711,480</b> | <b>209,714</b>   |
| <b>Animal Control</b>             |                  |                |                |  |
| Salaries/Wages                    | 21,500           | 21,500         | 18,460         | 3,040  |
| Payroll Taxes                     | 1,590            | 1,590          | 1,463          | 127  |
| Health Insurance                  | -                | -              | -              | -  |
| Retirement                        | 500              | 500            | 236            | 264  |
| Worker's Compensation Ins.        | 1,400            | 1,400          | 651            | 749  |
| Training                          | 500              | 500            | -              | 500  |
| Dues                              | 100              | 100            | -              | 100  |
| Utilities/Telephone               | 2,500            | 1,900          | 1,320          | 580  |
| Internet Services                 | 550              | 550            | 480            | 70   |
| Medical Services                  | 1,500            | 1,500          | 814            | 686  |
| Repairs & Maintenance             | 4,000            | 4,000          | 2,717          | 1,283  |
| Travel                            | 800              | 800            | -              | 800  |
| Radio Expense                     | -                | -              | -              | -  |
| Office Expense                    | 500              | 500            | -              | 500  |
| Operating Supplies                | 1,000            | 3,900          | 3,813          | 87   |
| Animal Food Purchases             | 1,000            | 1,000          | 414            | 586  |
| Clothing/Uniforms                 | 800              | 1,000          | 966            | 34   |
| Vehicle Expense                   | 4,800            | 2,300          | 2,030          | 270  |
| Miscellaneous                     | 200              | 200            | -              | 200  |
| <b>Total Animal Control</b>       | <b>43,240</b>    | <b>43,240</b>  | <b>33,364</b>  | <b>9,876</b>   |
| <b>Building Inspection</b>        |                  |                |                |  |
| Salaries/Wages                    | 18,500           | 19,000         | 18,942         | 58   |
| Payroll Taxes                     | 1,565            | 1,565          | 1,485          | 80   |
| Worker's Compensation Ins.        | 1,400            | 1,400          | 660            | 740  |
| Training                          | 1,200            | 700            | 125            | 575  |
| Dues/Fees                         | 4,500            | 4,500          | 3,640          | 860  |
| Telephone                         | 500              | 500            | 375            | 125  |
| Travel                            | 800              | 800            | 552            | 248  |

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

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCE**  
**- BUDGET & ACTUAL GENERAL FUND -**  
**For the Year Ended June 30, 2013**

|                                     | Budgeted Amounts |          |         | Variance with Final<br>Budget - Positive<br>(Negative) |
|-------------------------------------|------------------|----------|---------|--|
|                                     | Original         | Final    | Actual  |  |
| Operating Supplies                  | \$ 1,000         | \$ 1,000 | \$ 497  | \$ 503   |
| Miscellaneous & Demolition          | 2,700            | 2,700    | 216     | 2,484  |
| Vehicle Expense                     | 800              | 800      | 278     | 522  |
| <b>Total Building Inspection</b>    | 32,965           | 32,965   | 26,770  | 6,195  |
| <b>Highways &amp; Streets</b>       |                  |          |         |  |
| Salaries/Wages                      | 161,500          | 161,500  | 157,501 | 3,999  |
| Payroll Taxes                       | 12,450           | 12,450   | 10,785  | 1,665  |
| Health Insurance                    | 44,000           | 39,200   | 31,279  | 7,921  |
| Retirement                          | 19,000           | 19,000   | 18,766  | 234  |
| Worker's Compensation Ins.          | 16,000           | 16,000   | 8,204   | 7,796  |
| Training                            | 200              | 200      | -       | 200  |
| Utilities/Telephone                 | 10,600           | 10,600   | 9,008   | 1,592  |
| Internet Services                   | 550              | 850      | 767     | 83   |
| Medical Services                    | 1,000            | 1,000    | 81      | 919  |
| Repairs & Maintenance               | 34,100           | 49,100   | 43,237  | 5,863  |
| Travel                              | 200              | 200      | -       | 200  |
| Equipment Rental                    | 500              | 500      | -       | 500  |
| Office Expense                      | 1,000            | 1,000    | 991     | 9  |
| Operating Supplies                  | 5,000            | 5,000    | 3,504   | 1,496  |
| Clothing/Uniforms                   | 3,500            | 3,500    | 2,848   | 652  |
| Vehicle Expense                     | 53,500           | 59,100   | 59,057  | 43   |
| Traffic Light Study                 | 1,000            | 3,100    | 3,075   | 25   |
| Miscellaneous                       | 1,500            | 1,500    | 1,241   | 259  |
| Drainage Repairs                    | 4,000            | 25,800   | 12,669  | 13,131   |
| Paving                              | 143,000          | 125,800  | 120,095 | 5,705  |
| Capital Outlay                      | 73,700           | 75,900   | 75,805  | 95   |
| <b>Total Highways &amp; Streets</b> | 586,300          | 611,300  | 558,913 | 52,387   |
| <b>State Street Aid</b>             |                  |          |         |  |
| Street Lighting                     | 43,000           | 42,800   | 41,952  | 848  |
| Signs & Parts                       | 5,000            | 2,400    | 2,377   | 23   |
| Materials-Streets & Paving          | 41,457           | 41,457   | 41,456  | 1  |
| Capital Outlay                      | -                | -        | -       | -  |
| <b>Total State Street Aid</b>       | 89,457           | 86,657   | 85,785  | 872  |
| <b>Solid Waste Sanitation</b>       |                  |          |         |  |
| Salaries/Wages                      | 32,000           | 32,900   | 31,876  | 1,024  |
| Payroll Taxes                       | 2,690            | 2,690    | 1,997   | 693  |
| Health Insurance                    | 16,000           | 15,100   | 12,961  | 2,139  |
| Retirement                          | 4,000            | 4,000    | 3,823   | 177  |
| Worker's Compensation Ins.          | 3,100            | 3,100    | 1,379   | 1,721  |
| Medical Services                    | 200              | 200      | -       | 200  |
| Contractual Fees                    | 161,425          | 161,425  | 153,738 | 7,687  |
| Operating Supplies                  | 500              | 500      | 40      | 460  |

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

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCE**  
**- BUDGET & ACTUAL GENERAL FUND -**  
**For the Year Ended June 30, 2013**

|                                     | <u>Budgeted Amounts</u> |                     | Actual              | Variance with Final<br>Budget - Positive<br>(Negative) |
|-------------------------------------|-------------------------|---------------------|---------------------|--|
|                                     | Original                | Final               |                     |  |
| Clothing/Uniforms                   | \$ -                    | \$ -                | \$ -                | \$ -   |
| Vehicle/Fuel Expense                | 8,000                   | 8,000               | 6,813               | 1,187  |
| State Permit Fees                   | -                       | -                   | -                   | -  |
| <b>Total Solid Waste Sanitation</b> | <u>227,915</u>          | <u>227,915</u>      | <u>212,627</u>      | <u>15,288</u>  |
| <b>Recreation</b>                   |                         |                     |                     |  |
| Worker's Compensation Ins.          | -                       | 500                 | 462                 | 38   |
| Utilities/Telephone                 | 3,500                   | 3,525               | 3,152               | 373  |
| Joint Recreation Program            | 43,000                  | 38,900              | 32,172              | 6,728  |
| War Memorial                        | 2,000                   | 5,600               | 5,500               | 100  |
| Operating Supplies                  | 1,000                   | 100                 | -                   | 100  |
| Park Development                    | 5,000                   | 5,000               | 4,267               | 733  |
| Miscellaneous                       | 250                     | 1,125               | 824                 | 301  |
| <b>Total Recreation</b>             | <u>54,750</u>           | <u>54,750</u>       | <u>46,377</u>       | <u>8,373</u>   |
| <b>Library</b>                      |                         |                     |                     |  |
| Salaries/Wages                      | 26,000                  | 23,385              | 22,718              | 667  |
| Payroll Taxes                       | 2,270                   | 2,270               | 1,823               | 447  |
| Training                            | 300                     | 300                 | 15                  | 285  |
| Retirement                          | 100                     | 100                 | -                   | 100  |
| Worker's Compensation Ins.          | 225                     | 225                 | 57                  | 168  |
| Utilities/Telephone                 | 3,200                   | 3,220               | 3,115               | 105  |
| Internet Services                   | 500                     | 520                 | 519                 | 1  |
| Medical Services                    | 300                     | 200                 | 67                  | 133  |
| Repairs                             | 600                     | 850                 | 842                 | 8  |
| Travel                              | 525                     | 1,075               | 1,066               | 9  |
| Office Expense/Copier               | 1,900                   | 1,500               | 624                 | 876  |
| Materials                           | 3,800                   | 4,480               | 4,479               | 1  |
| Summer Reading                      | 500                     | 520                 | 515                 | 5  |
| Miscellaneous                       | 1,500                   | 1,500               | 16                  | 1,484  |
| Computer & Support                  | 1,215                   | 3,065               | 2,966               | 99   |
| Copier Maintenance                  | 400                     | 400                 | 400                 | -  |
| Capital Outlay                      | -                       | 2,875               | 2,451               | 424  |
| <b>Total Library</b>                | <u>43,335</u>           | <u>46,485</u>       | <u>41,673</u>       | <u>4,812</u>   |
| <b>Other</b>                        |                         |                     |                     |  |
| Cemetery Maintenance                | 3,650                   | 3,650               | -                   | 3,650  |
| <b>Total Other</b>                  | <u>3,650</u>            | <u>3,650</u>        | <u>-</u>            | <u>3,650</u>   |
| <b>Debt Service</b>                 |                         |                     |                     |  |
| Principal                           | 61,394                  | 61,394              | 50,000              | 11,394   |
| Interest                            | 2,062                   | 4,862               | 3,893               | 969  |
| <b>Total Debt Service</b>           | <u>63,456</u>           | <u>66,256</u>       | <u>53,893</u>       | <u>12,363</u>  |
| <b>TOTAL EXPENDITURES</b>           | <u>\$ 2,532,374</u>     | <u>\$ 2,611,366</u> | <u>\$ 2,227,849</u> | <u>\$ 383,517</u>                                      |

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

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCE**  
**- BUDGET & ACTUAL GENERAL FUND -**  
**For the Year Ended June 30, 2013**

|   | <u>Budgeted Amounts</u> |                     | Actual              | Variance with Final<br>Budget - Positive<br>(Negative) |
|---|-------------------------|---------------------|---------------------|--|
|   | Original                | Final               |                     |  |
| <b>Excess (Deficiency) of Revenue Over<br/>(Under) Expenditures</b> | \$ (349,768)            | \$ (384,918)        | \$ 259,782          | \$ 644,700   |
| <b>Other Financing Sources (Uses)</b>                               | -                       | -                   | -                   | -  |
| <b>Net Change in Fund Balance</b>                                   | (349,768)               | (384,918)           | 259,782             | 644,700  |
| <b>FUND BALANCE - BEGINNING</b>                                     | 2,341,359               | 2,341,359           | 2,341,359           | -  |
| <b>FUND BALANCE - ENDING</b>  | <u>\$ 1,991,591</u>     | <u>\$ 1,956,441</u> | <u>\$ 2,601,141</u> | <u>\$ 644,700</u>                                      |

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

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. General Statement**

The Town of Mount Carmel, Tennessee (the "Town") was incorporated in 1961 under the laws and provisions of the state of Tennessee. The Town operates under a Mayor-Aldermanic form of government. The Town provides the following services-Public Safety- Police and Fire, Streets, Sanitation, Public Improvements, General and Administrative Services, Recreation, Library, and Sewer Services.

The Town's financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of these notes to the basic financial statements. In determining the financial reporting entity, the Town has no component units at June 30, 2013 over which the Town exercises significant influence.

**B. Governmental Accounting Standards Board Statements Implemented**

In the current year, The Town of Mount Carmel, Tennessee has adopted the provisions of Governmental Accounting Standards 60-66 for the year ending June 30, 2013. Descriptions of the new provisions are as follows:

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. This pronouncement had no impact to the Town of Mount Carmel, Tennessee.

GASB State No. 61 amends Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component unites 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. State No. 61 also clarifies the criteria for blending component units and

presenting business-type component units. The GASB pronouncement had no impact on the current year financial statements.

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 Procedures 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 State MO. 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. This Statement was early implanted which had an effective date of June 30, 2014.

Change in Accounting Principles/Restatement: As a result of the implementation of Governmental Accounting Standards Board (GASB) Statement 65, this statement requires that deferred costs from the issuance of debt be expensed. Those bond issuance costs have been removed and beginning net position in the Sewer Fund has been restated.

### **C. Basis of Presentation**

#### **Government-wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and Statement of Activities) report information on the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. The statement of activities demonstrates to the degree to which direct expenses of a given function or segment 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly

included among program revenues are reported instead as general revenues. The Town does not allocate indirect costs to a specific function or segment.

### **Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories being governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental/enterprise fund are at least 10 percent of the corresponding total for all fund of that category type.
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental/enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the Town are described as follows:

### **Governmental Funds**

**General Fund** – The General Fund is the primary operating fund of the Town and is classified as a major fund. It is used to account to for all activities except those legally or administratively required to be accounted for in other funds. State Street Aid revenues and expenditures are accounted for in the General Fund but separated to maintain their integrity.

**Special Revenue Funds** – The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes. The special revenue fund is the Drug Fund.

### **Proprietary Fund**

**Enterprise Fund** – The Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the Town's Sewer Fund.

### **Major & Non-major Funds**

The funds are further classified as major or non-major as follows:

#### **Funds Major:**

**General Fund** – See previous page for description.

**Sewer Fund** – Accounts for revenues and expenditures of the sewer fund.

**Funds Non-major:**

Drug Fund – Accounts for revenues and expenditures relating to drug fund operations.

**D. Measurement Focus & Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus and defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of the measurement focus are the determination of operating income, changes in net assets, financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. As a result, revenues are recognized when earned and expenses are recorded when the liabilities are incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end.

Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

**E. Assets, Liabilities, Deferred Outflows/Inflows Of Resources, and Net Position/Fund Balance**

**Cash & Cash Equivalents**

For the purpose of the Statement of Net Position, "cash & cash equivalents" includes all demand and savings accounts of the Town. The Town has no certificates of deposit. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" includes all demand accounts and savings accounts.

**Interfund Receivables & Payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between the funds. Those related to goods and services type are classified as "due to and due from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

**Receivables**

In the government-wide financial statements, receivables consist of all revenues earned and not yet received. Allowance for uncollectible accounts is based upon historical trends and the periodic ageing of accounts receivable. Major receivable balances for the governmental activities include property taxes, sales taxes, intergovernmental revenues and grants. Business-type activities report sewer charges as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, sales taxes, grants, and intergovernmental revenues since they are both usually measurable and available. Nonexchange transactions collectible, but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government wide financial statements in accordance with the accrual basis. Proprietary fund material receivables consist of all revenues earned at year end and not received. Utility accounts receivable compose the majority of proprietary fund receivables.

**Inventories**

Inventories of materials and supplies on hand at year end are stated at cost on the first in first out method.

**Capital Assets**

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund

operations and whether they are reported in the government-wide or fund financial statements.

**Government-wide Statements**

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of the donation. Estimated historical cost was used to value the majority of the assets acquired prior to July 1, 2004. Prior to July 1, 2004, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost. In the government-wide financial statements, capital assets are defined by the Town for governmental activities as assets with an initial individual cost greater than \$5,000. For business-type activities, capital assets are defined as assets with an estimated useful life greater than one year.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets.

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as shown below:

|                     |             |
|---------------------|-------------|
| Buildings           | 25-50 years |
| Improvements        | 10-50 years |
| Machinery/Equipment | 5-15 years  |
| Utility System      | 40-50 years |
| Infrastructure      | 25-50 years |

Land and Construction in Progress are not depreciated.

**Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements. In the current year, there was \$0 interest capitalized on enterprise fund capital assets.

**Restricted Assets**

Restricted assets include cash in banks and receivables which are restricted because their use is limited by laws, grant agreements, or debt service requirements.

**Long-term Debt**

The accounting treatment for long-term debt depends on whether the assets are used in the governmental fund operations or proprietary fund operations and whether they are

reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental and business-type activities resources are reported as liabilities in the government-wide financial statements. The long-term debt consists primarily of notes payable, capitalized leases, and bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest are reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

#### **Compensated Absences**

The Town's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as a long-term debt in the government-wide financial statements while the current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. The Town provides sick leave; however, in the event of termination, accumulated sick leave is not paid.

#### **Post-Employment Benefits**

The Town provides no post-employment benefits to employees who retire or separate from service. Also, the Town under the Consolidated Omnibus Budget Reconciliation Act (COBRA) makes available healthcare benefits available to eligible former employees and eligible dependents according to certain requirements outlined by the Federal government for this coverage. At June 30, 2013, there were no participants in the COBRA program.

#### **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 of deferred outflows of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town of Mount Carmel, Tennessee has one item that qualifies for reporting in this category. This relates to deferred costs from the refunding of debt (result of reacquisition price excess), which was previously deferred and amortized are now presented as deferred outflows of resources.

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 and an acquisition of net position that applies to a future period 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, these items are reported in the government-wide Statement of Net Position and/or governmental funds balance sheet. The items are from the following sources:  
Current property taxes and delinquent property taxes.

### **Net Position and Fund Balance**

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

- 1) Invested in Capital Assets (net of related debt) – Consists of capital assets including restricted capital assets (net of accumulated depreciation) and reduced by the outstanding borrowings attributable to the acquisition, construction or improvement of those assets.
- 2) Restricted Net Assets – Consists of net assets 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. The City’s policy is generally to use restricted net assets first, as appropriate opportunities arise.
- 3) Unrestricted Net Assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets (net of related debt).

Governmental fund equity is classified as fund balance. Fund balances are classified into the following categories:

- Nonspendable fund balances comprise those amounts that are legally or contractually required to remain intact.
- Restricted fund balances comprise those amounts constrained to be used for a specific purpose by external parties, constitution provisions, or enabling legislation.
- Committed fund balances comprise those amounts constrained by the government itself using its highest level of authority.
- Assigned fund balances are amounts intended to be used for a specific purpose by the governing body through action other than the highest level of authority.
- Unassigned fund balances are any amounts other than those described above and are available for any purpose.

### **Net Position and Fund Balance Flow Assumptions**

When outlays for a particular purpose are funded from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. This Town’s policy is that when both restricted and unrestricted resources are available for expenditure, restricted resources should be spent first unless legal requirements disallow it. When outlay are incurred for purposes for which amounts in any unrestricted fund balance classification could be used, committed funds are to be spent first, assigned funds second, and unassigned funds last.

The Town's highest level of decision-making authority is the Board of Mayor and Alderman. This board may establish, modify, or rescind committed or assigned fund balances by majority vote. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the Town's policy to use unassigned resources first, then assigned and committed resources as needed. When both restricted and unrestricted fund balances are available for use, it is the Town's policy to use restricted fund balance first, then use unrestricted fund balance as stated above.

## **F. Revenues, Expenditures, & Expenses**

### **Property Tax/Other Revenue**

Under state law, property taxes become a lien on January 1 of each year. Property taxes are levied annually and are due and payable from October 1st through February 28<sup>th</sup> of the following calendar year. The 2012 property taxes which are due and payable in the current fiscal year are recorded as revenue in the fund financial statements to the extent they are collected within 60 days of year-end with the remainder being recorded as a receivable and as deferred inflow of resources. The 2013 property taxes which became a lien on January 1, 2013 and are not levied until October 1, 2013 are recorded as a receivable and as deferred inflows of resources in the fund financial statements. On the government-wide statements, property taxes are recorded as revenue in the year the tax becomes a lien with the exception of the 2013 property taxes which are recorded as a receivable and as deferred inflow of resources with the revenue being recognized in the following fiscal year which it is intended to finance. Those revenues susceptible to accrual are property taxes, sales tax, beer taxes, gas taxes, income taxes, interest revenues, and charges for utility services. Permits, fines, penalties and other revenues are not susceptible to accrual because they are not generally measurable until received in cash.

### **Operating Revenue & Expenses**

The sewer fund distinguishes *operating* revenues and expenses from *nonoperating* 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. The principal operating revenues of the entire Town's enterprise fund is charges to customers for sales and services. The sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the sewer fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities. In the fund financial statements, expenditures

are classified by function and further classified as to current, debt service and capital outlay. The proprietary fund expenditures are classified by operating and nonoperating expenses. In the fund financial statements, governmental funds report expenditures of financial resources while proprietary funds report expenses relating to use of economic resources.

**Interfund Transfers**

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

**G. Use of Estimates**

In preparing the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**H. Comparative Data/Reclassifications**

Certain financial data from the prior year has been presented within the notes to the financial statements in order to provide an understanding of the Town's financial position and operations. Certain amounts presented from the prior year's data have been reclassified to be consistent with the current year's presentation. Also, although comparative statements for the 2012 year are not presented her, these reclassifications must be considered when comparing the financial statements of this report with those of prior reports.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, & ACCOUNTABILITY**

**A. Fund Accounting Requirements**

The Town complies with regulations requiring the use of separate funds. The legally required funds used by the Town include the following:

- General Fund
- Drug Fund

The Town accounts for its State Street Aid revenues and expenses in the general fund while still maintaining its integrity of the resources as allowed under Tennessee Code Annotated. Also, the Solid Waste Sanitation Fund is now included in the General Fund based on GASB Statement No. 54.

**B. Budgetary Information**

The Town adopts annual budgets consistent with generally accepted accounting principles for the General Fund, Drug Fund, Solid Waste Sanitation Fund and the Sewer

Fund. The Board of Mayor and Aldermen approve any amendments to these funds and all annual appropriations for these funds lapse at year end.

**C. Deposits & Investment Laws & Regulations**

The Town has no formal deposit and investment policies; however, the Town is required to follow certain state statutes with respect to authorized investment and deposit procedures. See Note 3 with respect to these general requirements.

**NOTE 3 – CASH & CASH EQUIVALENTS**

The Town of Mount Carmel has no formal policies with respect to deposits and investments; however, the Town is required to follow procedures regarding deposits and authorized investments which are allowed by applicable state laws. For the Town of Mount Carmel, TCA Code Section 6-56-106 prescribes the authorized investments for municipalities in the State of Tennessee. With respect to deposits, the State of Tennessee requires that all deposits in financial institutions be collateralized by securities whose market value is equal to 105% of the value of the uninsured deposits. The financial institution deposits must be covered by federal depository insurance or the Tennessee Collateral Bank Pool, by collateral held by the Town’s agent in the Town’s name, or by the Federal Reserve Banks acting as third party agents. As of June 30, 2013, the carrying amount of the Town’s deposits was \$3,587,140 (excluding cash on hand of \$150) and the respective bank balances totaled \$3,537,849. The difference between the two amounts represented deposits in transit, outstanding checks, or other reconcilable items. As of June 30, 2013, the total bank balances of \$3,537,849 were covered by either F.D.I.C. insurance or by collateral pledged as part of the financial institutions participation in the Tennessee Collateral Bank Pool. A recap of total deposits for the governmental and proprietary funds at June 30, 2013 is as follows:

| Category                                 | Governmental<br>Activities | Business-Type<br>Activities | Total               |
|--|----------------------------|-----------------------------|---------------------|
| Cash in Banks                            | \$ 2,466,066               | \$ 1,121,074                | \$ 3,587,140        |
| Total Deposits & Investments             | 2,466,066                  | 1,121,074                   | 3,587,140           |
| Cash on Hand                             | 150                        | -                           | 150                 |
| <b>Total Cash &amp; Cash Equivalents</b> | <b>\$ 2,466,216</b>        | <b>\$ 1,121,074</b>         | <b>\$ 3,587,290</b> |

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that in the event of bank failure, the Town would not be able to recover deposits or collateral securities that are in the possession of an outside party. As previously noted, all deposits were either covered by F.D.I.C. Insurance, collateral pledged as part of the financial institutions participation in the Tennessee Collateral Pool or with collateralized securities held by the Town’s agent in the Town’s name, or by the Federal Reserve Banks acting as third party agents.

At June 30, 2013 the Town had the following cash & cash equivalents restricted:

|                       | Governmental<br>Activities | Business-Type<br>Activities |
|-----------------------|----------------------------|-----------------------------|
| Drug Fund Operations  | \$ 31,302                  | \$ -                        |
| Debt Service Reserves | -                          | 130,372                     |
| <b>Total</b>          | <b>\$ 31,302</b>           | <b>\$ 130,372</b>           |

#### NOTE 4 – RECEIVABLES

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as shown below:

| Receivables                        | General Fund        | Sewer Fund        | Non-major<br>Funds | Total              |
|------------------------------------|---------------------|-------------------|--------------------|--------------------|
| Property Taxes                     | \$ 1,175,511        | \$ -              | \$ -               | \$ 1,175,511       |
| Accounts/Trade/Other               | 20,011              | 149,864           | -                  | 169,875            |
| Intergovernmental                  | 197,375             | 32,405            | -                  | 229,780            |
| <b>Gross Receivables</b>           | <b>1,392,897</b>    | <b>182,269</b>    | <b>-</b>           | <b>1,575,166</b>   |
| Less: Allowance for Uncollectibles | -                   | (17,375)          | -                  | (17,375)           |
| <b>Net Total Receivables</b>       | <b>\$ 1,392,897</b> | <b>\$ 164,894</b> | <b>\$ -</b>        | <b>\$1,557,791</b> |

Revenues of the Sewer Fund are reported net of the allowance for uncollectibles.

#### NOTE 5 – CAPITAL ASSETS

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

|   | <u>Beginning<br/>Balance</u> | <u>Increases</u>   | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|---|------------------------------|--------------------|------------------|---------------------------|
| <b><u>Governmental Activities</u></b>               |                              |                    |                  |                           |
| Capital Assets Not Being Depreciated:               |                              |                    |                  |                           |
| Land  | \$ 110,927                   | \$ -               | \$ -             | \$ 110,927                |
| Construction in Progress                            | -                            | -                  | -                | -                         |
| Total Capital Assets Not Being Depreciated          | 110,927                      | -                  | -                | 110,927                   |
| Capital Assets Being Depreciated:                   |                              |                    |                  |                           |
| Buildings/Improvements                              | 591,644                      | -                  | -                | 591,644                   |
| Machinery/Equipment/Vehicles                        | 1,623,519                    | 101,681            | -                | 1,725,200                 |
| Library   | 115,205                      | -                  | -                | 115,205                   |
| Infrastructure                                      | 3,907,153                    | -                  | -                | 3,907,153                 |
| Total Capital Assets Being Depreciated              | 6,237,521                    | 101,681            | -                | 6,339,202                 |
| Less: Accumulated Depreciation for:                 |                              |                    |                  |                           |
| Buildings/Improvements                              | (451,635)                    | (10,594)           | -                | (462,229)                 |
| Machinery/Equipment/Vehicles                        | (973,635)                    | (97,444)           | -                | (1,071,079)               |
| Library   | (115,205)                    | -                  | -                | (115,205)                 |
| Infrastructure                                      | (2,414,150)                  | (77,549)           | -                | (2,491,699)               |
| Total Accumulated Depreciation                      | (3,954,625)                  | (185,587)          | -                | (4,140,212)               |
| Total Capital Assets Being Depreciated (net)        | 2,282,896                    | (83,906)           | -                | 2,198,990                 |
| <b>Governmental Activities Capital Assets (net)</b> | <b>\$ 2,393,823</b>          | <b>\$ (83,906)</b> | <b>\$ -</b>      | <b>\$ 2,309,917</b>       |

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>   | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|--------------------|------------------|---------------------------|
| <b><u>Business-Type Activities</u></b>               |                              |                    |                  |                           |
| Capital Assets Not Being Depreciated:                |                              |                    |                  |                           |
| Land/Right of Ways                                   | \$ 167,190                   | \$ -               | \$ -             | 167,190                   |
| Construction in Progress                             | -                            | 195,304            | -                | 195,304                   |
| Total Capital Assets Not Being Depreciated           | 167,190                      | 195,304            | -                | 362,494                   |
| Capital Assets Being Depreciated:                    |                              |                    |                  |                           |
| Machinery/Equipment                                  | 588,037                      | 907                | -                | 588,944                   |
| Utility Plant & Lines                                | 9,954,936                    | 7,906              | -                | 9,962,842                 |
| Total Capital Assets Being Depreciated               | 10,542,973                   | 8,813              | -                | 10,551,786                |
| Less: Accumulated Depreciation for:                  |                              |                    |                  |                           |
| Machinery/Equipment                                  | (537,030)                    | (13,323)           | -                | (550,353)                 |
| Utility Plant & Lines                                | (4,242,950)                  | (203,652)          | -                | (4,446,602)               |
| Total Accumulated Depreciation                       | (4,779,980)                  | (216,975)          | -                | (4,996,955)               |
| Total Capital Assets Being Depreciated (net)         | 5,762,993                    | (208,162)          | -                | 5,554,831                 |
| <b>Business-Type Activities Capital Assets (net)</b> | <b>\$ 5,930,183</b>          | <b>\$ (12,858)</b> | <b>\$ -</b>      | <b>\$ 5,917,325</b>       |

Depreciation expense was charged to functions/programs of the government are as shown below:

|  |                   |
|--|-------------------|
| <b>Governmental Activities</b>                       |                   |
| General Government                                   | \$ 9,920          |
| Public Safety - Police & Fire                        | 59,566            |
| Highways & Streets (including infrastructure assets) | 114,375           |
| Sanitation   | -                 |
| Culture/Recreation                                   | 1,046             |
| Animal Control                                       | 680               |
| Library  | -                 |
| <b>Total Depreciation - Governmental Activities</b>  | <b>185,587</b>    |
| <b>Business-Type Activities</b>                      |                   |
| Sewer  | 216,975           |
| <b>Total Depreciation - Business-Type Activities</b> | <b>216,975</b>    |
| <b>TOTAL DEPRECIATION</b>                            | <b>\$ 402,562</b> |

#### **NOTE 6 – LONG-TERM DEBT**

##### **Governmental Activities**

Capital Outlay Note - Issued in July, 2006 for \$300,000 at 4.37%, maturing in 2012. Purpose - Paving. This note was retired in the current year.

Capital Outlay Note - Issued in July, 2007 for \$68,364 at 4.25%, maturing in 2013. Purpose - Capital outlay court reporting system.

##### **Business-Type Activities**

Tennessee Local Development Authority Bonds- Issued for \$2,162,025 previously at 7.06%, maturing in 2020. Purpose – Construction of Sewer plant and facilities.

Capital Outlay Note- Issued in July 2003 at a rate of 4.25% for a twelve year period maturing in 2015. Total issue – \$150,032. Purpose – Capital outlay note-Sewer.

Capital Outlay Note - Issued in August, 2004 for \$100,000 at a rate of 4.17% for a ten year period maturing in August, 2014. Principal payments of \$10,000 due annually in addition to interest. Purpose - Pump station improvements - Sewer.

Sewer Revenue & Tax Refunding Bonds, Series 2003, issued in July 2003 for \$1,495,000 with an average rate of 3.841%, maturing in 2027. Purpose of issue – To refund the Sewer Revenue & Tax Refunding Bonds, Series 1993, Sewer Revenue & Tax Bonds, Series 1993, and Sewer Revenue & Tax Bonds, Series 1993A.

Bond and capital outlay notes outstanding as of June 30, 2013 are shown as follows:

| Issue                 | Governmental<br>Activities | Business-Type<br>Activities | Total               |
|-----------------------|----------------------------|-----------------------------|---------------------|
| Capital Outlay Note   | \$ 11,394                  | \$ -                        | \$ 11,394           |
| Capital Outlay Note   | -                          | 30,379                      | 30,379              |
| Capital Outlay Note   | -                          | 21,697                      | 21,697              |
| TN Local Dev. Bonds   | -                          | 822,715                     | 822,715             |
| 1993 Refunding Series | -                          | 535,000                     | 535,000             |
| <b>TOTAL</b>          | <b>\$ 11,394</b>           | <b>\$ 1,409,791</b>         | <b>\$ 1,421,185</b> |

Changes in long-term liabilities for the year ended June 30, 2013 are as follows:

|   | Beginning<br>Balance | Additions        | Reductions       | Ending<br>Balance | Due<br>Within 1<br>Year |
|---|----------------------|------------------|------------------|-------------------|-------------------------|
| <b>Governmental Activities</b>                          |                      |                  |                  |                   |                         |
| Capital Outlay Note                                     | \$ 50,000            | \$ -             | \$ 50,000        | \$ -              | \$ -                    |
| Capital Outlay Note                                     | 11,394               | -                | -                | 11,394            | 11,394                  |
| Total Capital Outlay Notes                              | 61,394               | -                | 50,000           | 11,394            | 11,394                  |
| Compensated Absences                                    | 22,379               | 22,018           | 22,379           | 22,018            | 22,018                  |
| <b>Governmental Activity Long-<br/>Term Liabilities</b> | <b>\$ 83,773</b>     | <b>\$ 22,018</b> | <b>\$ 72,379</b> | <b>\$ 33,412</b>  | <b>\$ 33,412</b>        |

|  | Beginning<br>Balance | Additions       | Reductions        | Ending<br>Balance   | Due<br>Within 1<br>Year |
|--|----------------------|-----------------|-------------------|---------------------|-------------------------|
| <b>Business-Type Activities</b>                          |                      |                 |                   |                     |                         |
| Capital Outlay Note                                      | \$ 44,584            | \$ -            | \$ 14,205         | \$ 30,379           | \$ 14,811               |
| Capital Outlay Note                                      | 32,206               | -               | 10,509            | 21,697              | 10,736                  |
| Bonds Payable  | 934,308              | -               | 111,593           | 822,715             | 114,410                 |
| Bonds Payable  | 565,000              | -               | 30,000            | 535,000             | 30,000                  |
| Total Notes & Bonds                                      | 1,576,098            | -               | 166,307           | 1,409,791           | 169,957                 |
| Compensated Absences                                     | 5,114                | 5,339           | 5,114             | 5,339               | 5,339                   |
| <b>Business-Type Activity Long-<br/>Term Liabilities</b> | <b>\$ 1,581,212</b>  | <b>\$ 5,339</b> | <b>\$ 171,421</b> | <b>\$ 1,415,130</b> | <b>\$ 175,296</b>       |

Annual debt service requirements to maturity for capital outlay notes and bonds are as follows:

| Year Ending June 30 | Governmental Activities |               | Business-Type Activities |                   |
|---------------------|-------------------------|---------------|--------------------------|-------------------|
|                     | Principal               | Interest      | Principal                | Interest          |
| 2014                | \$ 11,394               | \$ 485        | \$ 169,957               | \$ 40,649         |
| 2015                | -                       | -             | 173,047                  | 36,257            |
| 2016                | -                       | -             | 149,060                  | 31,623            |
| 2017                | -                       | -             | 156,658                  | 27,825            |
| 2018                | -                       | -             | 159,024                  | 24,059            |
| 2019-2023           | -                       | -             | 417,045                  | 70,763            |
| 2024-2027           | -                       | -             | 185,000                  | 21,151            |
| <b>Total</b>        | <b>\$ 11,394</b>        | <b>\$ 485</b> | <b>\$ 1,409,791</b>      | <b>\$ 252,327</b> |

## NOTE 7 – NET POSITION/FUND EQUITY

At June 30, 2013 on the government-wide statement of net position, restricted net position is as follows:

| <b>Restricted Net<br/>Position</b> | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>      |
|------------------------------------|------------------------------------|-------------------------------------|-------------------|
| State Street Aid                   | \$ 26,862                          | \$ -                                | \$ 26,862         |
| Drug Fund Operations               | 31,302                             | -                                   | 31,302            |
| Debt Service                       | -                                  | 130,372                             | 130,372           |
| <b>Total</b>                       | <b>\$ 58,164</b>                   | <b>\$ 130,372</b>                   | <b>\$ 188,536</b> |

At the fund level for financial reporting in the Governmental Funds and Enterprise Fund, \$26,862 was reserved for State Street Aid as it is accounted for in the General Fund and \$130,372 was reserved for debt service in the Sewer Fund (i.e., an Enterprise Fund).

## NOTE 8 – EMPLOYEE RETIREMENT PLANS

### Plan Description

Employees of Mount Carmel 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 the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Mount Carmel participates 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 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**

Mount Carmel had adopted a non-contributory retirement plan for its employees by assuming employee contributions up to 5.0 percent of annual covered payroll.

Mount Carmel is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2013 was 12.04% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirements for Mount Carmel are established and may be amended by the TCRS Board of Trustees.

### **Annual Pension Cost**

For the year ending June 30, 2013 Mount Carmel's annual pension cost of \$94,930 to TCRS was equal to Mount Carmel'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 3.0 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 post retirement 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. Mount Carmel's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The amortization period at July 1, 2009 was 9 years. An actuarial valuation was performed as of July 1, 2011 which established contribution rates effective July 1, 2012.

### **Trend Information:**

| <b>Fiscal Year Ending</b> | <b>Annual Pension Cost (APC)</b> | <b>Percentage of APC Contributed</b> | <b>Net Pension Obligation</b> |
|---------------------------|----------------------------------|--------------------------------------|-------------------------------|
| 6/30/2013                 | \$ 94,930                        | 100%                                 | \$ -                          |
| 6/30/2012                 | \$ 85,542                        | 100%                                 | \$ -                          |
| 6/30/2011                 | \$ 94,958                        | 100%                                 | \$ -                          |

### **Funded Status and Funding Progress:**

As of July 1, 2011, the most recent actuarial valuation date, the plan was 94.06% funded. The actuarial accrued liability for benefits was \$1.79 million, and the actuarial value of assets was \$1.69 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$0.11 million. The covered payroll (annual payroll of active employees covered by the plan) was \$0.76 million, and the ratio of the UAAL to the covered payroll was 14.06%.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

| Actuarial Valuation Date | Actuarial Value of Plan Assets | Actuarial Accrued Liability (AAL) Entry Age | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|--------------------------|--------------------------------|---|---------------------|--------------|-----------------|---|
|                          | (a)                            | (b)   | (b) - (a)           | (a/b)        | (c)             | ((b-a) / c)                             |
| 7/1/2011                 | \$ 1,688                       | \$ 1,795                                    | \$ 107              | 94.04%       | \$ 758          | 14.12%                                  |
| 7/1/2009                 | \$ 1,212                       | \$ 1,231                                    | \$ 19               | 98.46%       | \$ 759          | 2.50%                                   |
| 7/1/2007                 | \$ 986                         | \$ 1,007                                    | \$ 21               | 97.91%       | \$ 671          | 3.13%                                   |

\* (Dollar Amounts in Thousands)

#### NOTE 9 – RISK ASSESSMENT

The Town purchases commercial insurance to cover risks of loss related to torts, theft of, damage to, and destruction of assets; natural disasters; errors and omissions; injuries to employees; and the employees' health plan. For the current year, there have been no significant reductions in insurance coverage. Liabilities or settlements in excess of insurance coverage are reported when it is probable that a loss has been incurred and the amount of loss can be reasonably estimated. With regards to risk management, there were no settlement amounts which exceeded insurance coverage for the current year or the three prior years.

#### NOTE 10 – ADVANCE REFUNDED DEBT

In previous years, the Town advance refunded certain sewer revenue and tax bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. On June 30, 2013, there were \$0 bonds outstanding that are considered defeased.

#### NOTE 11 – SUBSEQUENT EVENTS

On November 27, 2013, the Town of Mount Carmel issued \$545,000 in General Obligation Refunding Bonds for the Sewer Fund in order to refund \$535,000 in outstanding Sewer Bonds in order to take advantage of current market interest rates. The estimated net savings on debt service is approximately \$67,300 and the estimated net present value benefit was \$56,603. Management has evaluated subsequent events through February 21, 2014, which is the date the financial statements were available to be issued.

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**SCHEDULE OF FUNDING PROGRESS - PENSION PLAN**  
**June 30, 2013**

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Plan Assets | Actuarial Accrued<br>Liability (AAL)<br>Entry Age | Unfunded<br>AAL<br>(UAAL) | Funded<br>Ratio | Covered<br>Payroll | UAAL as a<br>Percentage of<br>Covered Payroll |
|--------------------------------|--------------------------------------|---|---------------------------|-----------------|--------------------|---|
|                                | (a)                                  | (b)   | (b) - (a)                 | (a/b)           | (c)                | ((b-a) / (c))                                 |
| 7/1/2011                       | \$ 1,688                             | \$ 1,795  | \$ 107                    | 94.04%          | \$ 758             | 14.12%  |
| 7/1/2009                       | \$ 1,212                             | \$ 1,231  | \$ 19                     | 98.46%          | \$ 759             | 2.50%   |
| 7/1/2007                       | \$ 986                               | \$ 1,007  | \$ 21                     | 97.91%          | \$ 671             | 3.13%   |

**Note: Dollar Amounts in Thousands**

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**June 30, 2013**

|   | <b>Drug Fund</b> | <b>Total Non-Major<br/>Governmental<br/>Funds</b> |
|---|------------------|---|
| <b>ASSETS</b>                               |                  |   |
| Cash  | \$ 31,302        | \$ 31,302   |
| Due from Other Funds                        | -                | -   |
| <b>Total Assets</b>                         | <b>31,302</b>    | <b>31,302</b>                                     |
| <b>LIABILITIES</b>                          |                  |   |
| Accounts Payable                            | -                | -   |
| Accrued Salaries & Benefits                 | -                | -   |
| <b>Total Liabilities</b>                    | -                | -   |
| <b>FUND BALANCES</b>                        |                  |   |
| Reserved                                    | -                | -   |
| Unreserved                                  | 31,302           | 31,302  |
| <b>Total Fund Balances</b>                  | <b>31,302</b>    | <b>31,302</b>                                     |
| <b>Total Liabilities &amp; Fund Balance</b> | <b>\$ 31,302</b> | <b>\$ 31,302</b>                                  |

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2013**

|   | <b>Drug Fund</b> | <b>Total Non-Major<br/>Governmental Funds</b> |
|---|------------------|---|
| <b>REVENUE</b>  |                  |   |
| Drug Fees   | \$ 509           | \$ 509  |
| Drug Contributions  | 21,398           | 21,398  |
| Interest Income   | 61               | 61  |
| <b>Total Revenue</b>  | <b>21,968</b>    | <b>21,968</b>                                 |
| <b>EXPENDITURES</b>   |                  |   |
| Drug Fund Operations  | 37,943           | 37,943  |
| <b>Total Expenditures</b>   | <b>37,943</b>    | <b>37,943</b>                                 |
| <b>Excess (Deficiency) of Revenue Over<br/>(Under) Expenditures</b> | <b>(15,975)</b>  | <b>(15,975)</b>                               |
| <b>Net Change in Fund Balance</b>                                   | <b>(15,975)</b>  | <b>(15,975)</b>                               |
| <b>Fund Balance - Beginning</b>                                     | <b>47,277</b>    | <b>47,277</b>                                 |
| <b>Fund Balance - Ending</b>  | <b>\$ 31,302</b> | <b>\$ 31,302</b>                              |

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCE**  
**- BUDGET & ACTUAL -**  
**DRUG FUND**  
**For the Year Ended June 30, 2013**

| REVENUE                           | Budgeted Amounts |                 | Actual           | Variance with Final             |
|-----------------------------------|------------------|-----------------|------------------|---------------------------------|
|                                   | Original         | Final           |                  | Budget - Positive<br>(Negative) |
| Drug Fines                        | \$ 500           | \$ 500          | \$ 509           | \$ 9                            |
| Drug Contributions                | 2,500            | 2,500           | 21,398           | 18,898                          |
| Interest Income                   | 35               | 35              | 61               | 26                              |
| <b>Total Revenue</b>              | <b>3,035</b>     | <b>3,035</b>    | <b>21,968</b>    | <b>18,933</b>                   |
| <b>EXPENDITURES</b>               |                  |                 |                  |                                 |
| Capital Outlay                    | 25,485           | 35,485          | 32,943           | 2,542                           |
| Other Expenditures                | 6,050            | 9,050           | 5,000            | 4,050                           |
| <b>Total Expenditures</b>         | <b>31,535</b>    | <b>44,535</b>   | <b>37,943</b>    | <b>6,592</b>                    |
| <b>Net Change in Fund Balance</b> | <b>(28,500)</b>  | <b>(41,500)</b> | <b>(15,975)</b>  | <b>25,525</b>                   |
| <b>Fund Balance - Beginning</b>   | <b>47,277</b>    | <b>47,277</b>   | <b>47,277</b>    | <b>-</b>                        |
| <b>Fund Balance - Ending</b>      | <b>\$ 18,777</b> | <b>\$ 5,777</b> | <b>\$ 31,302</b> | <b>\$ 25,525</b>                |

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**SCHEDULE OF ACTIVITIES**  
**SOLID WASTE SANITATION FUND**  
**For the Year Ended June 30, 2013**

| <b>REVENUE</b>   | Budgeted Amounts |              |              | Variance with Final<br>Budget - Positive<br>(Negative) |
|--|------------------|--------------|--------------|--|
|  | Original         | Final        | Actual       |  |
| Revenues   | \$ -             | \$ -         | \$ -         | \$ -   |
| <b>Total Revenue</b>   | -                | -            | -            | -  |
| <br><b>EXPENDITURES</b>  |                  |              |              |  |
| Wages/Salaries   | 32,000           | 32,900       | 31,876       | 1,024  |
| Payroll Taxes  | 2,690            | 2,690        | 1,997        | 693  |
| Insurance  | 19,100           | 18,200       | 14,340       | 3,860  |
| Retirement   | 4,000            | 4,000        | 3,823        | 177  |
| Contract Services  | 161,425          | 161,425      | 153,738      | 7,687  |
| Supplies/Other   | 700              | 700          | 40           | 660  |
| Equipment Operating Expenses   | 8,000            | 8,000        | 6,813        | 1,187  |
| <b>Total Expenditures</b>  | 227,915          | 227,915      | 212,627      | 15,288   |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | \$ (227,915)     | \$ (227,915) | \$ (212,627) | \$ 15,288  |

Note: Excess expenditures are funded through property taxes levied by the Town. Effective July 1, 2011, the Solid Waste Sanitation Fund is reported within the General Fund.

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS**  
**GOVERNMENTAL ACTIVITIES**  
**June 30, 2013**

|                                      | <b>Principal</b> | <b>Interest</b> |    | <b>Total</b> |
|--------------------------------------|------------------|-----------------|----|--------------|
| <b>CAPITAL OUTLAY NOTE</b>           |                  |                 |    |              |
| Fiscal Year Ending June 30:          |                  |                 |    |              |
| 2014                                 | \$ 11,394        | \$ 485          | \$ | 11,879       |
| <b>Total</b>                         | 11,394           | 485             |    | 11,879       |
| <b>Total Governmental Activities</b> | \$ 11,394        | \$ 485          | \$ | 11,879       |

**TOWN OF MOUNT CARMEL, TENNESSEE  
SCHEDULE OF DEBT SERVICE REQUIREMENTS  
BUSINESS-TYPE ACTIVITIES**

**June 30, 2013**

|                                       | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|---------------------------------------|---------------------|-------------------|---------------------|
| <b>TLDA BONDS</b>                     |                     |                   |                     |
| Fiscal Year Ending June 30:           |                     |                   |                     |
| 2014                                  | 114,410             | 15,961            | 130,371             |
| 2015                                  | 116,518             | 13,853            | 130,371             |
| 2016                                  | 119,060             | 11,311            | 130,371             |
| 2017                                  | 121,658             | 8,713             | 130,371             |
| 2018                                  | 124,024             | 6,347             | 130,371             |
| 2019                                  | 127,025             | 3,346             | 130,371             |
| 2020                                  | 100,020             | 1,018             | 101,038             |
| <b>Total</b>                          | <b>822,715</b>      | <b>60,549</b>     | <b>883,264</b>      |
| <b>2003 REFUNDING SERIES</b>          |                     |                   |                     |
| Fiscal Year Ending June 30:           |                     |                   |                     |
| 2014                                  | 30,000              | 22,712            | 52,712              |
| 2015                                  | 30,000              | 21,512            | 51,512              |
| 2016                                  | 30,000              | 20,312            | 50,312              |
| 2017                                  | 35,000              | 19,112            | 54,112              |
| 2018                                  | 35,000              | 17,712            | 52,712              |
| 2019                                  | 35,000              | 16,312            | 51,312              |
| 2020                                  | 35,000              | 14,912            | 49,912              |
| 2021                                  | 40,000              | 13,425            | 53,425              |
| 2022                                  | 40,000              | 11,725            | 51,725              |
| 2023                                  | 40,000              | 10,025            | 50,025              |
| 2024                                  | 45,000              | 8,325             | 53,325              |
| 2025                                  | 45,000              | 6,300             | 51,300              |
| 2026                                  | 45,000              | 4,276             | 49,276              |
| 2027                                  | 50,000              | 2,250             | 52,250              |
| <b>Total</b>                          | <b>535,000</b>      | <b>188,910</b>    | <b>723,910</b>      |
| <b>CAPITAL OUTLAY NOTE</b>            |                     |                   |                     |
| Fiscal Year Ending June 30:           |                     |                   |                     |
| 2014                                  | 14,811              | 1,289             | 16,100              |
| 2015                                  | 15,568              | 662               | 16,230              |
| <b>Total</b>                          | <b>30,379</b>       | <b>1,951</b>      | <b>32,330</b>       |
| <b>CAPITAL OUTLAY NOTE</b>            |                     |                   |                     |
| Fiscal Year Ending June 30:           |                     |                   |                     |
| 2014                                  | 10,736              | 687               | 11,423              |
| 2015                                  | 10,961              | 230               | 11,191              |
| <b>Total</b>                          | <b>21,697</b>       | <b>917</b>        | <b>22,614</b>       |
| <b>Total Business-Type Activities</b> | <b>\$ 1,409,791</b> | <b>\$ 252,327</b> | <b>\$ 1,662,118</b> |

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**SCHEDULE OF PROPERTY TAXES RECEIVABLE**  
**GENERAL FUND**  
**For the Year Ended June 30, 2013**

| <b>Year of Levy</b> | <b>Balance 7/1/12</b> | <b>Additions</b>    | <b>Adjustments/<br/>Collections</b> | <b>Balance<br/>6/30/13</b> |
|---------------------|-----------------------|---------------------|-------------------------------------|----------------------------|
| 2013                | \$ -                  | \$ 1,098,061        | \$ -                                | \$ 1,098,061               |
| 2012                | 1,091,653             | 1,392               | 1,046,513                           | 46,532                     |
| 2011                | 49,348                | -                   | 31,970                              | 17,378                     |
| 2010                | 19,811                | -                   | 11,214                              | 8,597                      |
| 2009                | 4,298                 | -                   | 3,863                               | 435                        |
| 2008                | 396                   | 1,528               | 1,924                               | -                          |
| 2007                | 2,564                 | -                   | 1,508                               | 1,056                      |
| 2006                | -                     | 943                 | 943                                 | -                          |
| 2005                | 1,324                 | -                   | 870                                 | 454                        |
| 2004                | 3,073                 | -                   | 870                                 | 2,203                      |
| 2003                | 1,622                 | 463                 | 1,290                               | 795                        |
|                     | <b>\$ 1,174,089</b>   | <b>\$ 1,102,387</b> | <b>\$ 1,100,965</b>                 | <b>\$ 1,175,511</b>        |

The 2013 tax notices become a lien in the state of Tennessee on January 1st of each year. The notices are due from October 1, 2013 through February 28, 2014. The total amount is reflected as deferred inflows of resources on the governmental fund balance sheet as of June 30, 2013, while only the 2013 taxes are reflected at deferred inflows of resources on the government-wide statement of net position.

Note: These taxes upon delinquency are turned over to the Chancery Court one year after becoming delinquent.

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**SCHEDULE OF TAX RATES & ASSESSMENTS**  
**For the Year Ended June 30, 2013**

| <b>Calendar Tax Year</b> | <b>Assessed Valuation</b> | <b>Tax Rate Per \$100</b> |
|--------------------------|---------------------------|---------------------------|
| 2013                     | 79,567,351                | 1.38                      |
| 2012                     | 75,481,644                | 1.38                      |
| 2011                     | 75,723,284                | 1.38 *                    |
| 2010                     | 67,303,092                | 1.72                      |
| 2009                     | 66,338,069                | 1.37                      |
| 2008                     | 65,063,639                | 1.37                      |
| 2007                     | 63,618,750                | 1.37                      |
| 2006                     | 62,309,455                | 1.15                      |
| 2005                     | 50,928,989                | 1.37                      |
| 2004                     | 49,217,549                | 1.37                      |
| 2003                     | 48,514,073                | 1.37                      |
| 2002                     | 47,578,283                | 1.27                      |
| 2001                     | 46,050,846                | 1.27                      |
| 2000                     | 35,995,220                | 1.58                      |
| 1999                     | 33,938,808                | 1.58                      |
| 1998                     | 32,446,222                | 1.58                      |

\* Reappraisal year

TOWN OF MOUNT CARMEL, TENNESSEE  
SCHEDULE OF INSURANCE IN FORCE  
June 30, 2013

**COVERAGE:**

TMI Policy # 5-58-15 Period 7/1/12 to 7/1/13

General Liability/Law Enforcement Liability/Errors/Omissions Liability/Auto Liability

- \$300,000 per person for bodily injury or personal injury as limited by the Tort Liability Act.
- \$700,000 per occurrence for bodily injury or personal injury as limited by the Tort Liability Act.
- \$100,000 per occurrence for property damage as limited by the Tort Liability Act.
- \$1,000,000 per occurrence for each other loss.
- \$1,000,000 per person or per occurrence for catastrophic medical expenses excess of bodily injury.
- \$1,000 per person and \$10,000 per accident for medical payments.
- \$85,000 per occurrence for fire damage.
- \$50,000 per occurrence for non-monetary defense costs.
- Errors/Omissions: \$1,000,000 per occurrence; \$100,000 per occurrence for non-monetary defense costs.
- Deductibles - Errors/Omissions: \$2,500 per occurrence, auto physical damage comprehensive and collision \$1,000 per occurrence.

**PROPERTY COVERAGE:**

TMI Policy # 5-58-15 Period 7/1/12 to 7/1/13

- Blanket Limit Per Occurrence- \$6,541,802
- Building & Personal Property- \$5,956,970
- EDP Equipment - \$202,430
- Mobile Equipment - \$382,402
- Automatic Coverage for Flood, Earthquake, Demolition, and Pollution Clean-up with coverages ranging from \$50,000 to \$1,500,000.
- Employee Dishonesty - \$150,000 per loss including same for forgery, theft, and computer fraud.

**WORKERS COMPENSATION COVERAGE:**

TMI Policy # 5-58-15 Period 7/1/12 to 7/1/13

- Limits - \$300,000 per accident/\$700,000 by disease/\$300,000 each employee by disease.

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**SCHEDULE OF UTILITY RATES IN FORCE & CUSTOMERS**  
**For the Year Ended June 30, 2013**

**SEWER RATES**

|                           |                      |
|---------------------------|----------------------|
| Minimum Bill              | \$25.00/month        |
| Excess Over 2,000 Gallons | \$5.25/1,000 gallons |

Note: Sewer usage based on 90% of water usage

|   |              |
|---|--------------|
| <b>Total number of customers at year end:</b> | <b>1,940</b> |
|---|--------------|

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**SCHEDULE OF CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL ACTIVITIES**  
**For the Year Ended June 30, 2013**

| Function           | Construction in<br>Progress &<br>Land | Buildings &<br>Improvements | Machinery,<br>Equipment,<br>Vehicles | Library<br>Collection | Infrastructure      | Total               |
|--------------------|---------------------------------------|-----------------------------|--------------------------------------|-----------------------|---------------------|---------------------|
| General Government | \$ 42,927                             | \$ 331,989                  | \$ 87,771                            | \$ -                  | \$ -                | \$ 462,687          |
| Police & Fire      | -                                     | 128,862                     | 1,021,002                            | -                     | -                   | 1,149,864           |
| Highways/Streets   | 27,000                                | 22,900                      | 566,578                              | -                     | 3,875,923           | 4,492,401           |
| Sanitation         | -                                     | -                           | 49,849                               | -                     | -                   | 49,849              |
| Culture/Recreation | 41,000                                | 57,203                      | -                                    | -                     | 31,230              | 129,433             |
| Animal Control     | -                                     | 27,190                      | -                                    | -                     | -                   | 27,190              |
| Library            | -                                     | 23,500                      | -                                    | 115,205               | -                   | 138,705             |
| <b>Total</b>       | <b>\$ 110,927</b>                     | <b>\$ 591,644</b>           | <b>\$ 1,725,200</b>                  | <b>\$ 115,205</b>     | <b>\$ 3,907,153</b> | <b>\$ 6,450,129</b> |

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS & STATE FINANCIAL ASSISTANCE**  
**For the Year Ended June 30, 2013**

Assistance Programs as Identified in the  
Catalog of Federal Domestic Assistance

| Grantor Agency  | CFDA # | Agency or Pass-<br>Through Number | *<br>Balance<br>7/1/12 | Receipts          | Federal<br>Expenditures | **<br>Refunds To<br>Gov't | *<br>Balance<br>6/30/13 |
|---|--------|-----------------------------------|------------------------|-------------------|-------------------------|---------------------------|-------------------------|
| <b>Federal Highway Administration</b>   |        |                                   |                        |                   |                         |                           |                         |
| <b>Pass-Through Tennessee Department of<br/>Transportation Governor's Highway Safety Office</b> |        |                                   |                        |                   |                         |                           |                         |
| State & Community Highway Safety Grant  | 20.607 | 154AL-12-87                       | \$ (5,672)             | \$ 10,125         | \$ 4,453                | \$ -                      | \$ -                    |
| State & Community Highway Safety Grant  | 20.607 | 154AL-12-88                       | (7,363)                | 9,580             | 2,217                   | -                         | -                       |
| State & Community Highway Safety Grant  | 20.607 | 154AL-13-167                      | -                      | 4,999             | 4,999                   | -                         | -                       |
| State & Community Highway Safety Grant  | 20.607 | 154AL-13-166                      | -                      | 2,975             | 9,277                   | -                         | (6,302)                 |
|   | 20.600 | PT-13-46                          | -                      | 6,214             | 7,857                   | -                         | (1,643)                 |
| <b>Total Federal Highway Administration</b>   |        |                                   | <b>(13,035)</b>        | <b>33,893</b>     | <b>28,803</b>           | <b>-</b>                  | <b>(7,945)</b>          |
| <b>Housing &amp; Urban Development</b>  |        |                                   |                        |                   |                         |                           |                         |
| <b>Pass-Through State of Tennessee Department of Economic &amp;<br/>Community Development</b>   |        |                                   |                        |                   |                         |                           |                         |
| Community Development Block Grant   | 14.228 | 33124                             | -                      | 156,656           | 189,061                 | -                         | (32,405)                |
| <b>Department of Agriculture</b>  |        |                                   |                        |                   |                         |                           |                         |
| <b>Pass-Through State of Tennessee</b>  |        |                                   |                        |                   |                         |                           |                         |
| Community Facilities  | 10.766 | 48-037                            | -                      | 1,427             | 491                     | 936                       | -                       |
| Volunteer Fire Assistance   |        |                                   | -                      | 2,952             | 2,952                   | -                         | -                       |
| <b>Total Federal Awards</b>   |        |                                   | <b>\$ (13,035)</b>     | <b>\$ 194,928</b> | <b>\$ 221,307</b>       | <b>\$ 936</b>             | <b>\$ (40,350)</b>      |
| <b>State Financial Assistance</b>   |        |                                   |                        |                   |                         |                           |                         |
| Tennessee State Library & Archives-Rural Library Laptop Labs                                    |        | N/A                               | 4,948                  | -                 | -                       | 4,948                     | -                       |
| <b>Total State Financial Assistance</b>   |        |                                   | <b>\$ 4,948</b>        | <b>\$ -</b>       | <b>\$ -</b>             | <b>\$ 4,948</b>           | <b>\$ -</b>             |

\* Represents balance due from grantor if a negative amount.

\*\* Grant fund refunded as grant period expired and funds were not spent.

Note: The schedule of federal awards and state financial assistance includes the grant activity of the Town of Mount Carmel and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133; therefore, some amounts in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**DAVID M. ELLIS**

*Certified Public Accountant*

*Member, American Institute of  
Certified Public Accountants*

*Member, Tennessee Society of  
Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Mayor and Aldermen  
Town of Mount Carmel, Tennessee

I have audited, 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, the financial statements of the governmental activities and each major fund of the Town of Mount Carmel, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town of Mount Carmel's basic financial statements, and have issued my report thereon dated February 21, 2014.

**Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Town of Mount Carmel's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Mount Carmel's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town of Mount Carmel'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.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Town of Mount Carmel, Tennessee's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying findings, recommendations and update to prior findings as items 13.01 and 13.02.

### **Town of Mount Carmel, Tennessee's Response to Findings**

Town of Mount Carmel, Tennessee's response to the findings identified in my audit is described in the accompanying findings, recommendations and update to prior findings. Town of Mount Carmel, Tennessee's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

### **Purpose of this Report**

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



David M. Ellis, CPA  
Greeneville, Tennessee  
February 21, 2014

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**FINDINGS, RECOMMENDATIONS AND UPDATE TO PRIOR FINDINGS**  
**For the Year Ended June 30, 2013**

**PRIOR YEAR FINDINGS**

No prior year findings were noted.

**CURRENT YEAR FINDING**

**FINDING 13.01 – POTENTIAL VIOLATION OF TRAFFIC CITATION STATUTE**

*Condition:* Past employees of the municipality have stated that they were questioned, pressured, and had their continued employment threatened regarding the number (dollar amount) of traffic citations issued.

*Criteria:* Tennessee Code Section 39-16-516 Section (a) states: A political subdivision or any agency of this state may not establish or maintain, formally or informally, a plan to evaluate, promote, compensate, or discipline a law enforcement officer solely by the issuance of a predetermined or specified number of any type or combination of types of traffic citations.

*Effect:* The Town is potentially in violation of the above referenced code.

*Recommendation:* Any discussion of quotas, monetary goals, etc. necessary for officer advancement or retention should be avoided.

*Management's Comments:* Management concurs.

**FINDING 13.02 – VIOLATION OF PURCHASING AUTHORITY**

*Condition:* At the September, 2013 board meeting the Board of Mayor and Aldermen approved a bid to purchase specific fire equipment. The actual purchase however, consisted of different items not previously approved.

*Criteria:* Municipal Technical Advisory Services legal consultants have stated that staff members charged with executing the orders of the Board of Mayor and Aldermen have no authority to alter those orders without additional appropriate approval.

*Effect:* The Town is potentially in violation of State purchasing statutes.

*Recommendation:* Actual purchases should match items, quantities and amounts contained in approved bids.

*Management's Comments:* Management concurs.





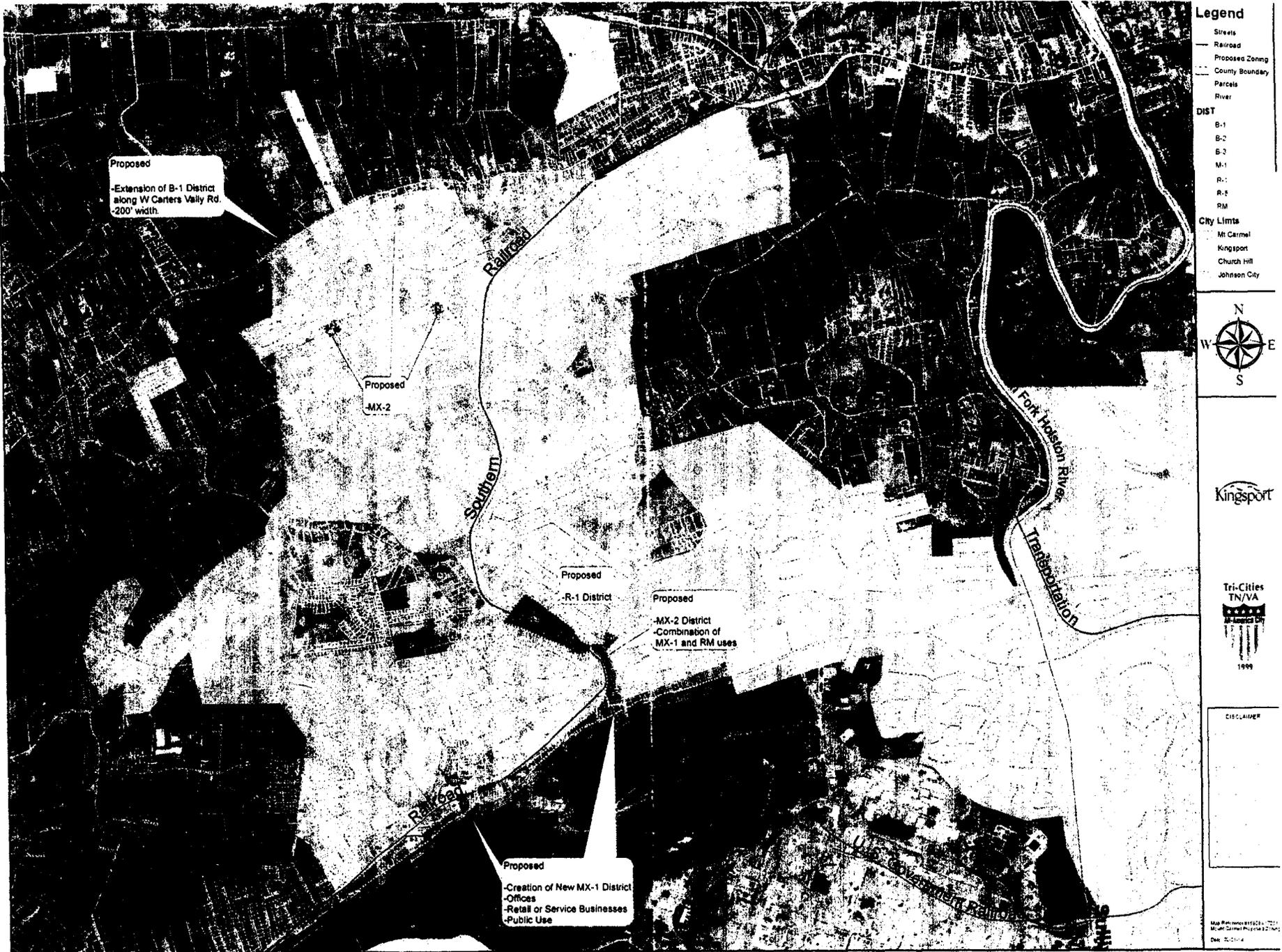


# THE TOWN OF Mount Carmel

Bid Tabulation: Town of Mount Carmel  
 Project: FY 2014 Library Floor Bid  
 Budgeted Amount: \$7,500  
 Date of Opening: February 20, 2014  
 Time: 3:00 p.m.

| BIDDER   | ITEM SPECIFICATIONS  | BID PRICE                            |  |
|--|--|--------------------------------------|--|
| Clyde's Carpet<br>Clyde Owens<br>438 East Street<br>Church Hill, TN 37642<br>423-357-0427<br><br><b>BID ACCEPTED BY THE<br/>           BOARD OF MAYOR AND<br/>           ALDERMEN<br/>           2-25-2014</b> | Manufacturer: Brokering Solutions 1300 sq ft<br>Product No: 3912<br>Color: Wheat 6" x 36" planks<br>Designer Choice Luxury 4MM Vinyl Plank Flooring<br>Labor to Install Uniclic Floating per Manufacturer's Instructions | \$3,900.00<br><br><br><br>\$1,856.00 |  |
|  | Removal and Disposal of Existing Carpet – 155 sq yards<br>Removal and Replacement of Furnishings<br>Install and/or replace Trim and/or Molding   | \$200.00<br>\$200.00<br>\$367.00     |  |
|  | Molding/Trim - 3/4" Quarter Round  | \$153.00                             |  |
|  | WARRANTY: 7 years flooring and 2 years labor warranty  |                                      |  |
|  | TOTAL  | <b>\$6,676.00*</b>                   |  |
|  |  |                                      |  |
| Gene's House of Carpets<br>Dennis Clay Minton<br>140 King's Mountain Drive<br>Church Hill, TN 37642<br>423-357-8630  | Manufacturer: Brokering Solutions 1300 sq ft<br>Product No: 3912<br>Color: Wheat 6" x 36" planks<br>Designer Choice Luxury 4MM Vinyl Plank Flooring<br>Labor to Install Uniclic Floating per Manufacturer's Instructions | \$3,538.00<br><br><br><br>\$2,600.00 |  |
|  | Removal and Disposal of Existing Carpet – 155 sq yards<br>Removal and Replacement of Furnishings<br>Install and/or replace Trim and/or Molding   | \$200.00<br>\$400.00<br>\$367.00     |  |
|  | WARRANTY: 7 years flooring and 1 year labor warranty   |                                      |  |
|  | TOTAL  | <b>\$7,114.00</b>                    |  |
|  |  |                                      |  |
|  |  |                                      |  |

**\*NOTE: ADDING ERROR ON FIRST SHEET**



Proposed  
 -Extension of B-1 District  
 along W Carters Vally Rd.  
 -200' width.

Proposed  
 -MX-2

Proposed  
 -R-1 District

Proposed  
 -MX-2 District  
 -Combination of  
 MX-1 and RM uses

Proposed  
 -Creation of New MX-1 District  
 -Offices  
 -Retail or Service Businesses  
 -Public Use

- Legend**
- Streets
  - Railroad
  - Proposed Zoning
  - County Boundary
  - Parcels
  - River
- DIST**
- B-1
  - B-2
  - B-3
  - M-1
  - R-1
  - R-2
  - RM
- City Limits**
- Mt Carmel
  - Kingsport
  - Church Hill
  - Johnson City



Kingsport



DISCLAIMER

Map Reference #19523-1-2011  
 Mount Carmel Planning #2011-01  
 Date: 5/20/11

**Mount Carmel Zoning**

## RESOLUTION NO. 14-513

### A RESOLUTION ESTABLISHING A CREDIT CARD POLICY FOR THE TOWN OF MOUNT CARMEL, TENNESSEE.

**WHEREAS**, there are occasions during the transaction of Town business where using a Town credit card more easily facilitates business; and

**WHEREAS**, having a credit card requires certain safeguards and restrictions to prevent misuse; and

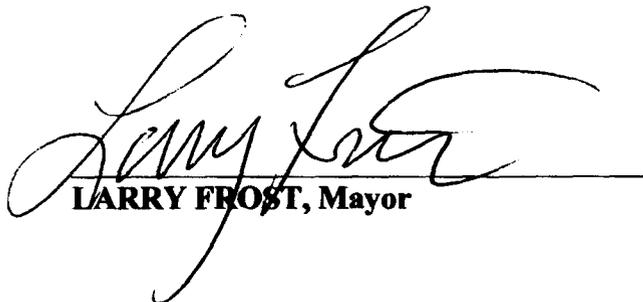
**WHEREAS**, the public health and welfare require it;

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Mayor and Aldermen of the Town of Mount Carmel as follows:

**SECTION I.** That the attached "Credit Card Policy" is adopted by the Board of Mayor and Aldermen of the Town of Mount Carmel.

**THIS** Resolution shall become effective immediately, the public welfare demanding it.

**ADOPTED** this the 25th day of February, 2014.

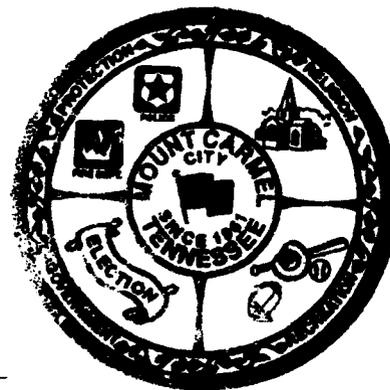
  
LARRY FROST, Mayor

**ATTEST:**

  
MARIAN SANDIDGE, Recorder

APPROVED AS TO FORM:

  
C. CHRISTOPHER RAINES, JR., Attorney



| FIRST READING             | AYES     | NAYS     | OTHER    |
|---------------------------|----------|----------|----------|
| Alderman Eugene Christian | X        |          |          |
| Alderman Wanda Davidson   | X        |          |          |
| Alderman Leann DeBord     |          |          | absent   |
| Alderman Frances Frost    | X        |          |          |
| Alderman Carl Wolfe       | X        |          |          |
| Vice-Mayor Paul Hale      | X        |          |          |
| Mayor Larry Frost         | X        |          |          |
| <b>TOTALS</b>             | <b>6</b> | <b>0</b> | <b>1</b> |

PASSED FIRST READING: February 28, 2014

# **TOWN OF MOUNT CARMEL CREDIT CARD POLICY**

## **A WRITTEN POLICY GOVERNING PURCHASES AND THE CONTROL AND USE OF CREDIT CARDS**

**POLICY:** The purpose of credit cards is principally for use in the purchase of lodging, transportation and travel expenses, and registration costs pertaining to training sessions for Town employees and elected officials. Credit cards may be used for other authorized purchases when all other methods of procurement have been exhausted or when it is the only acceptable form of payment by the vendor. Credit card purchases are intended to be small in scope and of a "non-capital" nature and shall not exceed limits established in the Town's Purchasing Procedure Manual. This policy may be amended from time to time by the Board of Mayor and Aldermen.

The Finance Director is responsible for issuing, accounting for, monitoring, retrieving and generally overseeing compliance with the Town of Mount Carmel's Credit Card Policy. Credit cards and the credit card log will be stored in a secure location.

All purchases by Town employees must be approved by their department head. Purchases by Town officials other than the Mayor must be approved by the Mayor.

### **I. Use of Credit Card**

- A. The Cardholder must sign out the credit card by filling out the credit card log located at City Hall.
- B. The Cardholder must provide the purpose for use of the credit card, who will be making the charges, the vendor's name and purchase total if known, and the date(s) of purchase, in accordance with the Town of Mount Carmel's Purchasing Procedure Manual.
- C. The Cardholder is responsible for the credit card and all purchases made while in his/her possession.
- D. Only authorized Town personnel and officials can use the credit card.
- E. The Cardholder shall take all necessary precautions to keep the card and card number in a secure location.
- F. The credit card is to be used for Town purchases only.
- G. The Cardholder must be able to justify that the use of the credit card was necessary and for an official Town business purpose.
- H. Use of the credit card should be restricted to costs of training such as registration fees, lodging, and travel expenses (gas and meals).
- I. The credit card should only be used for purchase of materials if other methods of payment are not feasible or not accepted by the vendor.
- J. The Cardholder's department is responsible for all documented charges incurred on the Credit card including service fees and finance charges.
- K. Questions regarding the Credit card accounts and procedures should be directed to the Finance Director.
- L. The Cardholder must return the credit card to the Finance Director immediately after use and record date and time of return on the credit card log.

### **II. Cardholder Limits**

- A. Town employees and officials may be Cardholders in accordance with this policy.
- B. The maximum dollar amount for a single purchase shall not exceed \$200 without written authorization from the mayor as stated in the Town's Purchasing Procedure Manual.

- C. The Finance Director will maintain a list of credit cards owned by the Town including established credit limits and expiration dates.
- D. Established credit card limits will be reviewed periodically by the Finance Director and increased or decreased, if deemed necessary, upon written approval by the Mayor.

**III. Documentation**

- A. Documentation must be retained as a proof of purchase any time a purchase is made using the credit card.
- B. Purchase Orders must be filled out completely in accordance with the Town's Purchasing Procedure Manual prior to all purchases.
- C. Documentation showing a purchase total only is not acceptable. Receipts must show exactly what was purchased in detail and the price for each item.
- D. The Cardholder must sign receipts whenever possible.
- E. If a receipt has charges for more than one Town employee or official, the charges must be clearly identified with each individual's name.
- F. If, for any reason, documentation for a transaction is not available from the vendor, the cardholder must complete a "Missing Receipt Affidavit" and submit it to the Finance Department for review. This is not an acceptable routine practice and will be monitored closely.

**IV. Card Restrictions**

- A. The following uses of a Credit card are strictly prohibited:
  - 1. Cash Advances.
  - 2. Personal purchases. A Cardholder may not charge any personal items on the Town Credit card.
  - 3. Alcoholic Beverage purchases.
  - 4. Entertainment of any kind that is illicit or pornographic.
- B. The Cardholder shall comply with any applicable departmental restrictions on usage.
- C. The Cardholder shall not violate the Town's Purchasing Policy, when using the Town credit card.

**V. Reconciliation and Payment**

- A. The Cardholder must submit a supporting documentation to the Financial Director within three (3) days of usage.
- B. All Purchase Orders must be completed fully and signed by the employee and/or the department head and the Mayor, if necessary prior to the purchase.
- C. The Finance Director will reconcile the monthly billing statement and verify that documentation has been submitted for all charges.
- D. Payment will be made promptly before the due date to avoid service or finance charges.
- E. The Finance Director will research any discrepancies and contact the appropriate employee and/or department head.
- F. Any employee not responding promptly to the request for information from the Finance Director delays the timely monthly payment of the Credit Card Account. Said employee may be assessed the finance charges imposed by the issuing financial institution.

**VI. Disputes**

A disputed item could result from numerous circumstances including defective purchases and unauthorized use. The proceeding steps should be taken when an item is being disputed:

- A. Whenever possible, return item(s) to Vendor for replacement or credit.

- B. If Vendor refuses to replace the item(s) or credit the account, complete the "Statement of Disputed Item" form.
- C. If unauthorized charges occur, complete the "Statement of Disputed Item" form.
- D. Contact the Finance Director who will contact Customer Service or send written correspondence to the Credit Card Company within thirty (30) days.
- E. Forward a copy of the "Statement of Disputed Item" form to the Finance Director.

**VII. Lost or Stolen Cards**

Should any Cardholder lose, suspect of having lost or have their Credit Card stolen, it is their responsibility to immediately notify the Finance Director of the loss.

**VIII. Termination/Resigning Employees**

- A. Credit cards, any receipts, and any other related forms are to be returned to the Town immediately upon ending employment with the Town.
- B. Elected City Official(s) must return the credit card to the Finance Director after each purchase along with any receipts, and any other related forms as required by the Town's Purchasing Procedure Manual.

**IX. Policy Violations**

Failure to follow this policy may result in loss of Cardholder privileges and, for employees, may result in disciplinary action, including termination of employment or legal action

**TOWN OF MOUNT CARMEL**  
**MISSING RECEIPT AFFIDAVIT**

I, \_\_\_\_\_ have either misplaced or not received a receipt for a card purchase.

This form is submitted in lieu of the original receipt.

Vendor Name: \_\_\_\_\_

Transaction Date: \_\_\_\_\_ Amount: \$ \_\_\_\_\_

Items Purchased: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I certify that the goods shown above were purchased for the Town of Mount Carmel's operating purposes as outlined in the policies and procedures for card use.

Cardholder signature: \_\_\_\_\_ Date: \_\_\_\_\_

Department Head: \_\_\_\_\_ Date: \_\_\_\_\_

**Town of Mount Carmel  
CREDIT CARD USER AGREEMENT**

I have received the Town of Mount Carmel Credit Card Policy. I understand the procedures and requirements for using the credit card and for providing the required documentation for each transaction made on these cards.

I understand that any violation of the terms of this agreement may result in disciplinary action, up to and including termination of employment. I understand that where allowed by State and Federal law the Town may deduct from my compensation the money amount equal to the total of any discrepancies, of the total amount of any personal gain, and/or of any fees related to the collection of such money. I understand that the Town may elect to collect this money and make also recover the reasonable costs of said collection, even if the Town no longer employs me.

\_\_\_\_\_  
**Employee/Official Name (print)**

\_\_\_\_\_  
**Department**

\_\_\_\_\_  
**Employee/Official Signature**

\_\_\_\_\_  
**Date**

**Town of Mount Carmel  
Credit Card  
Statement of Disputed Item**

Instructions: You should first make a good-faith effort to settle a claim or disputed charge directly with the vendor. If unable to resolve the dispute with the vendor, complete this form and fax to the Credit Card Issuer. Forward a copy of this statement to the Finance Division if you are not satisfied with the results of the Credit Card Issuer.

Send form to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Cardholder Name: \_\_\_\_\_ Account Number: \_\_\_\_\_

This charge appears on our statement (billing close date): \_\_\_\_\_

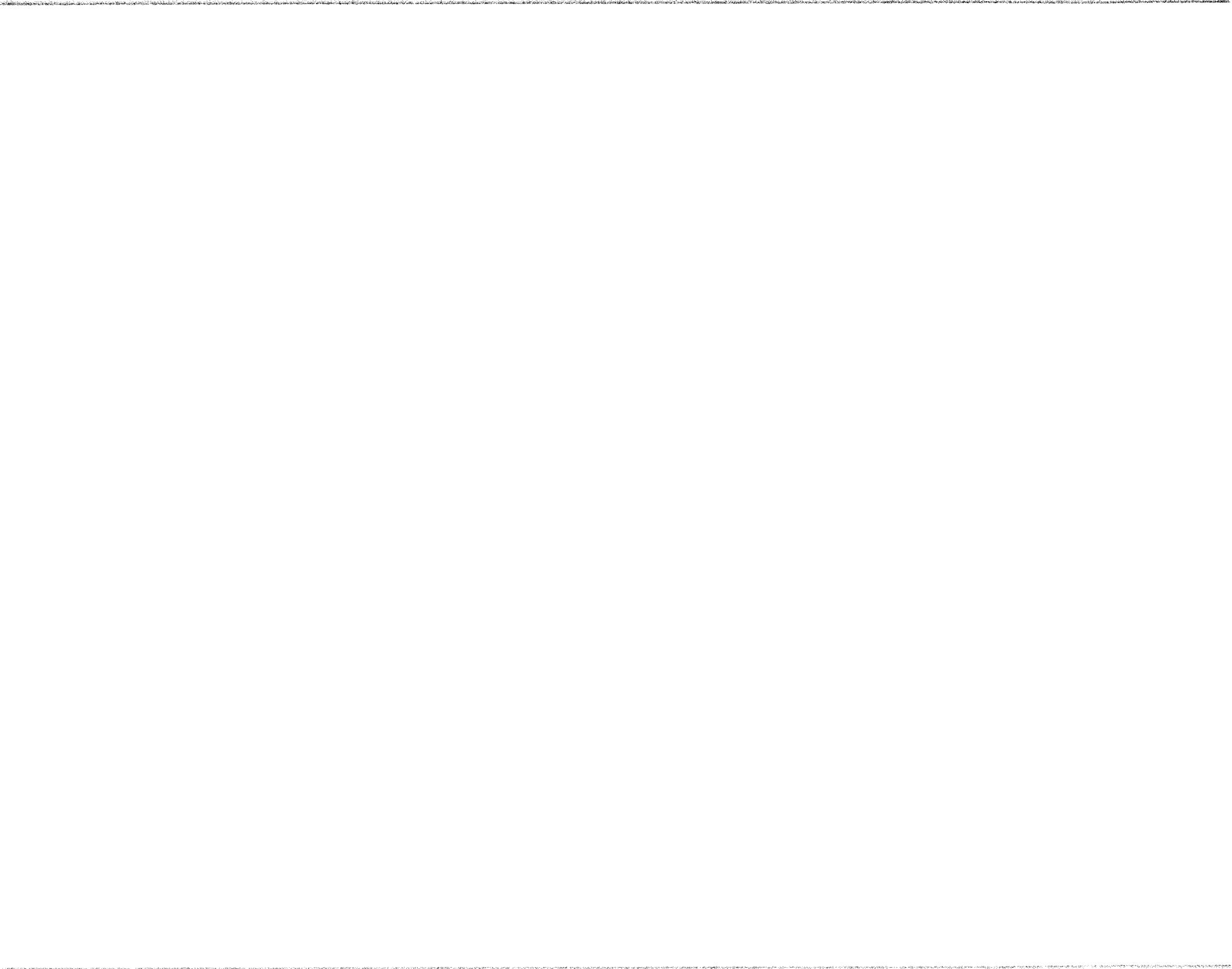
Transaction Date: \_\_\_\_\_ Reference Number: \_\_\_\_\_

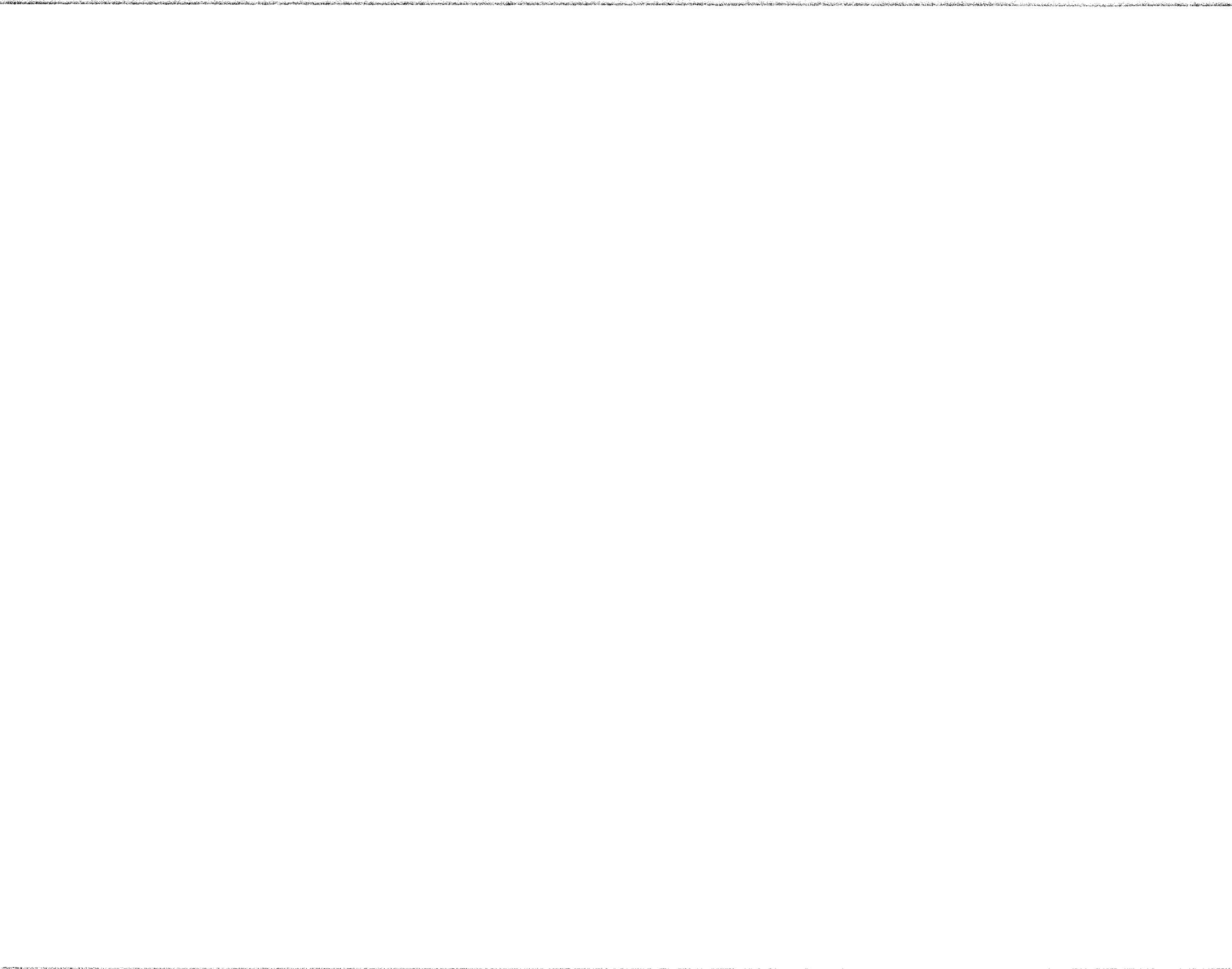
Vendor Name: \_\_\_\_\_

Posted Amount: \_\_\_\_\_ Disputed Amount: \_\_\_\_\_

**Please check only one of the following:**

- Unauthorized Transaction**  
I did not authorize, nor did I authorize anyone else to engage in this transaction. No goods or services represented by the above charge were received by me or anyone I authorized. My credit card was in my possession at the time of the transaction.
  
- Charge amount does not agree with the order authorizing the charge**  
The amount entered on the sales receipt was changed from \$\_\_\_\_\_ to \$\_\_\_\_\_.  
I have enclosed a copy of the unaltered sales receipt.
  
- Merchandise or Services Not Received**  
I have not received the merchandise or services represented by the above transaction. The expected delivery date or services was \_\_\_\_\_. (On city letterhead, please describe any attempts to resolve this matter with the vendor, the date(s) you contacted them and their response.)
  
- Disputed Transaction**  
I did engage in the above transaction, which I am now disputing. I have contacted the vendor, but I have been unable to return the merchandise and /or I have been unsuccessful in reaching an acceptable resolution with them. (On letterhead, please describe your attempt to resolve this matter with the vendor, the date(s) you contacted them and their response.)





**Double or Multiple Charges**

My credit card account has been doubled charged. The first charged appeared on the \_\_\_\_\_ (date) billing statement.

**Defective or Wrong Merchandise**

I returned the merchandise on \_\_\_\_\_ because it was: (check one)

\_\_\_\_ defective \_\_\_\_ wrong size \_\_\_\_ wrong color \_\_\_\_ wrong  
quantity

(Please enclose proof of return)

Other (Explain): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
**Cardholder**

\_\_\_\_\_  
**Date**

**THE TOWN OF**

**MOUNT CARMEL**

**100 East Main Street • P.O. Box 1421 • Mount Carmel, Tennessee  
37645  
(423) 357-7311**

**PURCHASING PROCEDURE MANUAL**

**PURCHASING PROCEDURE MANUAL**

## I. INTRODUCTION

- 1.1 **PURPOSE OF MANUAL:** This Manual is intended primarily to serve as a policy for the procurement of materials, supplies, equipment and services for the Town of Mount Carmel. It is to be referred to by all departments during the purchasing process.
- 1.2 **CONTENTS OF MANUAL:** The procedures and policies to be followed when engaging in any facet of the procurement process are found in this Manual. Should any situation arise which is not covered in the following pages, it shall be dealt with as good business practices warrant. However, approval of the Town Administrator should be obtained in non-covered circumstances.
- 1.3 **REVISIONS:** From time to time, there may be revisions and/or additions to this Manual, subject to the approval of the Board of Mayor and Aldermen. Check to see that you are following the latest edition.

## II. CODE OF ETHICS

- 2.1 Every person engaged in procurement for the Town of Mount Carmel shall act to procure equipment, materials, supplies, and services at the lowest price, in a timely manner, in the proper quality, quantity, and reliability to meet the demands of the Town.
- 2.2 Town employees and members of their family shall not accept or solicit gifts or gratuities offered because of the employee's duties, functions or responsibilities as an employee of the Town. This does not pertain to gifts of a general commercial advertising nature having a small value (less than \$10.00) or to food and drink consumed by the employee at the time of receipt at an appropriate social or Town business occasion. (See Mount Carmel Municipal Code §4-201 and §4-206.)
- 2.3 No employee or agent of the Town of Mount Carmel shall participate in any procurement decision which affects his/her personal financial interest or the interest of his/her immediate family or of any corporation, partnership, or association of which he/she is a partner, member, creator, or stockholder. (See Mount Carmel Municipal Code §4-201 and §4-206.)
- 2.4 No contractor, vendor, or potential contractor or vendor shall bribe, coerce, or attempt to bribe, coerce, or otherwise improperly influence an employee or agent of the Town of Mount Carmel. Any attempt to do so must be reported to the Town Administrator.

## III. PURCHASE ORDERS

- 3.1 a. **REQUISITION/PURCHASE FORM:** The Requisition/Purchase Order form is to be completed by the department wishing to purchase supplies, material, or equipment. It authorizes procurement of these items and charges them against the appropriate designated account. It is also a statement that the items being requested are necessary for the proper operation of the Town of Mount Carmel and the funds for these items are appropriated in the current budget. Once the Requisition/Purchase Order is completed and has an authorized signature, it is then sent or delivered to the vendor. A Requisition/Purchase Order is required from all departments when ordering materials, supplies, and equipment from vendors except for the following instances:

regular lease purchase payments, monthly utility billings, routine fund transfers, bonding transfers, insurance premiums, intergovernmental transfers, monthly service contracts, (e.g., copier, computers, waste collection, professional services, etc.)

- b. **AUTHORIZED SIGNATURE.** The Requisition/Purchase Order form must bear the signature of the Town Administrator, or his designee(s). Exceptions are made for purchases under \$200.00 and for emergency purchase orders. Emergency is defined as a situation where lives and/or property are at stake.

### 3.2 WHEN PREPARING ALL REQUISITION/PURCHASE ORDER FORMS DEPARTMENT HEADS SHOULD INCLUDE:

- a. **Requisition date and requesting department;**
- b. **Requested by:** insert name of person making the request;
- c. **Quantity:** the amount or number of materials or supplies to be ordered;

- d. Name and address: of the vendor if possible;
- e. Description: this column should clearly state the description of the item(s) desired. Any information such as model number, type, or catalog number, brand name, color if required, etc. should be included. It is important that all items be described as completely as possible so that there is no confusion when ordering merchandise;
- f. Account number: insert the proper account number (fund, department, line item to which the merchandise is to be charged). **Double check to make sure the account number is correct, that funds were budgeted, and that the budgeted funds are still available.** (This is especially important in the final quarter of each fiscal year.)
- g. Unit price and amount: provide an estimated cost for the merchandise. The requisition must include (at a minimum) an estimated price.

3.3 The Requisition/Purchase Order form is to be completed in quadruplicate. The requesting department receives the yellow copy, the white copy is sent to the vendor, and the pink and gold copies are returned to the Account Payable Department. Accounts Payable will attach invoices to the pink copy of the purchase order and prepare for payment including verification of the amount and the account number.

3.4 SMALL PURCHASE ORDERS. Department Heads are authorized to initiate purchases for \$200.00 or less depending on Town finances and/or department finances as determined by the Town Administrator. All conditions under 3.2 must be met. Open purchase orders are not permitted.

3.5 SPECIFICATION. Accounts Payable may request that the requesting department furnish specifications for its requirements. The determination of the quality and quantity of the goods to be purchased shall rest with the Department Head. In case of any disagreement, the Town Administrator shall have the authority to resolve the disagreement.

3.6 SOLE SOURCE SUPPLIES. When inquiry and investigation reveals there is only one source of procurement of supplies or materials, there need not be a formal bid, but the Requisition/Purchase Order form should be noted "**Sole Source**" and the Order should be signed by the Department Head or his designated representative directly under the notation. Purchases over \$1,000.00 must be reported to the Board of Mayor and Aldermen (See Mount Carmel Municipal Code §1-803(2).)

3.7 EMERGENCY PURCHASE. During emergency situations Purchase Orders for materials and supplies may be completed after-the-fact. The emergency procedure is not intended to, nor will it be allowed to, correct poor planning. (See Mount Carmel Municipal Code §1-803(3).) Purchases over \$1,000.00 must be reported to the Board of Mayor of Aldermen.

#### IV. RECEIVING

##### 4.0 RECEIVING OF SUPPLIES, MATERIALS, and EQUIPMENT:

- 4.0.1 Whenever possible, merchandise will be delivered to the department.
  - 4.0.2 When the merchandise is received, it will, in the case of complete shipments, be marked ALL GOODS RECEIVED, APPROVED TO PAY with signature and date on the packing slip. The packing slip copy of the Purchase Order will be sent to Accounts Payable.
  - 4.0.3 In the case of partial shipment, the pink copy will remain in the pending file until all merchandise has been received, or until the remainder of the order is cancelled, at which time both the pink copy of the Purchase Order and all of the invoices will be processed for payment.
  - 4.0.4 When merchandise is received for another department at City Hall, that department will be called. All merchandise must be picked up within two (2) working days of delivery.
- 4.1 VENDOR PAYMENT, INTERNAL ACCOUNTING PROCEDURES: Upon receipt of invoices, Accounts Payable will check the pending file for complete documentation. Accounts Payable will check for pricing errors, errors in the total, as well as the department and account number.

4.2 WHEN MERCHANDISE HAS NOT BEEN RECEIVED: The pending file will be researched before the issuance of any check for any invoices or receiving reports for which all of the paperwork is not in. When the unpaid

invoice remains in the pending file for thirty (30) days, Accounts Payable will research the matter. The same will hold true for merchandise received but not invoiced.

## V. SMALL PURCHASES

### 5.0 SMALL PURCHASES:

5.1 Application: The provisions of this Manual apply to the procurement of services, construction or items of tangible personal property having a value not exceeding Five Thousand Dollars (\$5,000.00). The methods of procurement set forth provide alternatives to the competitive bid and competitive proposal methods of procurement. If the procurement methods set forth in this Manual are not used, the competitive bid or competitive proposal methods shall apply.

5.2 Division of Requirements: Procurement requirements shall not be artificially divided so as to constitute a small purchase under this Section. (See Mount Carmel Municipal Code §1-803(1) and (4).)

### 5.3 Competition for Small Purchases between \$1,000.00 and \$5,000.00:

#### 5.3.1 Procedure:

a. Insofar as it is practical for small purchases of services, construction or items of tangible personal property having a value between One Thousand Dollars (\$1,000.00) and Five Thousand Dollars (\$5,000.00), the Department Head is required to contact at least three (3) vendors for written or oral offers before selecting a vendor.

b. Prior to award, the contents of any quotation *shall not be* disclosed to anyone.

c. Quotations from businesses may be obtained by telephone and written documentation of the business name, items, quotes, and dates must be attached to the Purchase Order before it is submitted to the purchasing agent. The purchasing agent shall disregard all quotations submitted by Department Heads whenever there is any indication that Subparagraph b., above, has been violated.

#### 5.3.2 Award:

Award shall be made to the vendor offering the lowest and best acceptable quotation. Whenever possible, purchase will be made from vendors from Mount Carmel, then Hawkins County, and then other areas.

#### 5.3.3 Records:

The names of the vendors submitting quotations, the date and the amount of each quotation shall be recorded and maintained as a public record. Department Heads shall be responsible for maintaining these records.

#### 5.3.4 Request for proposals and bids are subject to review by the Recorder:

The Recorder is responsible for compliance to purchasing regulations and State law. Therefore, the Recorder will be responsible for the distribution of all requests for sealed bids or proposals over Five Thousand Dollars (\$5,000.00). The Town Administrator shall be responsible for the final processing and the Department Heads are responsible for following this procedure.

## VI. PROFESSIONAL SERVICES

### 6.0 Procurement of Professional Services:

Application: The Town Administrator may procure professional services having a value not exceeding Twenty Thousand Dollars (\$20,000.00).

## VII. BIDS

7.1 When Competitive Sealed Bids or Written Invitations for Quotations are Required: Any purchase which exceeds Five Thousand Dollars (\$5,000.00) will require advertisement and competitive bids. (See Mount Carmel Municipal Code §1-803.)

7.2 Invitations for Sealed Bids or Written Quotes: The Recorder in consultation with the Town Administrator and the Town Attorney, shall approve all invitations for bid, which shall contain:

- 7.2.1 The specifications for the services, construction or items of tangible personal property to be procured;
  - 7.2.2 Contractual terms and condition applicable to the procurement;
  - 7.2.3 The location where bids or quotes are to be received; and
  - 7.2.4 Date, time, and place of the bid or quote opening.
- 7.3 Bidders: Any vendor requesting an invitation for a bid package shall, at the time of the request, provide to the purchasing officer its current mailing address.

### VIII. PROPOSALS

- 8.1 Competitive Sealed Proposals: Competitive sealed proposals may be used when:
- 8.1.1 Procuring professional services; or
  - 8.1.2 When the Town Administrator determines that the use of a competitive sealed proposal is advantageous to the municipality and the cost is expected to exceed Five Thousand Dollars (\$5,000.00).
- 8.2 The Competitive Sealed Proposal Method differs from competitive sealed bidding in three (3) important ways:
- 8.2.1 The proposal may or may not include price;
  - 8.2.2 It permits discussions with competing offers and changes in their proposals including price; and
  - 8.2.3 It allows comparative judgmental evaluations to be made when selecting among acceptable proposals for award of the contract.
- 8.3 Request for Proposals: Competitive sealed proposals are solicited through a request for proposals and shall include the same material that invitation for bids includes.
- 8.4 Receipt and Registration of Proposals: Proposals may be opened publicly or may be opened in the presence of one or more witnesses. Proposals should be held in a secure place until the established due date and time. Proposals shall not be open to public inspection until after award of the contract.

### IX. GENERAL POLICIES

- 9.1 Public Notice: The request for proposals or competitive sealed bids shall be published not less than ten (10) calendar days prior to the date set for the receipt. The request for bids or proposals must be published once in a newspaper of general circulation in the Town.
- 9.2 Brand Name or Equal Specifications: Where brand name or equal specifications is used in a solicitation, the solicitation shall contain explanatory language that the use of the brand name is for the purpose of describing a standard of quality, performance and characteristics desired and not intended to limit or restrict competition.
- 9.3 Procurement Under Existing Contracts: Department Heads and the Town Administrator may contract for services or construction of items of tangible personal property without use of competitive sealed bids or competitive sealed proposals, as follows:
- 9.3.1 With a vendor which has a current contract or price agreement with the State of Tennessee purchasing agent or central purchasing office for the items, services or construction meeting the same standard specifications as the items that are to be procured if the following conditions are met:
    - a. The quantity purchased does not exceed the quantity which may be purchased under the applicable contract; and
    - b. The Purchase Order adequately identifies the contract relied upon by number, if applicable, or by other appropriate reference. (See Mount Carmel Municipal Code §1-801.)
- 9.4 Award to Other Than Low Bidder: When the award is given to other than the lowest priced bidder, a full and complete statement of reasons must be prepared and filed with all papers relating to the rejection of the lowest priced bidder. The statement shall be submitted to the Board of Mayor and Aldermen for approval prior to any public award release.

**NOTE: In-state preference of 5% may be allowed for all Tennessee based vendors.**

**9.5 Rejection of Bids:** The Town reserves the right to accept or reject any or all bids, whether informal or formal, and to waive informalities.

**9.6 Table of Major Points of Purchasing Procedure Manual**

| <b>Cost of Goods/Service</b> | <b>Department Head</b>  | <b>Accounts Payable</b>   | <b>Town Administrator</b>  | <b>Town Attorney</b>    | <b>Town Recorder</b>                       | <b>Board of Mayor and Aldermen</b>        |
|------------------------------|---|---|--|-------------------------|--|---|
| \$ 0.00 - \$ 200.00          | Signs Purchase Order  | Processes Payments  |  |                         |  |   |
| \$ 200.01 - \$ 999.99        | Obtains 3 quotes (written, fax or oral)   | Processes Payments  | Signs Purchase Orders  |                         |  |   |
| \$1,000.00-\$4,999.99        | Prepares Requirements & Specifications. Obtains 3 quotes (written, fax or oral) | Reviews the 3 quotes, prior to issuance of Purchase Order, Process Payments | Signs Purchase Orders  |                         | Preserves Records of Sole Source Suppliers | Receives Report, on Sole Source Suppliers |
| \$5,000.00 and over          | Prepares Requirements & Specifications, Sends bid forms to likely bidders       | Process Payments  | Prepares and Approves Specifications, Sends bid forms to likely bidders, Signs Purchase Orders | Approves Specifications | Advertises for and opens bids              | Approves Purchases                        |

**RESOLUTION NO. 14-514**

**A RESOLUTION ESTABLISHING AN INTERNAL CONTROLS POLICY  
FOR THE TOWN OF MOUNT CARMEL, TENNESSEE.**

**WHEREAS,** sound accounting practices and policies are necessary for ensuring the integrity of financial records and Town funds; and

**WHEREAS,** the development of an Internal Controls Policy will provide a foundation for protecting the financial resources of the Town; and

**WHEREAS,** an Internal Controls Policy establishes how such funds should be processed and handled; and

**WHEREAS,** the public health and welfare require it.

**NOW THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen of the Town of Mount Carmel as follows:**

**SECTION I.** That the attached "Internal Financial Controls Policy" is adopted by the Board of Mayor and Aldermen of the Town of Mount Carmel.

**THIS** Resolution shall become effective immediately, the public welfare demanding it.

**ADOPTED** this the 25<sup>th</sup> day of February, 2014.

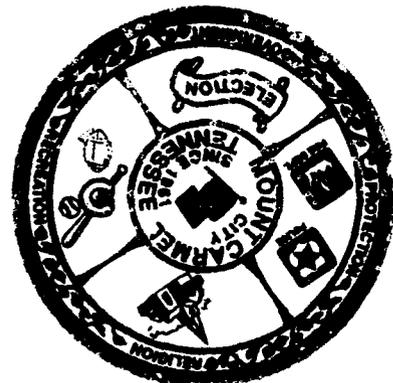
  
LARRY FROST, Mayor

**ATTEST:**

  
MARIAN SANDIDGE, Recorder

**APPROVED AS TO FORM:**

  
C. CHRISTOPHER RAINES, JR., Attorney



| FIRST READING             | AYES | NAYS | OTHER  |
|---------------------------|------|------|--------|
| Alderman Eugene Christian | ✓    |      |        |
| Alderman Wanda Davidson   | ✓    |      |        |
| Alderman Leann DeBord     |      |      | absent |
| Alderman Frances Frost    | ✓    |      |        |
| Alderman Carl Wolfe       | ✓    |      |        |
| Vice-Mayor Paul Hale      | ✓    |      |        |
| Mayor Larry Frost         | ✓    |      |        |
| TOTALS                    | 6    | 0    | 1      |

PASSED FIRST READING February 25, 2014

**TOWN OF MOUNT CARMEL, TENNESSEE**  
**INTERNAL FINANCIAL CONTROLS POLICY**

**INTRODUCTION**

The Town of Mount Carmel has adopted and implemented this Internal Financial Controls Policy to safeguard public funds and to provide clear instructions to City officers and employees as to how such funds should be processed and recorded. All Town officers and employees handling town funds shall be subject to the requirements of this policy. This Policy may be amended from time to time by the Mount Carmel Board of Mayor and Aldermen.

**RECEIPTS AND DEPOSITS OF FUNDS**

The Court Clerk and/or the City Recorder shall be responsible for opening all incoming mail and stamping "For Deposit Only" on all checks immediately upon receipt. These employees shall also log into their respective mail log books a list of checks and/or payments and calculate the total amount of all money/checks received. In addition, any checks or cash received shall be receipted in duplicate, by either a computer generated or hand written pre-numbered receipt. The list of payments received shall be signed by each employee and remitted along with the money/checks, stubs and receipts then entered into their respective cash registers.

All cash payments should be received by the Court Clerk and/or the City Recorder who shall be responsible for preparing a computer generated or hand written pre-numbered receipt in duplicate for all such funds. All cash and duplicate receipts should be turned over to the Finance Director not later than the end of each business day. A daily collection report should be prepared by each employee receiving any cash payments summarizing all collections by source.

Anytime custody of money changes from one employee to another the money should be counted by both. A pre-numbered receipt or other document recording the count should be prepared and signed by both employees indicating concurrence with the amount transferred. This document should be retained by the individual turning the money over.

All deposits of cash, checks or other payments should be posted to the City's cash receipts journal by the Finance Director (the person who opens mail & stamps "FDO" on checks or who is responsible for receiving cash should differ from the person who posts to the journal and deposits). The on duty Police Officer shall be responsible for making deposits and all collections must be deposited no later than three (3) working days after initial receipt. Deposit receipts should also be retained and matched against the collection reports.

**CHECK WRITING AND DISBURSEMENTS**

All persons with authority to write and sign checks on the behalf of the Town shall be approved by resolution of the governing body of Town. The Finance Director who is responsible for reconciling the bank statements shall not be authorized to sign checks.

Two (2) authorized signatures are required for all checks. Before signing checks, each signator should review the supporting documentation (such as vendor invoices, purchase authorizations, etc.) to verify that the expenditure is legitimate before the check is signed.

All credit card statements should be reviewed by multiple persons to ensure the legitimacy of the charges. Town officials and current Town employees shall be authorized credit card users and shall comply with the Town's credit card use policy.

**The Pool**

**Property Loss Control Survey 9/12/13**

**RECOMMENDATION**

**November 4, 2013**

**Town of Mount Carmel – 5058**

**Bill Magoon – Conservation Consultant, East Region**

---

**Site 3, City Hall, 100 East Main Street, Mount Carmel, TN 37645**

**Recommendation: The Pool recommends adoption and implementation of the attached Financial Controls Guidelines. The Pool further recommends a disguise be developed for the deposit bag when someone takes the deposit to the bank.**

**Response: We have to alter the attached sample policies to suit the way the Town of Mount Carmel handles credit cards. Our credit cards are not ISSUED to employees. They are signed in and out and logged. Therefore, I will alter the policy. I planned to have that policy passed by the Board by December. However, we recently had an employee to quit without notice and have not had the time to work on it as planned.**

**We have altered the way the deposit is taken to the bank. When the officer comes to get the deposit in a locked bag, it is placed inside of a brown envelope as suggested.**

---

**Total Sites 1**

**Name of person providing responses to the Property Loss Control Survey Recommendations:**

**Name and Title: Marian Sandidge, City Recorder**

**January 7, 2014**

***Please return a signed/dated copy of this enclosure, within 60 days by fax to 615-371-9212 or e-mail to [VNelson@thepool-tn.org](mailto:VNelson@thepool-tn.org) or mail it to:***

**The Pool**

**Property Survey Response**

**Attn: Vicki Nelson**

**5100 Maryland Way**

**Brentwood, TN 37027**

**Subject:** Town of Mount Carmel Property Loss Control Survey Response 2013

**From:** Marian Sandidge (mariansandidge@yahoo.com)

**To:** VNelson@thepool-tn.org

**Date:** Tuesday, January 7, 2014 4:24 PM

Vicki,

Please find attached the Town of Mount Carmel's response to Bill Magoon's Property Loss Control Survey of November 4, 2013. If you or Bill have any questions, please do not hesitate to contact me.

Thank you,

Marian Sandidge, City Recorder

Town of Mount Carmel

423-357-7311



November 04, 2013

Ms. Marian Sandidge, City Recorder  
City of Mount Carmel  
P.O. Box 1421  
Mount Carmel, TN 37645-1421

Dear Ms. Sandidge:

On September 12, 2013, The Pool conducted a **PROPERTY** loss control survey of the City of Mount Carmel. As a result of the conditions observed during our survey, we are submitting the following **property** loss control recommendations. Our loss control recommendations are not intended to be a substitute for ongoing local loss control efforts. We believe the items listed on the enclosure have the potential of causing a financial loss to The Pool. We do not represent that the recommendations listed address all of the hazardous conditions that exist in Mount Carmel. We do not represent that implementing our recommendation is the best possible solution and that no loss will occur if our recommendations are implemented. The information contained in this report is intended to benefit The Pool in Underwriting and Loss Control efforts. The information in this report is not for the benefit of others.

The Pool requests that you or a designated representative review the recommendations. We request that you please **return a completed copy of the enclosure within (60) working days** indicating what actions have been or will be taken on each recommendation made. The **written response** is vital for our reporting the **property loss exposures** and willingness to implement realistic recommendations to our underwriters and re-insurers for **rating and premium purposes**.

Thank you for your assistance with the **property** loss control survey and if you have questions or need any assistance please contact me.

Sincerely,



Bill Magoon  
Property Conservation Consultant

IC: Michael G. Fann, Director of Loss Control  
Jodeen Baumann, Underwriting Department  
Heritage Insurance Group Inc

Filename: PE50581309E

Enclosures – Property Survey Schedule and Recommendations



## FINANCIAL CONTROLS POLICY

Within the last decade, there have been numerous news reports focusing on public fraud and theft in local government by public officers. In response to these fraud and theft issues, the Tennessee General Assembly passed the Local Government Instances of Fraud Reporting Act and The Municipal Finance Officer Certification and Education Act in 2007. The first Act requires the reporting of “theft, forgery, credit card fraud, or any other act of unlawful taking, waste, or abuse of, or official misconduct, involving public money, property...by public officials.” The second Act requires the hiring of or contracting with a Certified Municipal Finance Officer (CMFO), sending an employee for CMFO certification, or sending an employee through 24 hours of annual CMFO training (only for cities with gross revenues and outstanding debt at or below \$100,000). The passage of these two Acts by the Tennessee State Legislature clearly indicates that fraud and theft are serious issues, and that municipalities should take proactive steps to minimize the associated exposures.

The goal of any professionally managed municipality should be to create internal financial controls that would detect and prevent fraud and theft of public funds and property. In an effort to assist municipalities, the Comptroller of the Treasury, Department of Municipal Audit, has issued the *Internal Control and Compliance Manual for Tennessee Municipalities* (the “City Manual”), which sets out, in detail, guidance for establishing internal financial controls. According to the Tennessee State Comptroller, “having adequate internal controls will provide information that helps detect errors and fraud, and ...will limit the opportunity for theft or unauthorized use of assets, including cash, inventory and capital assets.”<sup>1</sup>

As outlined in the Comptroller’s City Manual, the secure handling of public funds requires that all municipalities adopt an internal financial control policy. In concurrence, the TML Risk Management Pool recommends that all municipal financial officers familiarize themselves with the city manual, and adopt written internal financial control policies to protect public funds and other assets.

Although the City Manual is comprehensive and each municipality is strongly encouraged to seek compliance with the guidelines contained therein, from a loss control perspective, every city and town, at a minimum, should develop policies that address: (1) the receipt and deposit of funds; (2) check-writing and other disbursements including debit/credit cards; and (3) petty cash. Like our government structure, internal control policies should ensure a system of checks and balances. The consistent and overriding theme of internal financial control is that no single person (and preferably more than 2 persons) should be responsible for handling each transaction involving public funds. Smaller municipalities may have to realign certain job duties or enlist the help of elected officials, in order to provide an adequate separation of duties.

### RECEIPTS/DEPOSITS OF PUBLIC FUNDS

One person (or certain specified persons) should be responsible for opening mail and stamping “For Deposit Only” immediately upon receipt. A “For Deposit Only” (or “FDO”) endorsement stamp (with the municipalities account number) requires the bank to deposit the funds into the bank account. If all checks are stamped “FOR DEPOSIT ONLY” upon receipt, it can prevent someone from cashing a lost or stolen check. The designated employee(s) who opens the mail, should also prepare a list of all money/checks received. Finally, any municipal employee or official who receives any funds shall issue to the payer a receipt and shall retain a duplicate thereof.

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<sup>1</sup> Internal Control and Compliance Manual For Tennessee Municipalities, June 2010, pg. 2

All deposits should be posted to the City's cash receipts journal; however, *the person who opens mail & stamps "FDO" on checks should differ from the person who posts to the journal and deposits.* Anytime custody of money changes from one employee to another the money should be counted by both. A pre-numbered receipt or other document recording the count should be prepared and signed by both employees indicating concurrence with the amount transferred. This document should be retained by the individual turning the money over.

Cash receipts should be monitored carefully by separate individuals and a written receipt and duplicate should be produced for all such funds. A daily collection report should be prepared by each cashier summarizing all cash collections by source. The daily collection should then be consolidated to be sent to the person(s) responsible for recording the activity.

Finally, all collections must be deposited no later than three (3) working days after initial receipt. Deposit receipts should also be retained and matched against the collection reports.

#### **CHECK WRITING AND OTHER DISBURSEMENTS**

Check writers should be separate from the person reconciling the bank statements to ensure that checks are written for legitimate, authorized purposes and to establish a clear separation of duties. This process serves an independent form of verification of the original transaction. Absent this provision, a check writer could issue and sign checks for personal, fraudulent purposes and conceal these activities.

In addition, municipal officials should ensure that two authorized signatures are required for all checks. Before signing checks, each signator should review the supporting documentation (such as vendor invoices, purchase authorizations, etc.) to verify that the expenditure is legitimate before the check is signed.

The increased use of debit and credit cards require that increased attention be paid to the use of such cards. All debit/credit card statements should be reviewed by multiple persons, including individuals independent of those who are authorized to use such cards, to ensure the legitimacy of the charges.

#### **PETTY CASH**

Like all other municipal expenditures, petty cash disbursements are only allowable for legitimate purposes and must be properly documented. An invoice/receipt, accompanied by a written petty cash voucher/request, showing the items purchased, and *signed by the person receiving the cash*, is required in each case. The amount on hand and the petty cash vouchers and related invoices/receipts written must total to the originally authorized amount.

#### **ADDITIONAL CONCERNS**

Equally important, these same financial controls should apply to any other department that is responsible for handling public funds. Many municipalities handle public funds in a variety of departments, such as, concessions from parks and recreation, building permit fees collected in the planning and codes departments, or fines and fees collected by the police department.

Parks and recreation departments, for example, are of particular concern because they handle public funds, but often have little, if any, written financial controls governing their operations. Some of the more specific common exposures for parks and recreation departments are: 1) when operating concessions, customer receipts are not always issued nor are duplicate receipts retained for municipal records in accordance to T.C.A. 9-2-103; 2) cash collections are not always reconciled by the cashiers at

## **POLICIES AND TRAINING**

The keys to reducing exposures are to adopt clear written policies and procedures addressing the items discussed above and to make sure that all municipal officials and employees involved in the handling of public funds are adequately trained. Attached, you will find sample policies to assist your municipality in drafting internal control policies. As with any written policy, it should be reviewed by your city attorney or MTAS before adoption. If you have any questions, please contact the TML Pool at 1-800-624-9698.

city departments, chances for employee fraud and theft increase significantly.

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**Tennessee's Leader in Risk Management Services**

the end of the day; and 3) when money exchanges hands from the cashier to the manager there is often no documentation or receipt recording the count. Furthermore, according to the Comptroller's City Manual, the aforementioned documentation or receipt should be signed by both parties showing that each agrees with the amount being exchanged. Without adequate financial controls in place to lead, guide, and direct

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CITY/TOWN OF \_\_\_\_\_, TENNESSEE

**INTERNAL FINANCIAL CONTROLS POLICY**

Adopted \_\_\_\_\_  
(Date)

**INTRODUCTION**

The City/Town of \_\_\_\_\_ has adopted and implemented this Internal Financial Controls Policy to safeguard public funds and to provide clear instructions to City officers and employees as to how such funds should be processed and recorded. All city officers and employees handling city funds shall be subject to the requirements of this policy. This Policy may be amended from time to time by the \_\_\_\_\_.

**RECEIPTS AND DEPOSITS OF FUNDS**

The \_\_\_\_\_ (*insert job title*) shall be responsible for opening all incoming mail and stamping "For Deposit Only" on all checks immediately upon receipt. This employee should also prepare a list of checks or payments and calculate the total amount of all money/checks received. In addition, any checks received without payment stubs, shall be receipted in duplicate. The list of payments received shall be signed by this employee and remitted along with the money/checks, stubs and receipts to the \_\_\_\_\_ (*insert job title – it should be a different employee*) for processing.

All cash payments should be received by the \_\_\_\_\_ (*insert job title*) who shall be responsible for preparing a written receipt and duplicate for all such funds. All cash and duplicate receipts should be turned over to the \_\_\_\_\_ not later than the end of each business day. A daily collection report should be prepared by each employee receiving any cash payments summarizing all collections by source.

Anytime custody of money changes from one employee to another the money should be counted by both. A pre-numbered receipt or other document recording the count should be prepared and signed by both employees indicating concurrence with the amount transferred. This document should be retained by the individual turning the money over.

All deposits of cash, checks or other payments should be posted to the City's cash receipts journal by \_\_\_\_\_ (*the person who opens mail & stamps "FDO" on checks or who is responsible for receiving cash should differ from the person who posts to the journal and deposits*). The \_\_\_\_\_ shall be responsible for making deposits and **all collections must be deposited no later than three (3) working days after initial receipt**. Deposit receipts should also be retained and matched against the collection reports.

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**CHECK WRITING AND DISBURSEMENTS**

All persons with authority to write and sign checks on the behalf of the Town/City shall be approved by resolution of the governing body of Town/City. The \_\_\_\_\_ who is responsible for reconciling the bank statements shall not be authorized to sign checks.

Two (2) authorized signatures are required for all checks. Before signing checks, each signator should review the supporting documentation (such as vendor invoices, purchase authorizations, etc.) to verify that the expenditure is legitimate before the check is signed.

All debit/credit card statements should be reviewed by multiple persons, including by individuals independent of those who are authorized to use such cards, to ensure the legitimacy of the charges. All persons using Town/City or city debit/credit cards shall be specifically authorized to do so by Resolution of the governing body and shall comply with the Town's credit card use policy.

**PETTY CASH**

Petty cash disbursements are only allowable for legitimate purposes, are not for personal use and must be properly documented. An invoice/receipt, accompanied by a written petty cash voucher/request, showing the items purchased, and *signed by the person receiving the cash*, is required in each transaction at the time the petty cash is withdrawn. The amount on hand and the petty cash vouchers and related invoices/receipts written must total to the originally authorized amount. The \_\_\_\_\_ shall be responsible for monitoring the petty cash account and shall "audit" the petty cash account for any discrepancies at least once a week. This employee shall not make any withdrawals from petty cash. The petty cash account may be used only for withdrawals of less than \$ \_\_\_\_\_ and the total account balance shall not exceed \$ \_\_\_\_\_.



CITY/TOWN OF \_\_\_\_\_, TENNESSEE

CREDIT CARD POLICY

Adopted \_\_\_\_\_ (Date)

INTRODUCTION – GENERAL

The City/Town of \_\_\_\_\_ has adopted and implemented this Credit Card Policy to safeguard public funds and to provide clear instructions to City officers and employees that have been formally authorized to use City credit/debit cards. All city officers and employees using city/town credit/debit cards must be specifically authorized by Resolution of the \_\_\_\_\_ (governing body) and shall be subject to the requirements of this policy. For the purposes of this policy, all authorized officers and employees shall be referred to as "cardholders." This Policy may be amended from time to time by the \_\_\_\_\_.

As a cardholder, you assume the responsibility for the protection and proper use of the card. Purchases with city credit cards must not conflict with the City/Town of \_\_\_\_\_ Purchasing Policy. The card should only be used by the authorized individual whose name appears on the card and use of the card shall not be delegated to other persons. Cardholders are responsible for all charges on the cards authorized to them. Cards and card numbers must be safeguarded against unauthorized use.

All credit card transactions will be visible via secure internet reporting tools and all cardholders' purchasing activity will be monitored by the finance department and reviewed by the City auditors. Credit cards are not intended to be used for normal, recurring expenses associated with normal department operations. Business accounts should be set up for recurring activities. Receipts for all purchases by credit card shall be forwarded to the \_\_\_\_\_ (insert appropriate position ex. Finance Director)

It is the goal of the City/Town of \_\_\_\_\_ to have all transactions sales tax exempt, when applicable. It is the cardholder's responsibility to notify the supplier, at the time of the transaction, if it will be exempt from sales tax.

The following situations are examples of misuse of the card:

- Purchases for personal benefit of the cardholder or another employee
• Assignment or transfer of an individual card to another person
• Use of the card by an unauthorized employee
• Use of a card by a suspended or terminated employee
• Purchases that are not for legitimate City/Town and public purposes
• Purchases in violation of the City/Town Purchasing Policy
• Splitting a purchase to avoid a single-purchase limitation
• Use of the card for commodities, goods, or services at vendors with City/Town accounts
• Lack of proper and timely submission of all purchase receipts

Any violations of this policy may subject to the employee to discipline, including termination.

### CREDIT CARD AUDITS AND DOCUMENTATION OF PURCHASES

The City's/Town's finance director, auditor and/or State auditors will make periodic audits to verify that commodities, goods, and services purchased have been received and that policies and procedures are being followed. Adequate documentation must be maintained to record all transactions at the source. If a receipt is lost, a missing receipt affidavit must be filled out by the cardholder.

### DISPUTING A TRANSACTION

If you as a cardholder believe a transaction is disputable, first contact the merchant to attempt resolution before beginning the official dispute process. Also, immediately notify your department head and the Finance Director of the disputed charge. In most cases, the merchant will credit (chargeback) your account and handle your needs in a professional manner. If you or your department head cannot resolve the transaction in dispute, \_\_\_\_\_ Bank will follow standard regulations outlined by the credit card company if the required written notification from the cardholder is received within sixty (60) days of the transaction date. You agree to cooperate fully in dealing with the credit card company for all disputed purchases.

### CARDHOLDER RESPONSIBILITY AND PURCHASING GUIDELINES

It is important to remember that when using the card, you are expending taxpayer funds and that all credit card purchases must comply with City/Town policies, including this policy, the Purchasing Policy and the Internal Financial Controls Policy. Your expenditures are held to the highest degree of trust and accountability.

Cardholder privileges and procedures are contingent upon the following:

- **You must obtain and preserve ALL receipts.** Turn in all receipts to \_\_\_\_\_ regularly but at least monthly so that it may be compared with your credit card statement. Failure to produce adequate legible receipts will be subject to strict scrutiny by the finance department and City auditors. *Proper forms of transaction documentation include an invoice with detail of items purchased, cash register receipt with detail of items purchased, sales slip with detail of items purchased, or handwritten receipt signed by an employee of the supplier/merchant that includes detail of items purchased. In the event a receipt is lost, you must submit a "missing receipt affidavit" in lieu of the receipt.*
- If a cardholder fails to turn in a receipt, he/she must sign the document set forth on the following page of these policies. Multiple failures to provide receipts may result in cancellation of the card and other disciplinary action.
- Cash back, cash refunds or rebates may not be received by the cardholder.
- Splitting of transactions is not allowable (making one purchase into two or more for the purpose of staying within your limits).

**LOST OR STOLEN CARDS** In the event of a lost, stolen or, mutilated card, cardholders should immediately notify ##### Bank at 800-800-8001 and the finance department. Please protect your card by keeping it in a safe place and away from other "magnetized" stripe cards. Replacing your card may take 7-10 business days.

**MISSING RECEIPT AFFIDAVIT**

I, \_\_\_\_\_ have either misplaced or not received a receipt for a card purchase.

This form is submitted in lieu of the original receipt.

Vendor Name: \_\_\_\_\_

Transaction Date: \_\_\_\_\_ Amount: \$ \_\_\_\_\_

Items Purchased: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

---

I certify that the goods shown above were purchased for the City of \_\_\_\_\_'s operating purposes as outlined in the policies and procedures for card use.

Cardholder signature: \_\_\_\_\_ Date: \_\_\_\_\_

Department Head: \_\_\_\_\_ Date: \_\_\_\_\_



City/Town of \_\_\_\_\_

**CREDIT CARD USER AGREEMENT**

I, \_\_\_\_\_ hereby acknowledge receipt of a City/Town of \_\_\_\_\_ credit card, issued by \_\_\_\_\_ Bank. As a cardholder, I agree to comply with the terms of this agreement, including all of the City/Town of \_\_\_\_\_'s policies and procedures included in the Credit Card Policy and Procedures Guide.

I understand that the City/Town of \_\_\_\_\_ is liable for all charges.

I agree that I will not use the credit card to make personal purchases for others or myself.

I understand that I will not request or receive cash back from suppliers as a result of exchanges, rebates, and refunds or for any other reason.

I understand that I am the only person authorized to use the card or card number assigned to me. I will not authorize the use of this card by other city employees who may want to use it to make approved purchases.

I understand that if I transfer to another department I must notify my department head immediately. I understand that the City can terminate my right to use the card at any time, for any reason. I agree to return my card to my department head immediately upon request or upon termination of employment.

I have reviewed the City of \_\_\_\_\_ Credit Card Policy. I understand the procedures and requirements for using the credit card and for providing the required documentation for each transaction made on this card.

I understand that any violation of the terms of this agreement may result in disciplinary action, up to and including termination of employment. I understand that where allowed by State and Federal law the City may deduct from my compensation the money amount equal to the total of any discrepancies, of the total amount of any personal gain, and/or of any fees related to the collection of such money. I understand that the City/Town may elect to collect this money and make also recover the reasonable costs of said collection, even if the City no longer employs me.

\_\_\_\_\_  
Cardholder Name (print)

\_\_\_\_\_  
Department

\_\_\_\_\_  
Cardholder Signature

\_\_\_\_\_  
Date

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**RETURN THIS PAGE TO THE FINANCE DEPARTMENT TO RECEIVE CARD**

**CONCLUSION**

All city employees are responsible for safeguarding public funds and the public trust. Any violations of this policy observed by any city employees shall be reported to the \_\_\_\_\_ . Any employees found to have violated this policy may be disciplined up to and including termination.

# The Pool

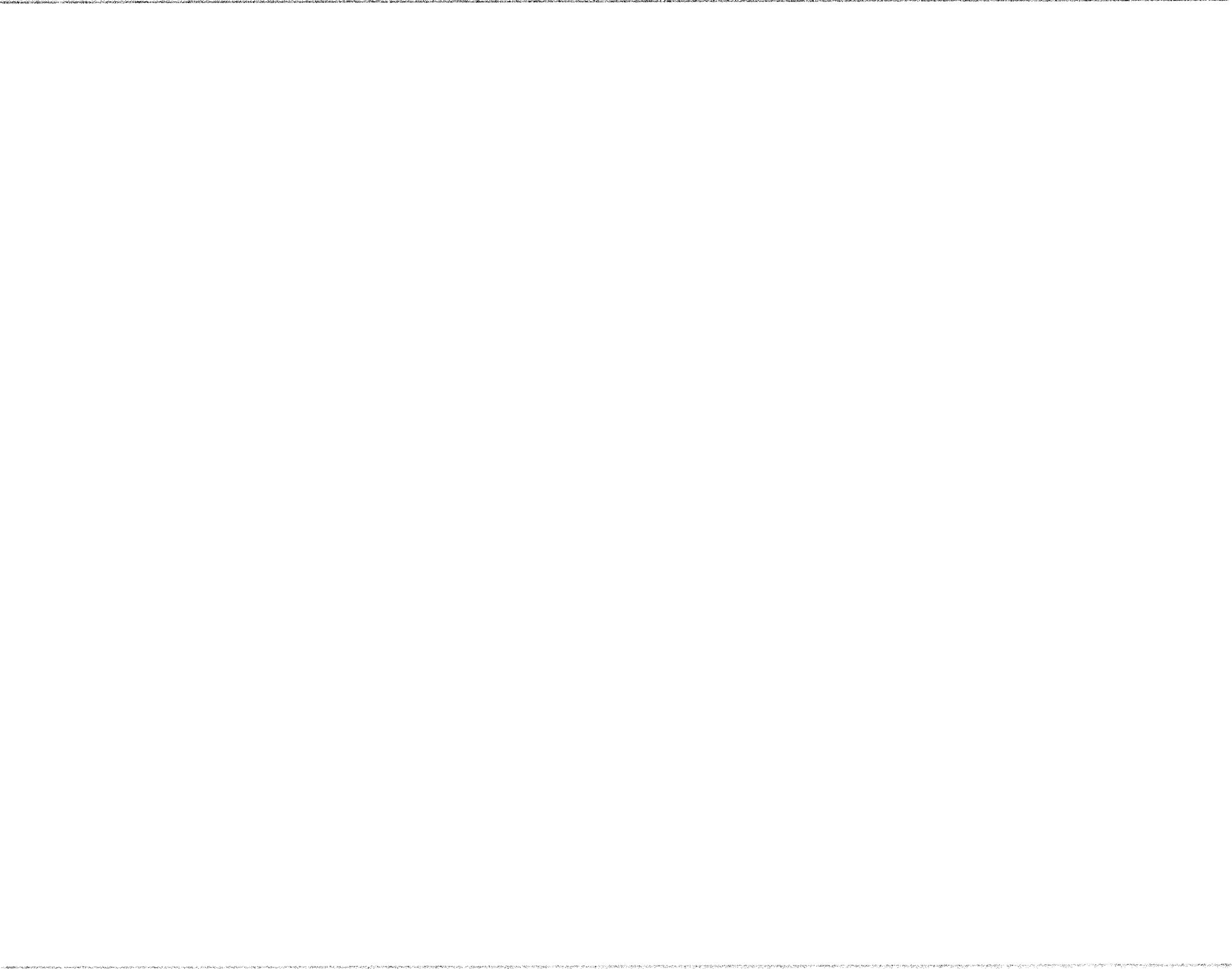
November 04, 2013

City of Mount Carmel  
Survey Schedule

| Site  | Property Name | Status | Address           |
|-------|---------------|--------|-------------------|
| 3     | City Hall     | OSC    | 100 E Main Street |
| <hr/> |               |        |                   |
| Total | 1             |        |                   |

NOS = Not On Schedule of properties currently covered by The Pool. To add these properties to your Policy, please contact your





# Town of Mount Carmel

100 East Main Street, PO Box 1421, Mount Carmel, TN 37645

Phone: 423-357-7311  
Fax: 423-357-7710

---

## MEMO

**To: Board of Mayor and Aldermen  
And all City Employees**  
**From: Marian Sandidge, City Recorder**  
**Date: February 11, 2014**  
**Subject: Tennessee Comptroller**

*Marian*

---

Yesterday I received a telephone call, which was then followed by an e-mail, from Ron Queen of the Tennessee Comptroller's Office regarding budgets, spending, appropriations, and amendments.

Please read the attached e-mail and govern your spending accordingly. Their office intends to be diligent regarding cities and towns following state statutes.

Should you have any questions, please feel free to contact me at any time.

**Subject:** Town of Mount Carmel: Budget Amendments

**From:** Ron Queen (Ron.Queen@cot.tn.gov)

**To:** mariansandidge@yahoo.com;

**Cc:** Sandi.Thompson@cot.tn.gov; Betsy.Knotts@cot.tn.gov; Steve.Osborne@cot.tn.gov; Lori.Barnard@cot.tn.gov; Sheila.Reed@cot.tn.gov;

**Date:** Monday, February 10, 2014 11:12 AM

Dear Ms. Sandidge;

Thank you for speaking with me concerning the Town's budget amendments. We briefly discussed the fiscal year 2013 budget amendments. Just a brief reminder concerning budget amendments:

- Amendments must be adopted before any new or increased spending.
  - State statues require that monies cannot be spent unless first appropriated and they cannot be appropriated after the fact.
- There must be sufficient new or existing revenues or unassigned cash to support new or increased spending before an amendment can be adopted.
- The Town must monitor its budget to appropriately and to timely amend it.

A budget can't be lawfully amended at or after fiscal year end.

Please remember, that even if spending has been appropriated monies must be available to support the spending.

Summing it up: monies must be first be appropriated and then be available.

Hope this helps on these issues.

Ron Queen

Comptroller of the Treasury | Office of State and Local Finance

<https://us-mg5.mail.yahoo.com/neo/launch?.rand=22h3tm5rsdarn>

2/11/2014

**Print**

**Phone: (615) 401-7862 | Fax: (615)-741-5986**

**Email: [ron.queen@cot.tn.gov](mailto:ron.queen@cot.tn.gov)**

**Website: <http://www.cot.tn.gov>**



STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DIVISION OF LOCAL FINANCE  
SUITE 1110 414 UNION STREET  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 532-7207 FAX (615) 532-5232

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PAGE..... OF.....

February 10, 2014

Honorable Larry Frost, Mayor  
Ms. Marian Sandidge, City Recorder  
Town of Mount Carmel  
P.O. Box 1421  
Mount Carmel, TN 37377

Dear Mayor Frost and Ms. Sandidge:

This letter acknowledges receipt of the Town of Mount Carmel's amendments to the 2014 fiscal year budget on February 3, 2014. T.C.A. § 9-1-116 requires that funds must first be appropriated before they may be lawfully expended and that appropriations may not exceed the availability of funds. Various general statutes require municipalities in Tennessee to appropriate funds through an annual operating and capital budget ordinance approved by the local governing body before expending monies. Municipal Officials are responsible for maintaining a balanced budget throughout the fiscal year and amending their budgets in the manner prescribed by State statutes.

The Town also submitted budget amendments for the 2013 fiscal year budget that appeared to have been adopted after monies were expended. Tennessee statute requires that budget amendments for new or increased spending must be adopted by ordinance before spending takes place. Monies are required to be appropriated before they can be spent. Additionally, even if spending has been appropriated, monies must be available to support the spending.

T.C.A. § 9-21-403(c) prescribes that governments with outstanding notes provide proof to the Office of State and Local Finance that their budgets are kept balanced throughout the life of the notes. Please continue to monitor and appropriately amend the Town's budget to maintain compliance with the State Constitution and Statutes.

Sincerely,

A handwritten signature in cursive script that reads "Sandra Thompson".

Sandra Thompson  
Director of State & Local Finance

Cc: Mr. Jim Arnette, Director of Local Government Audit, COT  
Ms. Sheila Reed, Audit Manager, Division of Local Government Audit, COT

Enclosure: Budget Amendment FAQs



## **FAQS – PROCEDURES FOR AMENDING MUNICIPAL BUDGETS**

Municipal budgets must be balanced throughout the fiscal year. This means that municipalities' expenditures cannot exceed revenues including debt service collected during the fiscal year. Municipalities must monitor their budgets throughout the budget year and make any necessary budget amendments to maintain a balanced budget paying all debt service.

### **1. When and how do municipalities amend their budgets?**

Municipalities must amend their budgets by ordinance prior to increasing spending for any appropriation.

Tennessee Constitution Article 2 § 24, TENN. CODE ANN. § 9-1-116, Municipal Budget Law of 1982 (TENN. CODE ANN. §§ 6-56-203 & 6-56-208), General Law City Manager-Commission Charter (TENN. CODE ANN. § 6-22-124), and General Law Modified City Manager-Council Charter (TENN. CODE ANN. § 6-35-308)

### **2. Can a municipality amend a budget after the end of the fiscal year?**

Monies must be appropriated prior to being spent. Budget amendments must be adopted to authorize increases in spending. No provision is made to permit the authority to spend after the fact.

Tennessee Opinion of the Attorney General No. 99-075

### **3. At what classification level are budget amendments made?**

*Municipal Budget Law of 1982 and General Law City Manager- Commission Charter*

Municipal appropriations are made at the department, office, board, and agency level or organizational unit level. (TENN. CODE ANN. §§ 6-22-122 and 6-56-203(1))

*General Law Modified City Manager-Council Charter*

Municipal appropriations need not be in more detail than the fund level; but, may use a more detailed classification. (TENN. CODE ANN. § 6-35-307(b))

**4. Do amendments need to show the source of funds (revenues, fund balance, reductions in other appropriations, or transfers) supporting any new spending?**

Yes

Tennessee Constitution Article 2 § 24, TENN. CODE ANN. § 9-1-116, Municipal Budget Law of 1982 (TENN. CODE ANN. §§ 6-56-203 & 6-56-208), General Law City Manager-Commission Charter (TENN. CODE ANN. § 6-22-124), and General Law Modified City Manager-Council Charter (TENN. CODE ANN. § 6-35-308)

**5. Can the expenditure amounts in the detailed budget or budgetary control accounts be less than the amount appropriated?**

Yes, the appropriated amount is the maximum amount that may be spent for that appropriation. The amount appropriated cannot exceed available cash as estimated in the original budget ordinance and spending for appropriations cannot exceed monies available at the time of expenditure. A municipality may use control accounts which are less than the amount appropriated. A municipality cannot plan to spend more than appropriated.

Tennessee Constitution Article 2 § 24, TENN. CODE ANN. § 9-1-116, Municipal Budget Law of 1982 (TENN. CODE ANN. §§ 6-56-203 & 6-56-208), General Law City Manager-Commission Charter (TENN. CODE ANN. § 6-22-124), and General Law Modified City Manager-Council Charter (TENN. CODE ANN. § 6-35-308)

**6. How are transfers made between appropriations in the same fund?**

*Municipal Budget Law of 1982*

Transfers between departments, offices, boards, and agencies are by a budget amendment ordinance adopted by the governing body unless the governing body has delegated authority in the original budget ordinance for the budget officer to make transfers. When the authority is delegated by the governing body, it must set a maximum amount the budget officer may transfer. If authority has been delegated to the budget officer, the budget officer must report to the governing body the amount of any transfers between appropriations in the same fund at the next regular meeting. The report on the transfer must be entered in the minutes of that meeting. (TENN. CODE ANN. § 6-56-209)

Any transfer above the amount delegated to the budget officer must be by a budget amendment ordinance adopted by the governing body.

*General Law City Manager- Commission Charter*

Transfers between departments, offices, boards, and agencies within the same fund are by budget amendment ordinance. (TENN. CODE ANN. § 6-22-124(c))

*General Law Modified City Manager- Council Charter*

The city manager can make transfers between departments, agencies, or activities within each fund.  
(TENN. CODE ANN. § 6-35-310)

**7. How are transfers made between funds?**

Transfers between funds are made by appropriating through the original budget ordinance or by a budget amendment ordinance from the sending fund to the receiving fund. A transfer is an expenditure for the sending fund and revenue for the receiving fund. **A TRANSFER IS NOT A LOAN BETWEEN FUNDS!** A transfer must be appropriated and included in the original budget ordinance or in a budget amendment ordinance before it can be executed. (TENN. CODE ANN. §§ 6-22-122, 6-35-308 and 6-56-203(1))

**8. Do budget amendments have to be balanced?**

Yes, budgets must remain balanced. Therefore increases in appropriations must be accompanied with an increase in revenues, a transfer of money from another fund, a decrease in cash (fund balance), or a decrease in the appropriations of another organizational unit(s) of the same fund.

**Subject:** RE: Town of Mount Carmel: Budget Amendments  
**From:** Ron Queen (Ron.Queen@cot.tn.gov)  
**To:** tammywconner@yahoo.com;  
**Cc:** mariansandidge@yahoo.com; Sandi.Thompson@cot.tn.gov; Steve.Osborne@cot.tn.gov; Lori.Barnard@cot.tn.gov; Betsy.Knotts@cot.tn.gov;  
**Date:** Thursday, February 20, 2014 3:08 PM

Dear Ms. Conner;

You asked for guidance concerning amendment of the Town's budget. Your specific question is:

Does the Public Utility (sewer) Budget of the Town of Mount Carmel fall under the same guidelines for amendments for new or increased spending as the General Budget? Both budgets are passed under the same ordinance at the end of June each year.

You sent a copy of the Town's budget ordinance in which the expenses for the Sewer Fund were appropriated.

The same procedures would be followed for amending the Sewer Fund budget as any other fund's appropriations.

- Amendments must be adopted before any new or increased spending.
  - o State statutes require that monies cannot be spent unless first appropriated and they cannot be appropriated after the fact.
- Appropriations are at the department or organizational level within the fund.
- There must be sufficient new or existing revenues or unassigned cash to support new or increased spending before an amendment can be adopted.
- The Town must monitor its budget to appropriately and to timely amend it.

A budget can't be lawfully amended at or after fiscal year end.

Please remember, that even if spending has been appropriated monies must be available to support the spending.

Summing it up: monies must be first be appropriated and then be available.

When enterprise funds are appropriated in the budget ordinance the same procedures must be followed as for any other fund. The Town's governing body should adopt a budget amendment for any new or increased spending.

Ron Queen

Comptroller of the Treasury | Office of State and Local Finance

Phone: (615) 401-7862 | Fax: (615)-741-5986

Email: [ron.queen@cot.tn.gov](mailto:ron.queen@cot.tn.gov)

Website: <http://www.comptroller.tn.gov/sl/>

# Mt. Carmel Department of Public Works

## Monthly Report

Period Of Report From 1/1/14 To 1/31/14

| Street Department        | Current Month | No. of Employees | YTD Totals | Previous YTD |  |
|--------------------------|---------------|------------------|------------|--------------|--|
| Hours Plowing Snow       | 138.5         | 5                | 138.5      | 225          |  |
| Tons of Salt Spreaded    | 116.6         | 5                | 116.6      | 222          |  |
| Tons of Cold Mix Used    | 0             | 5                | 0          | 32           |  |
| Hours Mowing             | 0             | 4                | 0          | 812          |  |
| Hours Weed Eating        | 0             | 4                | 0          | 48.5         |  |
| Number of Signs Repaired | 5             | 2                | 5          | 155          |  |
| Number of Holes Patched  | 0             | 4                | 0          | 319          |  |
| Hours Street Maintenance | 51            | 5                | 51         | 2481.5       |  |
|                          |               |                  |            |              |  |

| State Street Aid             | Current Month | No. of Employees | YTD Totals | Previous YTD |  |
|------------------------------|---------------|------------------|------------|--------------|--|
| Hours Mowing                 | 0             | 5                | 0          | 426          |  |
| Hours Weed Eating / Spraying | 0             | 2                | 0          | 44.5         |  |
| Hours Picking Up Litter      | 0             | 2                | 0          | 189          |  |
| Hours Trimming Trees         | 0             | 5                | 0          | 48           |  |
| Number of Holes Patched      | 0             | 4                | 0          | 299          |  |
| Number of Signs Repaired     | 2             | 2                | 2          | 12           |  |
| Hours Street Maintenance     | 1             | 5                | 1          | 277.5        |  |
| Hours Plowing Snow           | 35            | 5                | 35         | 71           |  |
| Tons of Salt Spreaded        | 44            | 5                | 44         | 87.7         |  |

| Building - Ground - Recycling | Current Month   | No. of Employees | YTD Totals      | Previous YTD |  |
|-------------------------------|-----------------|------------------|-----------------|--------------|--|
| Number of White Goods         | 15              | 1                | 15              | 199          |  |
| Number of Furniture           | 33              | 1                | 33              | 832          |  |
| Loads of Brush                | 20              | 1                | 20              | 428          |  |
| Loads of Bagged Leaves        | 3               | 1                | 3               | 7            |  |
| Loads Of Leaves ( Leaf Vac. ) | 14 = 57.21 tons | 4                | 14 = 57.21 tons | 27           |  |
| Recycle Trips                 | 4               | 2                | 4               | 54           |  |
|                               |                 |                  |                 |              |  |
|                               |                 |                  |                 |              |  |

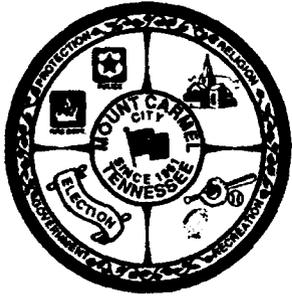
# Mt. Carmel Department of Public Works

## Monthly Report

| City Park                | Current Month | No. of Employees | YTD Totals | Previous YTD |  |
|--------------------------|---------------|------------------|------------|--------------|--|
| Hours Mowing Park        | 0             | 2                | 0          | 148          |  |
| Hours Weed Eating        | 0             | 2                | 0          | 34           |  |
| Hours Cleaning Park      | 0             | 2                | 0          | 144          |  |
| Hours Cleaning Restrooms | 0             | 2                | 0          | 173.5        |  |
| Veterans Memorial - Park | 1             | 4                | 1          | 60           |  |
|                          |               |                  |            |              |  |

| Maintenance                   | Current Month | No. of Employees | YTD Totals | Previous YTD |  |
|-------------------------------|---------------|------------------|------------|--------------|--|
| Hours of Building Maintenance | 197           | 5                | 197        | 1050         |  |
| Hours fo Grounds Maintenance  | 101           | 5                | 101        | 1484.5       |  |
| Hours of Repairing Equipment  | 25            | 5                | 25         | 896          |  |
| Hours of Servicing Equipment  | 80            | 5                | 80         | 343          |  |
| Hours Cleaning Equipment      | 6             | 5                | 6          | 80           |  |
|                               |               |                  |            |              |  |
|                               |               |                  |            |              |  |

| Employees      | Current Overtime | YTD Overtime |
|----------------|------------------|--------------|
| Johnny Castle  | 21               | 21           |
| David Wallen   | 16.5             | 16.5         |
| Carl Calton    | 23               | 23           |
| Jason Salyer   | 18               | 18           |
| Jamie Williams | 19               | 19           |
|                |                  |              |



# Town of Mount Carmel

LARRY FROST, MAYOR

100 East Main Street, P.O. Box 1421

Mount Carmel, Tennessee 37645

Phone (423) 357-7311 Fax (423) 357-7710

E-mail [mcch@chartertn.net](mailto:mcch@chartertn.net)

Mount Carmel Municipal Court

Honorable Terry Risner

## JANUARY 2013

### MONTHLY MUNICIPAL COURT REPORT

Sessions of Court: January 15, 2014

**Total Number of Receipts: 55**

#### **Summary of Assessments by Fund Type:**

|  |           |                        |
|--|-----------|------------------------|
| Certified Mail                                     | \$        | 18.00                  |
| Clerk Fee  | \$        | 1,511.25               |
| Court Costs  | \$        | 2,971.00               |
| Driving without a License                          | \$        | 0.00                   |
| Education Fee                                      | \$        | 58.00                  |
| Failure to Appear                                  | \$        | 0.00                   |
| Fine   | \$        | 30.00                  |
| Litigation Tax                                     | \$        | 756.25                 |
| Municipal Fines                                    | \$        | 2,422.00               |
| Seat Belt Violations                               | \$        | 50.00                  |
| Child Restraint                                    | \$        | 0.00                   |
| Returned Check Fee                                 | \$        | 0.00                   |
| <b>Total fines collected</b>                       | <b>\$</b> | <b>7,816.50</b>        |
| <b><u>Less Total Deductions</u></b>                |           |                        |
| Litigation Tax                                     | \$        | 741.12                 |
| Education Fee                                      | \$        | 55.10                  |
| Fines, Fees and Cost Dept. of Safety               | \$        | 47.50                  |
| Motor Vehicle Enforcement                          | \$        | 28.50                  |
| <b>TOTAL PAID TO THE STATE OF TENNESSEE:</b>       | <b>\$</b> | <b>872.22</b>          |
| <b>Total revenue for the Town of Mount Carmel:</b> | <b>\$</b> | <b><u>6,944.28</u></b> |

Prepared by Carol Marsh, Municipal Court Clerk  
JANUARY 2014



# MOUNT CARMEL POLICE DEPARTMENT ANIMAL CONTROL

## MONTHLY REPORT

1-1-2014



FOR THE MONTH OF Jan.

| Animal Complaints  | #  |
|--------------------|----|
| Stray Animals      | 8  |
| Dead Animals       | 9  |
| Traps Set          | 3  |
| Citations          | 2  |
| Animals Euthanized | 0  |
| Signal 8 Kennels   | 0  |
| Signal 6           | 0  |
| Animals Adopted    | 8  |
| Lost Animals       | 12 |
| Misc. Complaints   | 14 |

| Vehicle Info    | #      |
|-----------------|--------|
| Start Mileage   | 152949 |
| End Mileage     | 153641 |
| Total Mileage   | 692    |
| Gallons of Fuel | 67.381 |

**Monthly Total For All Complaints**

14

| ACCOUNT/DESCRIPTION.....                     | ESTIMATED REVENUES | MONTH-TO-DATE REVENUE | YEAR-TO-DATE REVENUE | UNCOLLECTED REVENUE | UNCOLLECTED % OF BUDG |
|--|--------------------|-----------------------|----------------------|---------------------|-----------------------|
| 31100 REAL ESTATE TAXES                      | 1,014,592.00       | 104,678.00            | 641,169.00           | 373,423.00          | .36%                  |
| 31200 DELINQUENT PROPERTY TAXES              | 25,000.00          | 4,059.00              | 21,963.00            | 3,037.00            | .12%                  |
| 31300 INT,PEN COURT COST-PROP TAXES          | 10,000.00          | 1,391.48              | 4,557.80             | 5,442.20            | .54%                  |
| 31610 LOCAL OPTION SALES TAX                 | 250,000.00         | .00                   | 205,240.89           | 44,759.11           | .17%                  |
| 31710 WHOLESALE BEER TAX                     | 30,000.00          | 4,228.45              | 30,428.72            | -428.72             | -.01%                 |
| 31912 CHARTER CABLE FRANCHISE                | 53,000.00          | .00                   | 34,328.90            | 18,671.10           | .35%                  |
| 32610 BUILDING PERMITS                       | 6,000.00           | 435.00                | 3,108.80             | 2,891.20            | .48%                  |
| 33191 POSTAL CONTRACT                        | 22,536.00          | 1,878.25              | 13,147.75            | 9,388.25            | .41%                  |
| 33410 STATE SUPPLEMENT PAY                   | 4,200.00           | .00                   | .00                  | 4,200.00            | 1.00%                 |
| 33419 CIVIL WAR GRANT LIBRARY 2012           | .00                | .00                   | .00                  | .00                 | .00%                  |
| 33422 STATE LIBRARY GRANT LAPTOPS FY 11-12   | .00                | .00                   | .00                  | .00                 | .00%                  |
| 33423 RURAL DEV LIBRARY LAPTOP GRANT FY 11-1 | .00                | .00                   | .00                  | .00                 | .00%                  |
| 33424 GHSO NETWORK GRANT 10-11               | .00                | .00                   | .00                  | .00                 | .00%                  |
| 33425 GHSO NETWORK GRANT 11-12               | .00                | .00                   | .00                  | .00                 | .00%                  |
| 33426 GHSO ALCOHOL GRANT 11-12               | .00                | .00                   | .00                  | .00                 | .00%                  |
| 33429 GHSO HIGH VISIBILITY 12-13             | 5,000.00           | .00                   | .00                  | 5,000.00            | 1.00%                 |
| 33430 GHSO CARTERS VALLEY HI VISIB 12-13     | 20,911.00          | .00                   | 13,362.16            | 7,548.84            | .36%                  |
| 33431 GHSO NETWORK COORDINATOR 12-13         | 14,979.00          | .00                   | 3,154.33             | 11,824.67           | .78%                  |
| 33432 GHSO ALCOHOL GRANT 10-11               | .00                | .00                   | .00                  | .00                 | .00%                  |
| 33433 GHSO NETWORK GRANT 09-10               | .00                | .00                   | .00                  | .00                 | .00%                  |
| 33434 TML SAFETY GRANT 09-10 RES 433         | .00                | .00                   | .00                  | .00                 | .00%                  |
| 33435 TML SAFETY GRANT 10-11 RES 451         | .00                | .00                   | .00                  | .00                 | .00%                  |
| 33436 TML GRANT FY11-12 RES 11-474           | .00                | .00                   | .00                  | .00                 | .00%                  |
| 33510 STATE SALES TAX                        | 345,000.00         | 30,898.88             | 221,105.72           | 123,894.28          | .35%                  |
| 33520 STATE INCOME TAX                       | 2,500.00           | .00                   | 14,259.68            | -11,759.68          | -4.70%                |
| 33530 STATE BEER TAX                         | 2,500.00           | .00                   | 1,364.22             | 1,135.78            | .45%                  |
| 33551 STATE STREET AID-REVENUE               | 138,000.00         | 12,484.15             | 84,438.62            | 53,561.38           | .38%                  |
| 33552 STATE GASOLINE TAX                     | 10,000.00          | 926.07                | 6,483.76             | 3,516.24            | .35%                  |
| 33591 TVA PAYMENTS IN LIEU OF TAXES          | 58,000.00          | 15,016.10             | 30,032.20            | 27,967.80           | .48%                  |
| 33593 CORPORATE EXCISE TAX                   | .00                | .00                   | .00                  | .00                 | .00%                  |
| 33719 LIBRARY DONATIONS/REVENUE              | 5,000.00           | .00                   | 10,415.60            | -5,415.60           | -1.08%                |
| 33720 FIRE DEPARTMENT REVENUE                | 15,000.00          | 500.00                | 16,855.13            | -1,855.13           | -.12%                 |
| 33722 FIRE DEPT FORESTRY GRANT 2012-13       | .00                | .00                   | .00                  | .00                 | .00%                  |
| 34310 STATE HIGHWAY CONTRACT                 | 15,000.00          | .00                   | 8,661.52             | 6,338.48            | .42%                  |
| 34320 CEMETERY CHARGES                       | 3,650.00           | .00                   | .00                  | 3,650.00            | 1.00%                 |
| 34510 ANIMAL CONTROL(FEES, FINES & ADOPTION) | 500.00             | 154.50                | 864.00               | -364.00             | -.72%                 |
| 35110 CITY COURT FINES AND COSTS             | 85,000.00          | 6,435.25              | 43,682.65            | 41,317.35           | .48%                  |
| 35112 REDFLEX PHOTO SPEED ENFORCEMENT        | 45,000.00          | 3,765.70              | 25,630.35            | 19,369.65           | .43%                  |
| 35140 DRUG RELATED FINES                     | 500.00             | .00                   | 1,035.73             | -535.73             | -1.07%                |
| 35160 COUNTY COURT FINES & COST              | 6,000.00           | 133.00                | 3,617.18             | 2,382.82            | .39%                  |
| 35200 DRUG CONTRIBUTIONS                     | 2,500.00           | .00                   | 28,997.53            | -26,497.53          | -10.59%               |
| 36100 INTEREST EARNINGS-GEN/SEW              | 600.00             | .00                   | 2,349.10             | -1,749.10           | -2.91%                |
| 36200 INTEREST EARNINGS-STATE STREET AID     | 60.00              | .00                   | 238.97               | -178.97             | -2.98%                |
| 36300 INTEREST EARNINGS-DRUG FUND            | 10.00              | .00                   | 32.72                | -22.72              | -2.27%                |
| 36716 POLICE CHILD SAFETY SEAT FUND          | .00                | .00                   | .00                  | .00                 | .00%                  |
| 36932 PROCEEDS FROM INSURANCE                | .00                | .00                   | .00                  | .00                 | .00%                  |
| 36990 MISCELLANEOUS REVENUE                  | 10,000.00          | 114.50                | 58,675.25            | -48,675.25          | -4.86%                |
| 36991 TELECOMMUNICATIONS REVENUE             | 350.00             | 46.00                 | 308.12               | 41.88               | .11%                  |
| 36992 REIMBURSE WRECKER SERVICES             | 200.00             | .00                   | 100.00               | 100.00              | .50%                  |
| 36993 SEXUAL OFFENDER REGISTRY REVENUE       | 400.00             | .00                   | .00                  | 400.00              | 1.00%                 |
| 36994 ALCOHOL TRAINING CLASSES               | 100.00             | .00                   | .00                  | 100.00              | 1.00%                 |

36995

DONATION VETERANS MEMORIAL WALL

200.00

.00

300.00

-100.00

- .50%

SEL: Year Fnd Acct Obj Gp Sub Loc. Pgm

TOWN OF MOUNT CARMEL

PAGE: 2

FROM: 2013 110 30000 000 00 000 0000 000

GENERAL FUND

Feb 10, 2014

THRU: 2013 110 39999 000 00 000 0000 000

REVENUE REPORT

02:35 PM

**JANUARY 2014**  
**Uncollected Revenue**  
**SHOULD NOT BE OVER 4.2%**

| ACCOUNT/DESCRIPTION.....                | ESTIMATED REVENUES  | MONTH-TO-DATE REVENUE | YEAR-TO-DATE REVENUE | UNCOLLECTED REVENUE | UNCOLLECTED % OF BUDG |
|---|---------------------|-----------------------|----------------------|---------------------|-----------------------|
| 36996 GUN PERMIT CLASSES                | .00                 | .00                   | .00                  | .00                 | .00%                  |
| 37301 BULLETPROOF VESTS                 | .00                 | .00                   | .00                  | .00                 | .00%                  |
| 37990 OTHER AVAILABLE FUNDS GENERAL     | 653,800.00          | .00                   | .00                  | 653,800.00          | 1.00%                 |
| 37991 OTHER AVAILABLE FUNDS-SSA         | .00                 | .00                   | .00                  | .00                 | .00%                  |
| 37993 OTHER AVAILABLE FUNDS - DRUG FUND | 30,000.00           | .00                   | .00                  | 30,000.00           | 1.00%                 |
| <b>Total: GENERAL FUND</b>              | <b>2,886,088.00</b> | <b>187,144.33</b>     | <b>1,529,909.40</b>  | <b>1,356,178.60</b> | <b>.46%</b>           |

**JANUARY 2014**  
Should still have  
**42% of your**  
funds available.

| ACCOUNT/DESCRIPTION.....                         | APPROPRIATION<br>AMOUNT | MONTH-TO-DATE<br>EXPENDITURES | YEAR-TO-DATE<br>EXPENDITURES | OUTSTANDING<br>ENCUMBRANCES | AVAILABLE<br>FUNDS | AVL FND\$<br>%OF BUDG |
|--|-------------------------|-------------------------------|------------------------------|-----------------------------|--------------------|-----------------------|
| <b>(ACC-41000) GENERAL GOVERNMENT</b>            |                         |                               |                              |                             |                    |                       |
| 41000-172 ELECTION EXPENSE                       | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 41000-235 DUES                                   | 1,600.00                | .00                           | 1,517.00                     | .00                         | 83.00              | .05%                  |
| 41000-236 FIREWORKS BLOCK PARTY                  | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 41000-240 UTILITIES                              | 13,000.00               | 2,560.76                      | 8,086.78                     | .00                         | 4,913.22           | .37%                  |
| 41000-245 TELEPHONE                              | 4,500.00                | 572.34                        | 1,931.69                     | .00                         | 2,568.31           | .57%                  |
| 41000-254 ENGINEERING SERVICES                   | 15,000.00               | .00                           | 850.00                       | .00                         | 14,150.00          | .94%                  |
| 41000-510 INSURANCE                              | 51,000.00               | .00                           | 34,165.55                    | .00                         | 16,834.45          | .33%                  |
| 41000-511 INSURANCE PAYOUT                       | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 41000-551 REAPPRAISAL COSTS                      | 6,500.00                | .00                           | 5,186.71                     | .00                         | 1,313.29           | .20%                  |
| 41000-597 SAFETY PROGRAM                         | 3,000.00                | .00                           | 1,554.95                     | .00                         | 1,445.05           | .48%                  |
| 41000-691 BANK SERVICE CHARGES                   | 100.00                  | .00                           | 10.00                        | .00                         | 90.00              | .90%                  |
| 41000-720 FIRST DEVELOPMENT DISTRICT             | 1,110.00                | .00                           | 1,110.00                     | .00                         | .00                | .00%                  |
| 41000-722 FIRST TENN HUMAN RESOURCE AGENCY       | 2,000.00                | 2,000.00                      | 2,000.00                     | .00                         | .00                | .00%                  |
| 41000-723 SENIOR CITIZENS DONATION               | 36,000.00               | .00                           | 36,000.00                    | .00                         | .00                | .00%                  |
| 41000-724 HAWKINS CO. CHAMBER OF COMMERCE        | 2,500.00                | .00                           | 2,500.00                     | .00                         | .00                | .00%                  |
| 41000-726 OF ONE ACCORD SUMMER LUNCHBOX          | 1,000.00                | .00                           | .00                          | .00                         | 1,000.00           | 1.00%                 |
| <b>Total: GENERAL GOVERNMENT</b>                 | <b>137,310.00</b>       | <b>5,133.10</b>               | <b>94,912.68</b>             | <b>.00</b>                  | <b>42,397.32</b>   | <b>.30%</b>           |
| <b>(ACC-41500) FINANCIAL ADMINISTRATION</b>      |                         |                               |                              |                             |                    |                       |
| 41500-121 WAGES                                  | 160,000.00              | 11,602.67                     | 85,940.74                    | .00                         | 74,059.26          | .46%                  |
| 41500-132 BONUS PAY GENERAL/SEWER EMPLOYEES      | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 41500-141 SOCIAL SECURITY                        | 13,000.00               | 856.80                        | 6,601.98                     | .00                         | 6,398.02           | .49%                  |
| 41500-142 EMPLOYEE INSURANCE                     | 23,000.00               | 2,224.54                      | 11,857.71                    | .00                         | 11,142.29          | .48%                  |
| 41500-143 RETIREMENT                             | 20,000.00               | 1,226.36                      | 10,368.40                    | .00                         | 9,631.60           | .48%                  |
| 41500-146 WORKERS COMP                           | 1,500.00                | 157.35                        | 383.43                       | .00                         | 1,116.57           | .74%                  |
| 41500-147 UNEMPLOYMENT INSURANCE                 | 450.00                  | 46.41                         | 50.14                        | .00                         | 399.86             | .88%                  |
| 41500-148 TRAINING                               | 3,000.00                | .00                           | 2,550.00                     | .00                         | 450.00             | .15%                  |
| 41500-161 FEES OF ALDERMEN & FULL TIME MAYOR     | 11,600.00               | 125.00                        | 5,590.13                     | .00                         | 6,009.87           | .51%                  |
| 41500-216 INTERNET SERVICES                      | 780.00                  | 102.64                        | 559.24                       | .00                         | 220.76             | .28%                  |
| 41500-217 WEB SERVICES                           | 500.00                  | 125.00                        | 125.00                       | .00                         | 375.00             | .75%                  |
| 41500-220 CABLE TELEVISION CHANNEL               | 72.00                   | .00                           | .00                          | .00                         | 72.00              | 1.00%                 |
| 41500-233 HOUSING AUTHORITY                      | 1,000.00                | .00                           | .00                          | .00                         | 1,000.00           | 1.00%                 |
| 41500-237 ADVERTISING                            | 1,200.00                | .00                           | 1,173.01                     | .00                         | 26.99              | .02%                  |
| 41500-250 CITY JUDGE                             | 4,800.00                | 200.00                        | 2,600.00                     | .00                         | 2,200.00           | .45%                  |
| 41500-251 MEDICAL SERVICES                       | 200.00                  | .00                           | 80.00                        | .00                         | 120.00             | .60%                  |
| 41500-252 LEGAL SERVICES                         | 20,000.00               | 592.85                        | 6,498.12                     | .00                         | 13,501.88          | .67%                  |
| 41500-253 ACCOUNTING AND AUDITING FEES           | 21,050.00               | .00                           | 5,853.75                     | .00                         | 15,196.25          | .72%                  |
| 41500-255 COMPUTER HARDWARE & SOFTWARE SUPPORT   | 18,000.00               | 312.75                        | 14,968.15                    | .00                         | 3,031.85           | .16%                  |
| 41500-257 PLANNING SERVICES                      | 8,400.00                | 2,100.00                      | 4,200.00                     | .00                         | 4,200.00           | .50%                  |
| 41500-266 REPAIR AND MAINTENANCE BUILDIN         | 15,000.00               | 398.65                        | 4,953.58                     | .00                         | 10,046.42          | .66%                  |
| 41500-280 TRAVEL                                 | 3,000.00                | .00                           | 192.30                       | .00                         | 2,807.70           | .93%                  |
| 41500-290 CONTRACTUAL SERVICES                   | 1,200.00                | .00                           | .00                          | .00                         | 1,200.00           | 1.00%                 |
| 41500-298 COMMISSION FEES                        | 2,500.00                | 209.15                        | 557.92                       | .00                         | 1,942.08           | .77%                  |
| 41500-310 OFFICE EXPENSE AND POSTAGE             | 15,000.00               | 1,580.52                      | 7,835.93                     | .00                         | 7,164.07           | .47%                  |
| 41500-312 PITNEY BOWES SUPPLIES                  | 900.00                  | .00                           | 432.00                       | .00                         | 468.00             | .52%                  |
| 41500-479 MISCELLANEOUS                          | 5,000.00                | 219.92                        | 1,949.95                     | .00                         | 3,050.05           | .61%                  |
| 41500-621 RETIREMENT OF NOTES (PD/CT PROG & PDVE | 2,769.00                | .00                           | 2,768.74                     | .00                         | .26                | .00%                  |
| 41500-625 OPERATING LEASE COPIER                 | 1,520.00                | 126.00                        | 882.00                       | .00                         | 638.00             | .41%                  |
| 41500-642 INTEREST ON NOTES                      | 118.00                  | .00                           | 119.30                       | .00                         | -1.30              | -.01%                 |



FROM: 2013 110 40000 000 00 000 0000 000  
 THRU: 2013 110 99999 999 00 000 0000 000

GENERAL FUND  
 EXPENDITURE REPORT  
 REPORT DATE: 01/31/2014

Feb 10, 2014  
 02:35 PM

Should still have  
**42% of your  
 funds available.**

| ACCOUNT/DESCRIPTION.....                         | APPROPRIATION<br>AMOUNT | MONTH-TO-DATE<br>EXPENDITURES | YEAR-TO-DATE<br>EXPENDITURES | OUTSTANDING<br>ENCUMBRANCES | AVAILABLE<br>FUNDS | AVL FND\$<br>%OF BUDG |
|--|-------------------------|-------------------------------|------------------------------|-----------------------------|--------------------|-----------------------|
| 42100-950 TML SAFETY PARTNERS MATCHING 08-09     | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| <b>Total: POLICE</b>                             | <b>651,004.00</b>       | <b>56,149.51</b>              | <b>312,855.22</b>            | <b>.00</b>                  | <b>338,148.78</b>  | <b>.51%</b>           |
| <b>(ACC-42129) DRUG FUND</b>                     |                         |                               |                              |                             |                    |                       |
| 42129-148 TRAINING                               | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 42129-320 OPERATING SUPPLIES                     | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 42129-327 CRIME PREVENTION                       | 5,000.00                | .00                           | .00                          | .00                         | 5,000.00           | 1.00%                 |
| 42129-691 BANK SERVICE CHARGES                   | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 42129-742 SPECIAL INVESTIGATIVE FUNDS            | .00                     | .00                           | 2,000.00                     | .00                         | -2,000.00          | .00%                  |
| 42129-940 EQUIPMENT                              | 27,000.00               | .00                           | 23,298.00                    | .00                         | 3,702.00           | .13%                  |
| <b>Total: DRUG FUND</b>                          | <b>32,000.00</b>        | <b>.00</b>                    | <b>25,298.00</b>             | <b>.00</b>                  | <b>6,702.00</b>    | <b>.20%</b>           |
| <b>(ACC-42200) FIRE DEPARTMENT</b>               |                         |                               |                              |                             |                    |                       |
| 42200-121 WAGES                                  | 29,000.00               | 1,812.80                      | 13,702.18                    | .00                         | 15,297.82          | .52%                  |
| 42200-122 OVERTIME                               | 20,000.00               | 137.36                        | 2,810.02                     | .00                         | 17,189.98          | .85%                  |
| 42200-141 SOCIAL SECURITY                        | 4,000.00                | 133.20                        | 1,132.07                     | .00                         | 2,867.93           | .71%                  |
| 42200-142 EMPLOYEE INSURANCE                     | 6,000.00                | 929.66                        | 3,576.22                     | .00                         | 2,423.78           | .40%                  |
| 42200-143 RETIREMENT                             | 5,800.00                | 234.79                        | 2,025.64                     | .00                         | 3,774.36           | .65%                  |
| 42200-146 WORKERS COMP                           | 4,800.00                | 502.78                        | 1,087.31                     | .00                         | 3,712.69           | .77%                  |
| 42200-147 UNEMPLOYMENT INSURANCE                 | 90.00                   | 7.81                          | 11.02                        | .00                         | 78.98              | .87%                  |
| 42200-148 TRAINING                               | 2,000.00                | 31.20                         | 363.44                       | .00                         | 1,636.56           | .81%                  |
| 42200-216 INTERNET SERVICES                      | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 42200-235 DUES                                   | 330.00                  | .00                           | .00                          | .00                         | 330.00             | 1.00%                 |
| 42200-238 PUBLIC RELATIONS/PARADE                | 2,000.00                | 50.00                         | 2,417.12                     | .00                         | -417.12            | -.20%                 |
| 42200-240 UTILITIES                              | 12,000.00               | 2,040.08                      | 6,124.38                     | .00                         | 5,875.62           | .48%                  |
| 42200-245 TELEPHONE                              | 2,800.00                | 1,052.49                      | 1,991.66                     | .00                         | 808.34             | .28%                  |
| 42200-251 MEDICAL SERVICES                       | 1,000.00                | .00                           | 171.00                       | .00                         | 829.00             | .82%                  |
| 42200-255 COMPUTER HARDWARE & SOFTWARE SUPPORT   | 440.00                  | .00                           | .00                          | .00                         | 440.00             | 1.00%                 |
| 42200-266 REPAIR AND MAINTENANCE BUILDIN         | 10,000.00               | 834.50                        | 6,723.60                     | .00                         | 3,276.40           | .32%                  |
| 42200-280 TRAVEL                                 | 1,200.00                | 360.95                        | 360.95                       | .00                         | 839.05             | .69%                  |
| 42200-281 OSHA TESTING                           | 3,500.00                | 1,624.50                      | 1,624.50                     | .00                         | 1,875.50           | .53%                  |
| 42200-290 CONTRACTUAL SERVICES                   | 1,400.00                | 850.00                        | 850.00                       | .00                         | 550.00             | .39%                  |
| 42200-310 OFFICE EXPENSE AND POSTAGE             | 2,500.00                | 113.52                        | 359.80                       | .00                         | 2,140.20           | .85%                  |
| 42200-320 OPERATING SUPPLIES                     | 5,800.00                | .00                           | 554.19                       | .00                         | 5,245.81           | .90%                  |
| 42200-326 CLOTHING AND UNIFORMS                  | 2,500.00                | 77.98                         | 2,345.76                     | .00                         | 154.24             | .06%                  |
| 42200-330 VEHICLE OPERATING EXPENSE              | 25,000.00               | 111.91                        | 11,517.61                    | .00                         | 13,482.39          | .53%                  |
| 42200-331 FUEL EXPENSE                           | 4,000.00                | 248.78                        | 1,412.56                     | .00                         | 2,587.44           | .64%                  |
| 42200-335 FIRE DEPT FORESTRY GRANT 2012-13       | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 42200-336 RADIO EXPENSE                          | 1,500.00                | .00                           | .00                          | .00                         | 1,500.00           | 1.00%                 |
| 42200-344 FIRE DEPT EQUIPMENT                    | 24,000.00               | 2,666.43                      | 23,796.84                    | .00                         | 203.16             | .00%                  |
| 42200-479 MISCELLANEOUS                          | 1,500.00                | 49.99                         | 49.99                        | .00                         | 1,450.01           | .96%                  |
| 42200-621 RETIREMENT OF NOTES (PD/CT PROG & PDVE | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 42200-625 OPERATING LEASE COPIER                 | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 42200-642 INTEREST ON NOTES                      | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 42200-939 CAPITAL PROJECT: FIRE STATION #2 CVR   | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 42200-940 EQUIPMENT                              | 2,800.00                | .00                           | .00                          | .00                         | 2,800.00           | 1.00%                 |
| <b>Total: FIRE DEPARTMENT</b>                    | <b>175,960.00</b>       | <b>13,870.73</b>              | <b>85,007.86</b>             | <b>.00</b>                  | <b>90,952.14</b>   | <b>.51%</b>           |

**JANUARY 2014**  
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| ACCOUNT/DESCRIPTION.....                        | APPROPRIATION<br>AMOUNT | MONTH-TO-DATE<br>EXPENDITURES | YEAR-TO-DATE<br>EXPENDITURES | OUTSTANDING<br>ENCUMBRANCES | AVAILABLE<br>FUNDS | AVL FND\$<br>%OF BUDG |
|---|-------------------------|-------------------------------|------------------------------|-----------------------------|--------------------|-----------------------|
| <b>(ACC-42400) ANIMAL CONTROL DEPARTMENT</b>    |                         |                               |                              |                             |                    |                       |
| 42400-121 WAGES                                 | 18,000.00               | 1,346.41                      | 9,366.08                     | .00                         | 8,633.92           | .47%                  |
| 42400-122 OVERTIME                              | 3,500.00                | 39.42                         | 339.70                       | .00                         | 3,160.30           | .90%                  |
| 42400-141 SOCIAL SECURITY                       | 1,550.00                | 106.01                        | 741.11                       | .00                         | 808.89             | .52%                  |
| 42400-143 RETIREMENT                            | 500.00                  | .00                           | 17.91                        | .00                         | 482.09             | .96%                  |
| 42400-146 WORKERS COMP                          | 1,400.00                | 234.77                        | 628.69                       | .00                         | 771.31             | .55%                  |
| 42400-147 UNEMPLOYMENT INSURANCE                | 90.00                   | 5.55                          | 35.01                        | .00                         | 54.99              | .61%                  |
| 42400-148 TRAINING                              | 250.00                  | 525.00                        | 685.00                       | .00                         | -435.00            | -1.74%                |
| 42400-216 INTERNET SERVICES                     | 550.00                  | 39.99                         | 279.93                       | .00                         | 270.07             | .49%                  |
| 42400-235 DUES                                  | 100.00                  | .00                           | .00                          | .00                         | 100.00             | 1.00%                 |
| 42400-240 UTILITIES                             | 1,500.00                | 183.69                        | 354.82                       | .00                         | 1,145.18           | .76%                  |
| 42400-245 TELEPHONE                             | 550.00                  | 86.27                         | 301.52                       | .00                         | 248.48             | .45%                  |
| 42400-251 MEDICAL SERVICES                      | 800.00                  | 134.62                        | 1,367.25                     | .00                         | -567.25            | -.70%                 |
| 42400-266 REPAIR AND MAINTENANCE BUILDIN        | 3,500.00                | 20.57                         | 933.00                       | .00                         | 2,567.00           | .73%                  |
| 42400-280 TRAVEL                                | 400.00                  | .00                           | 358.74                       | .00                         | 41.26              | .10%                  |
| 42400-310 OFFICE EXPENSE AND POSTAGE            | 250.00                  | 52.88                         | 65.86                        | .00                         | 184.14             | .73%                  |
| 42400-320 OPERATING SUPPLIES                    | 500.00                  | 24.94                         | 152.92                       | .00                         | 347.08             | .69%                  |
| 42400-323 FOOD (ANIMALS)                        | 600.00                  | .00                           | .00                          | .00                         | 600.00             | 1.00%                 |
| 42400-326 CLOTHING AND UNIFORMS                 | 800.00                  | .00                           | .00                          | .00                         | 800.00             | 1.00%                 |
| 42400-330 VEHICLE OPERATING EXPENSE             | 1,500.00                | .00                           | 1,005.86                     | .00                         | 494.14             | .32%                  |
| 42400-331 FUEL EXPENSE                          | 2,300.00                | 258.78                        | 1,384.96                     | .00                         | 915.04             | .39%                  |
| 42400-336 RADIO EXPENSE                         | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 42400-479 MISCELLANEOUS                         | 200.00                  | .00                           | .00                          | .00                         | 200.00             | 1.00%                 |
| 42400-940 EQUIPMENT                             | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| <b>Total: ANIMAL CONTROL DEPARTMENT</b>         | <b>38,840.00</b>        | <b>3,058.90</b>               | <b>18,018.36</b>             | <b>.00</b>                  | <b>20,821.64</b>   | <b>.53%</b>           |
| <b>(ACC-42420) BUILDING INSPECTION</b>          |                         |                               |                              |                             |                    |                       |
| 42420-121 WAGES                                 | 22,000.00               | 1,115.88                      | 10,431.63                    | .00                         | 11,568.37          | .52%                  |
| 42420-141 SOCIAL SECURITY                       | 1,700.00                | 85.37                         | 798.01                       | .00                         | 901.99             | .53%                  |
| 42420-146 WORKERS COMP                          | 1,600.00                | 284.29                        | 894.45                       | .00                         | 705.55             | .44%                  |
| 42420-147 UNEMPLOYMENT INSURANCE                | 90.00                   | 4.46                          | 4.46                         | .00                         | 85.54              | .95%                  |
| 42420-148 TRAINING                              | 600.00                  | .00                           | 75.00                        | .00                         | 525.00             | .87%                  |
| 42420-235 DUES                                  | 4,200.00                | 3,460.00                      | 6,920.00                     | .00                         | -2,720.00          | -.64%                 |
| 42420-245 TELEPHONE                             | 500.00                  | 79.08                         | 220.52                       | .00                         | 279.48             | .55%                  |
| 42420-269 DEMOLITION                            | 2,500.00                | .00                           | .00                          | .00                         | 2,500.00           | 1.00%                 |
| 42420-280 TRAVEL                                | 600.00                  | .00                           | 290.74                       | .00                         | 309.26             | .51%                  |
| 42420-320 OPERATING SUPPLIES                    | 800.00                  | 96.97                         | 287.96                       | .00                         | 512.04             | .64%                  |
| 42420-330 VEHICLE OPERATING EXPENSE             | 500.00                  | .00                           | .00                          | .00                         | 500.00             | 1.00%                 |
| 42420-331 FUEL EXPENSE                          | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 42420-479 MISCELLANEOUS                         | 600.00                  | .00                           | 37.84                        | .00                         | 562.16             | .93%                  |
| <b>Total: BUILDING INSPECTION</b>               | <b>35,690.00</b>        | <b>5,126.05</b>               | <b>19,960.61</b>             | <b>.00</b>                  | <b>15,729.39</b>   | <b>.44%</b>           |
| <b>(ACC-43100) HIGHWAYS AND STREETS-GENERAL</b> |                         |                               |                              |                             |                    |                       |
| 43100-121 WAGES                                 | 153,000.00              | 9,403.20                      | 77,315.88                    | .00                         | 75,684.12          | .49%                  |
| 43100-122 OVERTIME                              | 9,000.00                | .00                           | 1,409.53                     | .00                         | 7,590.47           | .84%                  |
| 43100-141 SOCIAL SECURITY                       | 12,000.00               | 610.88                        | 5,165.25                     | .00                         | 6,834.75           | .56%                  |
| 43100-142 EMPLOYEE INSURANCE                    | 42,000.00               | 5,622.32                      | 23,627.63                    | .00                         | 18,372.37          | .43%                  |
| 43100-143 RETIREMENT                            | 19,000.00               | 1,132.16                      | 9,781.82                     | .00                         | 9,218.18           | .48%                  |
| 43100-146 WORKERS COMP                          | 19,000.00               | 3,228.49                      | 10,709.98                    | .00                         | 8,290.02           | .43%                  |

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| ACCOUNT/DESCRIPTION.....                         | APPROPRIATION<br>AMOUNT | MONTH-TO-DATE<br>EXPENDITURES | YEAR-TO-DATE<br>EXPENDITURES | OUTSTANDING<br>ENCUMBRANCES | AVAILABLE<br>FUNDS | AVL FND\$<br>%OF BUDG |
|--|-------------------------|-------------------------------|------------------------------|-----------------------------|--------------------|-----------------------|
| 43100-147 UNEMPLOYMENT INSURANCE                 | 450.00                  | 37.62                         | 37.62                        | .00                         | 412.38             | .91%                  |
| 43100-148 TRAINING                               | 200.00                  | .00                           | .00                          | .00                         | 200.00             | 1.00%                 |
| 43100-216 INTERNET SERVICES                      | 1,260.00                | 114.62                        | 792.68                       | .00                         | 467.32             | .37%                  |
| 43100-240 UTILITIES                              | 6,000.00                | 1,201.85                      | 3,126.29                     | .00                         | 2,873.71           | .47%                  |
| 43100-245 TELEPHONE                              | 4,300.00                | 513.04                        | 1,971.15                     | .00                         | 2,328.85           | .54%                  |
| 43100-251 MEDICAL SERVICES                       | 500.00                  | .00                           | 47.00                        | .00                         | 453.00             | .90%                  |
| 43100-266 REPAIR AND MAINTENANCE BUILDIN         | 23,000.00               | 374.53                        | 19,481.22                    | .00                         | 3,518.78           | .15%                  |
| 43100-268 REPAIR & MAINT. STREETS                | 20,000.00               | 173.04                        | 5,592.98                     | .00                         | 14,407.02          | .72%                  |
| 43100-280 TRAVEL                                 | 200.00                  | .00                           | .00                          | .00                         | 200.00             | 1.00%                 |
| 43100-294 EQUIPMENT LEASING                      | 500.00                  | .00                           | 67.41                        | .00                         | 432.59             | .86%                  |
| 43100-310 OFFICE EXPENSE AND POSTAGE             | 1,000.00                | .00                           | .00                          | .00                         | 1,000.00           | 1.00%                 |
| 43100-320 OPERATING SUPPLIES                     | 5,000.00                | 75.59                         | 1,691.95                     | .00                         | 3,308.05           | .66%                  |
| 43100-326 CLOTHING AND UNIFORMS                  | 4,000.00                | 1,154.25                      | 1,154.25                     | .00                         | 2,845.75           | .71%                  |
| 43100-330 VEHICLE OPERATING EXPENSE              | 32,000.00               | 1,117.65                      | 7,826.62                     | .00                         | 24,173.38          | .75%                  |
| 43100-331 FUEL EXPENSE                           | 30,000.00               | 2,984.35                      | 13,816.87                    | .00                         | 16,183.13          | .53%                  |
| 43100-343 TRAFFIC LIGHT TDOT/MPO STUDY           | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 43100-479 MISCELLANEOUS                          | 2,000.00                | .00                           | .00                          | .00                         | 2,000.00           | 1.00%                 |
| 43100-482 DRAINAGE REPAIR                        | 5,000.00                | .00                           | 1,128.52                     | .00                         | 3,871.48           | .77%                  |
| 43100-931 PAVING                                 | 500,000.00              | 9,751.20                      | 131,672.66                   | .00                         | 368,327.34         | .73%                  |
| 43100-940 EQUIPMENT                              | 90,000.00               | .00                           | .00                          | .00                         | 90,000.00          | 1.00%                 |
| <b>Total: HIGHWAYS AND STREETS-GENERAL</b>       | <b>979,410.00</b>       | <b>37,494.79</b>              | <b>316,417.31</b>            | <b>.00</b>                  | <b>662,992.69</b>  | <b>.67%</b>           |
| <b>(ACC-43190) STATE STREET AID</b>              |                         |                               |                              |                             |                    |                       |
| 43190-247 STREET LIGHTING                        | 43,000.00               | 4,743.77                      | 25,151.20                    | .00                         | 17,848.80          | .41%                  |
| 43190-342 SIGN PARTS AND SUPPLIES                | 5,000.00                | .00                           | .00                          | .00                         | 5,000.00           | 1.00%                 |
| 43190-343 TRAFFIC LIGHT TDOT/MPO STUDY           | 3,000.00                | 257.01                        | 747.17                       | .00                         | 2,252.83           | .75%                  |
| 43190-400 MATERIALS & STREETS                    | 86,510.00               | .00                           | 1,277.02                     | .00                         | 85,232.98          | .98%                  |
| 43190-621 RETIREMENT OF NOTES (PD/CT PROG & PDVE | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 43190-642 INTEREST ON NOTES                      | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 43190-931 PAVING                                 | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 43190-940 EQUIPMENT                              | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| <b>Total: STATE STREET AID</b>                   | <b>137,510.00</b>       | <b>5,000.78</b>               | <b>27,175.39</b>             | <b>.00</b>                  | <b>110,334.61</b>  | <b>.80%</b>           |
| <b>(ACC-43200) SOLID WASTE &amp; RECYCLING</b>   |                         |                               |                              |                             |                    |                       |
| 43200-121 WAGES                                  | 30,000.00               | 2,190.40                      | 18,315.98                    | .00                         | 11,684.02          | .38%                  |
| 43200-122 OVERTIME                               | 3,000.00                | .00                           | 112.94                       | .00                         | 2,887.06           | .96%                  |
| 43200-141 SOCIAL SECURITY                        | 2,600.00                | 126.14                        | 1,099.12                     | .00                         | 1,500.88           | .57%                  |
| 43200-142 EMPLOYEE INSURANCE                     | 17,000.00               | 2,742.24                      | 10,532.40                    | .00                         | 6,467.60           | .38%                  |
| 43200-143 RETIREMENT                             | 4,000.00                | 263.72                        | 2,271.72                     | .00                         | 1,728.28           | .43%                  |
| 43200-146 WORKERS COMP                           | 3,200.00                | 516.91                        | 1,683.89                     | .00                         | 1,516.11           | .47%                  |
| 43200-147 UNEMPLOYMENT INSURANCE                 | 90.00                   | 8.76                          | 8.76                         | .00                         | 81.24              | .90%                  |
| 43200-251 MEDICAL SERVICES                       | 200.00                  | .00                           | .00                          | .00                         | 200.00             | 1.00%                 |
| 43200-290 CONTRACTUAL SERVICES                   | 161,425.00              | 12,811.50                     | 76,869.00                    | .00                         | 84,556.00          | .52%                  |
| 43200-320 OPERATING SUPPLIES                     | 300.00                  | .00                           | .00                          | .00                         | 300.00             | 1.00%                 |
| 43200-330 VEHICLE OPERATING EXPENSE              | 4,000.00                | 497.93                        | 1,924.49                     | .00                         | 2,075.51           | .51%                  |
| 43200-331 FUEL EXPENSE                           | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 43200-596 STATE PERMIT FEE                       | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| <b>Total: SOLID WASTE &amp; RECYCLING</b>        | <b>225,815.00</b>       | <b>19,157.60</b>              | <b>112,818.30</b>            | <b>.00</b>                  | <b>112,996.70</b>  | <b>.50%</b>           |

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|--|-------------------------|-------------------------------|------------------------------|-----------------------------|--------------------|-----------------------|
| <b>(ACC-43500) LIBERTY HILL CEMETERY</b>         |                         |                               |                              |                             |                    |                       |
| 43500-252 LEGAL SERVICES                         | 1,650.00                | .00                           | .00                          | .00                         | 1,650.00           | 1.00%                 |
| 43500-265 CEMETERY REPAIR AND MAINTENANCE        | 2,000.00                | .00                           | .00                          | .00                         | 2,000.00           | 1.00%                 |
| <b>Total: LIBERTY HILL CEMETERY</b>              | <b>3,650.00</b>         | <b>.00</b>                    | <b>.00</b>                   | <b>.00</b>                  | <b>3,650.00</b>    | <b>1.00%</b>          |
| <b>(ACC-44440) RECREATION</b>                    |                         |                               |                              |                             |                    |                       |
| 44440-121 WAGES                                  | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 44440-141 SOCIAL SECURITY                        | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 44440-146 WORKERS COMP                           | .00                     | .00                           | -573.00                      | .00                         | 573.00             | .00%                  |
| 44440-147 UNEMPLOYMENT INSURANCE                 | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 44440-216 INTERNET SERVICES                      | 1,070.00                | 175.98                        | 615.93                       | .00                         | 454.07             | .42%                  |
| 44440-240 UTILITIES                              | 4,250.00                | 600.86                        | 1,903.75                     | .00                         | 2,346.25           | .55%                  |
| 44440-245 TELEPHONE                              | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 44440-296 JOINT RECREATION DIRECTOR              | 18,000.00               | 2,672.52                      | 12,909.68                    | .00                         | 5,090.32           | .28%                  |
| 44440-297 JOINT RECREATION PROGRAMS              | 25,000.00               | .00                           | 6,020.62                     | .00                         | 18,979.38          | .75%                  |
| 44440-300 VETERAN WAR MEMORIAL PARK              | 2,000.00                | 251.88                        | 2,448.75                     | .00                         | -448.75            | -.22%                 |
| 44440-320 OPERATING SUPPLIES                     | 1,000.00                | .00                           | .00                          | .00                         | 1,000.00           | 1.00%                 |
| 44440-479 MISCELLANEOUS                          | 250.00                  | .00                           | .00                          | .00                         | 250.00             | 1.00%                 |
| 44440-725 PARK DEVELOPMENT & OPERATIONS          | 8,000.00                | .00                           | 159.23                       | .00                         | 7,840.77           | .98%                  |
| <b>Total: RECREATION</b>                         | <b>59,570.00</b>        | <b>3,701.24</b>               | <b>23,484.96</b>             | <b>.00</b>                  | <b>36,085.04</b>   | <b>.60%</b>           |
| <b>(ACC-44800) LIBRARY</b>                       |                         |                               |                              |                             |                    |                       |
| 44800-121 WAGES                                  | 22,000.00               | 1,268.50                      | 10,480.59                    | .00                         | 11,519.41          | .52%                  |
| 44800-141 SOCIAL SECURITY                        | 1,700.00                | 97.04                         | 801.74                       | .00                         | 898.26             | .52%                  |
| 44800-143 RETIREMENT                             | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 44800-146 WORKERS COMP                           | 100.00                  | 3.35                          | 15.24                        | .00                         | 84.76              | .84%                  |
| 44800-147 UNEMPLOYMENT INSURANCE                 | 270.00                  | 5.07                          | 35.49                        | .00                         | 234.51             | .86%                  |
| 44800-148 TRAINING                               | 150.00                  | .00                           | .00                          | .00                         | 150.00             | 1.00%                 |
| 44800-216 INTERNET SERVICES                      | 500.00                  | 39.99                         | 239.94                       | .00                         | 260.06             | .52%                  |
| 44800-240 UTILITIES                              | 2,900.00                | 593.22                        | 1,679.25                     | .00                         | 1,220.75           | .42%                  |
| 44800-245 TELEPHONE                              | 480.00                  | 58.56                         | 201.18                       | .00                         | 278.82             | .58%                  |
| 44800-251 MEDICAL SERVICES                       | 200.00                  | .00                           | 40.00                        | .00                         | 160.00             | .80%                  |
| 44800-255 COMPUTER HARDWARE & SOFTWARE SUPPORT   | 2,500.00                | 100.00                        | 100.00                       | .00                         | 2,400.00           | .96%                  |
| 44800-266 REPAIR AND MAINTENANCE BUILDIN         | 1,000.00                | 234.98                        | 372.89                       | .00                         | 627.11             | .62%                  |
| 44800-280 TRAVEL                                 | 500.00                  | .00                           | .00                          | .00                         | 500.00             | 1.00%                 |
| 44800-310 OFFICE EXPENSE AND POSTAGE             | 1,000.00                | 49.97                         | 281.57                       | .00                         | 718.43             | .71%                  |
| 44800-311 COMPUTER HARDWARE                      | .00                     | .00                           | 415.00                       | .00                         | -415.00            | .00%                  |
| 44800-479 MISCELLANEOUS                          | 500.00                  | .00                           | .00                          | .00                         | 500.00             | 1.00%                 |
| 44800-490 MATERIALS AND SUPPLIES                 | 5,000.00                | 255.06                        | 2,476.04                     | .00                         | 2,523.96           | .50%                  |
| 44800-618 CIVIL WAR GRANT LIBRARY 2012           | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 44800-619 STATE LIBRARY GRANT LAPTOPS FY 11-12   | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 44800-620 RURAL DEV LIBRARY LAPTOP GRANT FY 11-1 | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 44800-625 OPERATING LEASE COPIER                 | 400.00                  | 100.00                        | 300.00                       | .00                         | 100.00             | .25%                  |
| 44800-721 SUMMER READING PROGRAM                 | 500.00                  | .00                           | 48.50                        | .00                         | 451.50             | .90%                  |
| 44800-940 EQUIPMENT                              | 5,500.00                | .00                           | .00                          | .00                         | 5,500.00           | 1.00%                 |
| <b>Total: LIBRARY</b>                            | <b>45,200.00</b>        | <b>2,805.74</b>               | <b>17,487.43</b>             | <b>.00</b>                  | <b>27,712.57</b>   | <b>.61%</b>           |

OK

FROM: 2013 110 40000 000 00 000 0000 000

GENERAL FUND

Feb 10, 2014

Should still have

THRU: 2013 110 99999 999 00 000 0000 000

EXPENDITURE REPORT

02:35 PM

**42% of your  
funds available.**

REPORT DATE: 01/31/2014

| ACCOUNT/DESCRIPTION.....                        | APPROPRIATION<br>AMOUNT | MONTH-TO-DATE<br>EXPENDITURES | YEAR-TO-DATE<br>EXPENDITURES | OUTSTANDING<br>ENCUMBRANCES | AVAILABLE<br>FUNDS  | AVL FNDS<br>%OF BUDG |
|---|-------------------------|-------------------------------|------------------------------|-----------------------------|---------------------|----------------------|
| (ACC-52200) SEWER                               |                         |                               |                              |                             |                     |                      |
| 52200-146 WORKERS COMP                          | .00                     | .00                           | 346.00                       | .00                         | -346.00             | .00%                 |
| 52200-255 COMPUTER HARDWARE & SOFTWARE SUPPORT  | .00                     | .00                           | .00                          | .00                         | .00                 | .00%                 |
| 52200-260 REPAIR AND MAIN. SERVICES             | .00                     | .00                           | .00                          | .00                         | .00                 | .00%                 |
| 52200-361 PUMP STATION REPAIR & MAINTENANCE     | .00                     | .00                           | .00                          | .00                         | .00                 | .00%                 |
| 52200-364 WASTEWATER PLANT REPAIR & MAINTENANCE | .00                     | .00                           | .00                          | .00                         | .00                 | .00%                 |
| 52200-955 BELT PRESS/ROTO ROOTER MAINTENANCE    | .00                     | .00                           | .00                          | .00                         | .00                 | .00%                 |
| <b>Total: SEWER</b>                             | <b>.00</b>              | <b>.00</b>                    | <b>346.00</b>                | <b>.00</b>                  | <b>-346.00</b>      | <b>.00%</b>          |
| <b>Total: GENERAL FUND</b>                      | <b>2,879,018.00</b>     | <b>173,705.05</b>             | <b>1,234,415.35</b>          | <b>.00</b>                  | <b>1,644,602.65</b> | <b>.57%</b>          |

**JANUARY 2014**  
**Uncollected Revenue**  
**SHOULD NOT BE OVER 42%.**

FROM: 2013 412 30000 000 00 000 0000 000  
 THRU: 2013 412 39999 000 00 000 0000 000

SEWER FUND  
 REVENUE REPORT  
 REPORT DATE: 01/31/2014

Feb 10, 2014  
 02:35 PM

| ACCOUNT/DESCRIPTION.....            | ESTIMATED REVENUES  | MONTH-TO-DATE REVENUE | YEAR-TO-DATE REVENUE | UNCOLLECTED REVENUE | UNCOLLECTED %OF BUDG |
|-------------------------------------|---------------------|-----------------------|----------------------|---------------------|----------------------|
| 36100 INTEREST EARNINGS-GEN/SEW     | 1,000.00            | .00                   | 548.49               | 451.51              | .45%                 |
| 36120 INTEREST EARNINGS - TLDA      | 500.00              | .00                   | .00                  | 500.00              | 1.00%                |
| 36330 SALE OF EQUIPMENT             | .00                 | .00                   | .00                  | .00                 | .00%                 |
| 37210 SEWER SERVICES CHARGES        | 770,000.00          | 65,030.46             | 510,414.16           | 259,585.84          | .33%                 |
| 37294 ACCOUNTING FEES               | 3,500.00            | 175.00                | 2,483.54             | 1,016.46            | .29%                 |
| 37295 CDBG GRANT \$500,000 2012     | 329,640.00          | 139,672.25            | 292,396.66           | 37,243.34           | .11%                 |
| 37296 SEWER TAP FEES                | 5,000.00            | 2,500.00              | 3,000.00             | 2,000.00            | .40%                 |
| 37297 EECBG GRANT FOR 2010-2011     | .00                 | .00                   | .00                  | .00                 | .00%                 |
| 37299 MISCELLANEOUS REVENUE         | 200.00              | .00                   | .00                  | 200.00              | 1.00%                |
| 37994 OTHER AVAILABLE FUNDS - SEWER | 28,000.00           | .00                   | .00                  | 28,000.00           | 1.00%                |
| <b>Total: SEWER FUND</b>            | <b>1,137,840.00</b> | <b>207,377.71</b>     | <b>808,842.85</b>    | <b>328,997.15</b>   | <b>.28%</b>          |

SEL: Year Fnd Acct Obj Gp Sub Loc. Pgm  
 FROM: 2013 412 40000 000 00 000 0000 000  
 THRU: 2013 412 99999 999 00 000 0000 000

TOWN OF MOUNT CARMEL  
 SEWER FUND  
 EXPENDITURE REPORT  
 REPORT DATE: 01/31/2014

PAGE: 1  
 Feb 10, 2014  
 02:36 PM

**JANUARY 2014**  
 Should still have  
 42% available.

| ACCOUNT/DESCRIPTION.....                         | APPROPRIATION<br>AMOUNT | MONTH-TO-DATE<br>EXPENDITURES | YEAR-TO-DATE<br>EXPENDITURES | OUTSTANDING<br>ENCUMBRANCES | AVAILABLE<br>FUNDS | AVL FNDS<br>%OF BUDG |
|--|-------------------------|-------------------------------|------------------------------|-----------------------------|--------------------|----------------------|
| (ACC-52200) SEWER                                |                         |                               |                              |                             |                    |                      |
| 52200-121 WAGES                                  | 99,000.00               | 7,586.28                      | 54,016.69                    | .00                         | 44,983.31          | .45%                 |
| 52200-122 OVERTIME                               | 18,500.00               | 2,923.82                      | 16,947.41                    | .00                         | 1,552.59           | .08%                 |
| 52200-132 BONUS PAY GENERAL/SEWER EMPLOYEES      | .00                     | .00                           | .00                          | .00                         | .00                | .00%                 |
| 52200-141 SOCIAL SECURITY                        | 8,700.00                | 757.72                        | 5,104.69                     | .00                         | 3,595.31           | .41%                 |
| 52200-142 EMPLOYEE INSURANCE                     | 16,500.00               | 2,615.28                      | 9,625.63                     | .00                         | 6,874.37           | .41%                 |
| 52200-143 RETIREMENT                             | 14,000.00               | 1,103.77                      | 8,046.23                     | .00                         | 5,953.77           | .42%                 |
| 52200-146 WORKERS COMP                           | 5,500.00                | 931.43                        | 2,695.01                     | .00                         | 2,804.99           | .50%                 |
| 52200-147 UNEMPLOYMENT INSURANCE                 | 360.00                  | 42.04                         | 92.72                        | .00                         | 267.28             | .74%                 |
| 52200-148 TRAINING                               | 2,000.00                | .00                           | 809.55                       | .00                         | 1,190.45           | .59%                 |
| 52200-165 RETIREMENT OF COURT JUDGEMENT          | 1,291.00                | .00                           | .00                          | .00                         | 1,291.00           | 1.00%                |
| 52200-170 PLANT OPERATIONS MANAGER               | .00                     | .00                           | .00                          | .00                         | .00                | .00%                 |
| 52200-216 INTERNET SERVICES                      | 550.00                  | 80.02                         | 280.07                       | .00                         | 269.93             | .49%                 |
| 52200-235 DUES                                   | 2,000.00                | .00                           | 1,398.68                     | .00                         | 601.32             | .30%                 |
| 52200-240 UTILITIES                              | 76,000.00               | 12,996.16                     | 42,482.64                    | .00                         | 33,517.36          | .44%                 |
| 52200-245 TELEPHONE                              | 4,800.00                | 816.33                        | 2,595.32                     | .00                         | 2,204.68           | .45%                 |
| 52200-251 MEDICAL SERVICES                       | 300.00                  | .00                           | 40.00                        | .00                         | 260.00             | .86%                 |
| 52200-252 LEGAL SERVICES                         | 3,000.00                | 262.50                        | 562.50                       | .00                         | 2,437.50           | .81%                 |
| 52200-253 ACCOUNTING AND AUDITING FEES           | 6,500.00                | .00                           | 1,951.25                     | .00                         | 4,548.75           | .69%                 |
| 52200-254 ENGINEERING SERVICES                   | 5,000.00                | .00                           | .00                          | .00                         | 5,000.00           | 1.00%                |
| 52200-255 COMPUTER HARDWARE & SOFTWARE SUPPORT   | 250.00                  | .00                           | .00                          | .00                         | 250.00             | 1.00%                |
| 52200-256 EECBG GRANT FOR 2010-2011              | .00                     | .00                           | .00                          | .00                         | .00                | .00%                 |
| 52200-258 CDBG GRANT \$500,000 2012              | 357,640.00              | 144,193.90                    | 308,429.81                   | .00                         | 49,210.19          | .13%                 |
| 52200-260 REPAIR AND MAIN. SERVICES              | 3,000.00                | 1,577.55                      | 2,505.56                     | .00                         | 494.44             | .16%                 |
| 52200-268 REPAIR & MAINT. STREETS                | 2,500.00                | .00                           | .00                          | .00                         | 2,500.00           | 1.00%                |
| 52200-280 TRAVEL                                 | 2,000.00                | .00                           | .00                          | .00                         | 2,000.00           | 1.00%                |
| 52200-290 CONTRACTUAL SERVICES                   | 2,000.00                | .00                           | 1,350.78                     | .00                         | 649.22             | .32%                 |
| 52200-298 COMMISSION FEES                        | 24,000.00               | 1,943.00                      | 15,585.00                    | .00                         | 8,415.00           | .35%                 |
| 52200-299 BILLING SERVICES-COLLECTIONS INC       | 250.00                  | .00                           | 96.11                        | .00                         | 153.89             | .61%                 |
| 52200-310 OFFICE EXPENSE AND POSTAGE             | 1,200.00                | 81.94                         | 781.58                       | .00                         | 418.42             | .34%                 |
| 52200-320 OPERATING SUPPLIES                     | 5,000.00                | 32.60                         | 3,506.46                     | .00                         | 1,493.54           | .29%                 |
| 52200-322 CHEMICALS                              | 30,000.00               | 2,852.50                      | 9,167.50                     | .00                         | 20,832.50          | .69%                 |
| 52200-326 CLOTHING AND UNIFORMS                  | 4,000.00                | 859.26                        | 2,642.04                     | .00                         | 1,357.96           | .33%                 |
| 52200-330 VEHICLE OPERATING EXPENSE              | 1,000.00                | 486.92                        | 1,515.52                     | .00                         | -515.52            | -.51%                |
| 52200-331 FUEL EXPENSE                           | 5,000.00                | 451.33                        | 2,238.76                     | .00                         | 2,761.24           | .55%                 |
| 52200-361 PUMP STATION REPAIR & MAINTENANCE      | 30,000.00               | 4,078.78                      | 34,855.11                    | .00                         | -4,855.11          | -.16%                |
| 52200-362 RESIDENTIAL PUMP REPAIR & MAINTENANCE  | 20,000.00               | 8,457.47                      | 11,492.37                    | .00                         | 8,507.63           | .42%                 |
| 52200-363 SEWER LINE REPAIR & MAINTENANCE        | 15,000.00               | 280.00                        | 5,836.12                     | .00                         | 9,163.88           | .61%                 |
| 52200-364 WASTEWATER PLANT REPAIR & MAINTENANCE  | 25,000.00               | 14,666.18                     | 28,787.22                    | .00                         | -3,787.22          | -.15%                |
| 52200-479 MISCELLANEOUS                          | 350.00                  | .00                           | 82.64                        | .00                         | 267.36             | .76%                 |
| 52200-510 INSURANCE                              | 18,000.00               | .00                           | 11,388.52                    | .00                         | 6,611.48           | .36%                 |
| 52200-533 MACHINERY & EQUIPMENT RENTAL           | 2,000.00                | .00                           | .00                          | .00                         | 2,000.00           | 1.00%                |
| 52200-540 DEPRECIATION                           | 217,434.00              | .00                           | 108,717.00                   | .00                         | 108,717.00         | .50%                 |
| 52200-596 STATE PERMIT FEE                       | 3,500.00                | .00                           | .00                          | .00                         | 3,500.00           | 1.00%                |
| 52200-613 2003 SEWER REV/TAX BOND                | .00                     | .00                           | .00                          | .00                         | .00                | .00%                 |
| 52200-614 2013 SEWER REV/TAX BONDS REFUNDING     | .00                     | .00                           | 8,000.00                     | .00                         | -8,000.00          | .00%                 |
| 52200-615 TLDA BONDS                             | .00                     | .00                           | .00                          | .00                         | .00                | .00%                 |
| 52200-621 RETIREMENT OF NOTES (PD/CT PROG & PDVE | .00                     | .00                           | .00                          | .00                         | .00                | .00%                 |
| 52200-622 RETIREMENT OF COURT JUDGEMENT          | .00                     | .00                           | .00                          | .00                         | .00                | .00%                 |
| 52200-633 INTEREST ON 2003 REV/TAX REFUNDING BON | 22,712.00               | .00                           | 11,356.25                    | .00                         | 11,355.75          | .49%                 |
| 52200-635 TLDA INTEREST                          | 16,341.00               | 1,631.90                      | 11,645.05                    | .00                         | 4,695.95           | .28%                 |

FROM: 2013 412 40000 000 00 000 0000 000

SEWER FUND

Feb 10, 2014

Should still have  
42% available.

THRU: 2013 412 99999 999 00 000 0000 000

EXPENDITURE REPORT  
REPORT DATE: 01/31/2014

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| ACCOUNT/DESCRIPTION.....                     | APPROPRIATION<br>AMOUNT | MONTH-TO-DATE<br>EXPENDITURES | YEAR-TO-DATE<br>EXPENDITURES | OUTSTANDING<br>ENCUMBRANCES | AVAILABLE<br>FUNDS | AVL FND\$<br>%OF BUDG |
|--|-------------------------|-------------------------------|------------------------------|-----------------------------|--------------------|-----------------------|
| 52200-642 INTEREST ON NOTES                  | 688.00                  | .00                           | 454.87                       | .00                         | 233.13             | .33%                  |
| 52200-691 BANK SERVICE CHARGES               | 500.00                  | .00                           | .00                          | .00                         | 500.00             | 1.00%                 |
| 52200-940 EQUIPMENT                          | .00                     | .00                           | .00                          | .00                         | .00                | .00%                  |
| 52200-952 BFI SLUDGE DISPOSAL                | 6,000.00                | .00                           | .00                          | .00                         | 6,000.00           | 1.00%                 |
| 52200-955 BELT PRESS/ROTO ROOTER MAINTENANCE | 2,500.00                | 1,417.06                      | 1,865.98                     | .00                         | 634.02             | .25%                  |
| Total: SEWER                                 | 1,081,866.00            | 213,125.74                    | 728,948.64                   | .00                         | 352,917.36         | .32%                  |
| Total: SEWER FUND                            | 1,081,866.00            | 213,125.74                    | 728,948.64                   | .00                         | 352,917.36         | .32%                  |

**CASH ON HAND REPORT  
TOWN OF MT. CARMEL  
AS OF 01/31/2014**

**GENERAL ACCOUNT**

|                                     |                    |                   |  |
|-------------------------------------|--------------------|-------------------|--|
| General                             |                    | 2,292,782.19      |  |
| Restricted Police Drug Reserve Fund | as 01/31/14 Actual | 36,774.30         |  |
| Restricted State Street Aid (SSA)   | as 01/31/14 Actual | 84,096.62         |  |
| Assigned FY 2013 budget             |                    | 234,708.49        |  |
| Required Fund Balance               |                    | 1,061,149.09      | \$511,149 3 months fund balance<br>\$550,000 needed to make to next year |
| Paving FY13-14                      |                    | 500,000.00        |  |
| Assigned FY2014 Budget              | Retained Earnings  | 153,800.00        | based on revenue   |
| <b>UNASSIGNED FUND BALANCE</b>      |                    | <u>222,253.69</u> |  |

**RESTRICTED SAVINGS ACCOUNTS**

|          |                             |            |
|----------|-----------------------------|------------|
| 26007864 | Capital Outlay General Fund | 361,373.43 |
| 26007856 | Emergency Fund General      | 58,647.18  |
| 26009175 | Civil War Grant             | 752.23     |

**SEWER ACCOUNT**

|                                   |  |                   |
|-----------------------------------|--|-------------------|
| Sewer                             |  | 236,296.93        |
| Depreciation Fund As of 6/30/12   |  | 217,434.00        |
| Assigned FY2013 Budget CDBG Grant |  | 35,000.00         |
| Assigned FY 2014 Budget           |  | 0.00              |
| <b>UNASSIGNED FUND BALANCE</b>    |  | <u>-16,137.07</u> |

**RESTRICTED SAVINGS ACCOUNTS**

|          |                           |            |
|----------|---------------------------|------------|
| 26010140 | Sewer Savings 2014        | 484,375.35 |
| 26007872 | Capital Outlay Sewer Fund | 237,230.48 |
| 26010090 | Bond Reserve 2014         | 14,994.64  |

**CURRENT INTEREST RATE AT BANK as of 5/17/13 0.05%**