



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
**DEPARTMENT OF AUDIT**  
DIVISION OF COUNTY AUDIT  
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July 27, 2007

MEMORANDUM

TO: The Honorable John G. Morgan  
Comptroller of the Treasury

FROM: Richard V. Norment   
Assistant to the Comptroller

SUBJECT: Report of Centralized Budgeting, Accounting, and Purchasing Systems;  
Report on the Status of Compliance with GASB 34; Report of Counties  
Attaining the GFOA Certificate for Excellence in Financial Reporting; and  
the Report of Counties With Centralized Cafeteria Systems - Year Ended  
June 30, 2006

The attached report summarizes for the year ended June 30, 2006, (1) Tennessee counties with centralized systems for budgeting, accounting, and purchasing, (2) status of compliance with GASB 34 by Tennessee Counties; (3) counties attaining the certificate of achievement for excellence in financial reporting awarded by the GFOA, and (4) counties with centralized cafeteria systems.

If you need any additional information or have any questions regarding this report, please let me know.

Attachments

This Report is available at [www.comptroller.state.tn.us](http://www.comptroller.state.tn.us)

**REPORT OF CENTRALIZED BUDGETING, ACCOUNTING AND  
PURCHASING SYSTEMS, REPORT ON THE STATUS OF COMPLIANCE  
WITH GASB 34; REPORT OF COUNTIES ATTAINING THE GFOA  
CERTIFICATE FOR EXCELLENCE IN FINANCIAL REPORTING; AND THE  
REPORT OF COUNTIES WITH CENTRALIZED CAFETERIA SYSTEMS**

**FOR THE YEAR ENDED JUNE 30, 2006**

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Exhibit A

**TENNESSEE COUNTY GOVERNMENTS  
SUMMARY OF CENTRALIZED SYSTEMS FOR  
BUDGETING, ACCOUNTING, AND PURCHASING  
FOR THE YEAR ENDED JUNE 30, 2006**

**INCLUDES ALL DEPARTMENTS AND AGENCIES:**

<b>Legislative Authority</b>	<b><u>Number of Counties</u></b>		
	<b>Budgeting</b>	<b>Accounting</b>	<b>Purchasing</b>
1957 Fiscal Control Act	4	4	3
1981 Financial Management Act	18	18	18
1993 Budget Law	3	0	0
Private Act/Charter	3	2	6
Total	<u>28</u>	<u>24</u>	<u>27</u>

**INCLUDES COUNTY MAYORS AND HIGHWAY  
DEPARTMENTS ONLY:**

<b>Legislative Authority</b>	<b><u>Number of Counties</u></b>		
	<b>Budgeting</b>	<b>Accounting</b>	<b>Purchasing</b>
1957 Fiscal Control Act	8	8	8
1981 Financial Management Act	1	1	1
Private Act/Charter	6	6	5
County Resolution	1	1	1
Total	<u>16</u>	<u>16</u>	<u>15</u>
Grand Total	<u>44</u>	<u>40</u>	<u>42</u>

**TENNESSEE COUNTY GOVERNMENTS  
CENTRALIZED SYSTEMS BY COUNTY FOR  
BUDGETING, ACCOUNTING, AND PURCHASING  
FOR THE YEAR ENDED JUNE 30, 2006**

**INCLUDES ALL DEPARTMENTS AND AGENCIES:**

	<u>Population</u> <u>2000 Census</u>	<u>Budgeting</u>	<u>Accounting</u>	<u>Purchasing</u>
<b>A. 1957 Fiscal Control Act</b>				
1. Anderson	71,330	X	X	X
2. Johnson	17,499	X	X	(1)
3. Loudon	39,086	X	X	X
4. Roane	51,910	X	X	X
<b>B. 1981 Financial Management Act</b>				
1. Blount (2)	105,823	X	X	X
2. Campbell	39,854	X	X	X
3. Carter	56,742	X	X	X
4. Cumberland	48,602	X	X	X
5. Fentress	16,625	X	X	X
6. Franklin	39,270	X	X	X
7. Henderson	25,522	X	X	X
8. Hickman	22,295	X	X	X
9. Lincoln	31,340	X	X	X
10. Madison	91,837	X	X	X
11. McMinn	49,015	X	X	X
12. Monroe	38,961	X	X	X
13. Morgan	19,757	X	X	X
14. Rhea	28,400	X	X	X
15. Robertson	54,433	X	X	X
16. Scott	21,127	X	X	X
17. Weakley	34,895	X	X	X
18. White	23,102	X	X	X
<b>C. 1993 Budget Law</b>				
1. Decatur	11,731	X		
2. Hardin	25,578	X		
3. McNairy	24,653	X		
<b>D. Private Act/Charter</b>				
1. DeKalb	17,423			X
2. Hardeman	28,105			X
3. Hawkins	53,563		(3)	X
4. Knox	382,032	X	X	X
5. Meigs	11,086	(4)	(4)	X
6. Rutherford	182,023	X	X	
7. Sullivan	153,048	(5)	(5)	X
8. Williamson	126,638	X	(6)	(6)

**TENNESSEE COUNTY GOVERNMENTS  
CENTRALIZED SYSTEMS BY COUNTY FOR  
BUDGETING, ACCOUNTING, AND PURCHASING  
FOR THE YEAR ENDED JUNE 30, 2006**

**INCLUDES COUNTY MAYORS/HIGHWAY DEPARTMENTS ONLY:**

	<b>Population</b>			
	<b>2000 Census</b>	<b>Budgeting</b>	<b>Accounting</b>	<b>Purchasing</b>
<b>A. 1957 Fiscal Control Act</b>				
1. Cheatham	35,912	X	X	(7)
2. Cocke	33,565	X	X	X
3. Coffee	48,014	X	X	X
4. Greene	62,909	X	X	X
5. Lawrence	39,926	X	X	X
6. Montgomery	134,768	X	X	X
7. Overton	20,118	X	X	X
8. Polk	16,050			X
9. Washington	107,198	X	X	X
<b>B. 1981 Financial Management Act</b>				
1. Wilson (8)	88,809	X	X	X
<b>C. Private Act/Charter</b>				
1. Carroll	29,475			X
2. Davidson	569,891	X	X	X
3. Hamilton	307,896	X	X	X
4. Marshall	26,767	X	X	X
5. Maury	69,498	X	X	(1)
6. Shelby	897,472	X	X	X
7. Sumner (9)	130,449	X	X	
<b>D. County Resolution</b>				
1. Hamblen (10)	58,128	X	X	X

Footnotes:

- (1) Purchasing is governed by the 1957 Fiscal Control Acts but only includes the Offices of County Mayor and Highway Department.
- (2) Blount County began operations under the 1981 Financial Management Act effective July 1, 2005. Previously, Blount County had operated under of the 1957 Fiscal Control Acts. Blount County will revert to the 1957 Fiscal Control Acts effective July 1, 2007.

**TENNESSEE COUNTY GOVERNMENTS  
CENTRALIZED SYSTEMS BY COUNTY FOR  
BUDGETING, ACCOUNTING, AND PURCHASING  
FOR THE YEAR ENDED JUNE 30, 2006**

- (3) Accounting is governed by a private act but only includes the Offices of County Mayor and Highway Department.
- (4) Accounting and budgeting are governed by a private act but only include the Offices of County Mayor and Highway Department.
- (5) Accounting and budgeting are governed by the 1957 Fiscal Control Acts but only include the Offices of County Mayor and Highway Department.
- (6) Accounting and purchasing are governed by the 1957 Fiscal Control Acts but only include the Offices of County Mayor and Highway Department.
- (7) Purchasing is governed by a private act but only includes the Offices of County Mayor and Highway Department.
- (8) Effective July 1, 1995, the Wilson County School Department was removed from the provisions of the County Financial Management Act of 1981.
- (9) During the 2002-03 year, Sumner County adopted a private act providing for a centralized accounting, budgeting and purchasing system for all funds administered by the Offices of County Mayor, Director of Schools, and Highway Superintendent. This act also provides that the School Department and/or Highway Department may perform any of the accounting, purchasing, or budgeting functions for their departments with the approval of the County Commission. The County Commission has approved for the School Department to perform their own accounting, budgeting, and purchasing and has approved the Highway Department to perform their own purchasing.
- (10) During the 2002-03 year, the county mayor and County Commission entered into a formal contract establishing a centralized accounting, budgeting, and purchasing system under the direction of a Finance Office for all funds administered by the Offices of County Mayor and Highway Superintendent.

**Notes:**

The Metropolitan Charter of Moore County provides for a centralized system of accounting, budgeting, and purchasing; however, a centralized system had not been implemented as of June 30, 2006.

**EXHIBIT C**

**STATUS OF COMPLIANCE WITH GASB 34  
BY TENNESSEE COUNTIES  
FOR THE YEAR ENDED JUNE 30, 2006**

County	County Complied With GASB 34	Schools Complied With GASB 34	County Operates Under a Centralized System
1. Anderson	Yes	Yes	Yes - 57 Acts
2. Bedford	No	Yes	No
3. Benton	Yes	Yes	No
4. Bledsoe	No	No	No
5. Blount	Yes	Yes	Yes - 81 Acts
6. Bradley	Yes	Yes	No
7. Campbell	No	No	Yes - 81 Acts
8. Cannon	No	No	No
9. Carroll	Yes	Yes	No
10. Carter	No	No	Yes - 81 Acts
11. Cheatham	Yes	Yes	No
12. Chester	Yes	Yes	No
13. Claiborne	No	Yes	No
14. Clay	No	Yes	No
15. Cocke	No	Yes	No
16. Coffee	No	No	No
17. Crockett	No	Yes	No
18. Cumberland	No	No	Yes - 81 Acts
19. Davidson	Yes	Yes	No
20. Decatur	Yes	Yes	No
21. Dekalb	No	No	No
22. Dickson	Yes	Yes	No
23. Dyer	Yes	Yes	No
24. Fayette	Yes	Yes	No
25. Fentress	No	No	Yes - 81 Acts
26. Franklin	Yes	Yes	Yes - 81 Acts

**EXHIBIT C**

**STATUS OF COMPLIANCE WITH GASB 34  
BY TENNESSEE COUNTIES  
FOR THE YEAR ENDED JUNE 30, 2006 (Cont.)**

County	County Complied With GASB 34	Schools Complied With GASB 34	County Operates Under a Centralized System
27. Gibson	No	No	No
28. Giles	No	Yes	No
29. Grainger	Yes	Yes	No
30. Greene	Yes	Yes	No
31. Grundy	No	No	No
32. Hamblin	Yes	Yes	No
33. Hamilton	Yes	Yes	No
34. Hancock	No	Yes	No
35. Hardeman	Yes	Yes	No
36. Hardin	Yes	Yes	No
37. Hawkins	No	Yes	Yes - Private Act
38. Haywood	No	Yes	No
39. Henderson	Yes	Yes	Yes - 81 Acts
40. Henry	Yes	Yes	No
41. Hickman	No	No	Yes - 81 Acts
42. Houston	Yes	Yes	No
43. Humphreys	No	Yes	No
44. Jackson	No	No	No
45. Jefferson	Yes	Yes	No
46. Johnson	Yes	Yes	Yes - 57 Acts
47. Knox	Yes	Yes	Yes - Private Act
48. Lake	No	No	No
49. Lauderdale	Yes	Yes	No
50. Lawrence	Yes	Yes	No
51. Lewis	No	No	No
52. Lincoln	Yes	Yes	Yes - 81 Acts
53. Loudon	Yes	Yes	Yes - 57 Acts

**EXHIBIT C**

**STATUS OF COMPLIANCE WITH GASB 34  
BY TENNESSEE COUNTIES  
FOR THE YEAR ENDED JUNE 30, 2006 (Cont.)**

County	County Complied With GASB 34	Schools Complied With GASB 34	County Operates Under a Centralized System
54. Macon	No	Yes	No
55. Madison	Yes	Yes	Yes - 81 Acts
56. Marion	No	No	No
57. Marshall	No	No	No
58. Maury	Yes	Yes	No
59. McMinn	Yes	Yes	Yes - 81 Acts
60. McNairy	No	No	No
61. Meigs	No	Yes	No
62. Monroe	Yes	Yes	Yes - 81 Acts
63. Montgomery	Yes	Yes	No
64. Moore	Yes	Yes	No
65. Morgan	Yes	Yes	Yes - 81 Acts
66. Obion	Yes	Yes	No
67. Overton	No	No	No
68. Perry	No	No	No
69. Pickett	No	Yes	No
70. Polk	No	No	No
71. Putnam	Yes	No	No
72. Rhea	Yes	Yes	Yes - 81 Acts
73. Roane	Yes	Yes	Yes - 57 Acts
74. Robertson	Yes	Yes	Yes - 81 Acts
85. Rutherford	Yes	Yes	No
86. Scott	Yes	Yes	Yes - 81 Acts
77. Sequatchie	No	Yes	No
78. Sevier	Yes	Yes	No
79. Shelby	Yes	Yes	No
80. Smith	No	Yes	No

**EXHIBIT C**

**STATUS OF COMPLIANCE WITH GASB 34  
BY TENNESSEE COUNTIES  
FOR THE YEAR ENDED JUNE 30, 2006 (Cont.)**

County	County Complied With GASB 34	Schools Complied With GASB 34	County Operates Under a Centralized System
81. Stewart	No	Yes	No
82. Sullivan	Yes	Yes	No
83. Sumner	Yes	Yes	No
84. Tipton	Yes	Yes	No
85. Trousdale	No	No	No
86. Unicoi	Yes	Yes	No
87. Union	Yes	Yes	No
88. Van Buren	No	Yes	No
89. Warren	No	No	No
90. Washington	Yes	Yes	No
91. Wayne	No	No	No
92. Weakley	Yes	Yes	Yes - 81 Acts
93. White	Yes	Yes	Yes - 81 Acts
94. Williamson	Yes	Yes	No
95. Wilson	Yes	Yes	No

Footnotes:

- Several counties operated under a system of partial centralization that include a centralized system of accounting, budgeting, and purchasing for the primary government. In addition, Decatur, Hardin, McNairy, Rutherford, and Williamson Counties have a system of centralized budgeting that included both the primary government and the schools.

**EXHIBIT C**

**STATUS OF COMPLIANCE WITH GASB 34  
BY TENNESSEE COUNTIES  
FOR THE YEAR ENDED JUNE 30, 2006 (Cont.)**

Analysis of the Data:

Compliance With GASB 34 - All 95 Counties

	Counties	Schools
Complied	55 or 58%	71 or 75%
Failed to Comply	40 or 42%	24 or 25%

Centralized Systems (24 counties)

Complied	18 or 75%
Partially Complied	1 or 4%
Failed to Comply	6 or 21%

Non-centralized Systems (71 counties)

Complied	36 or 51%
Partially Complied	17 or 24%
Failed to Comply	18 or 25%

**EXHIBIT D**

**TENNESSEE COUNTIES ACHIEVING THE  
CERTIFICATE OF ACHIEVEMENT FOR  
EXCELLENCE IN FINANCIAL REPORTING  
FOR THE YEAR ENDED JUNE 30, 2006**

County

1. Anderson
2. Blount
3. Bradley
4. Davidson
5. Greene
6. Hamilton
7. Knox
8. Rutherford
9. Shelby

**ALPHABETICAL LIST OF COUNTIES  
WITH CENTRALIZED CAFETERIA SYSTEMS  
FOR THE YEAR ENDED JUNE 30, 2006**

- |                 |                 |
|-----------------|-----------------|
| 1. Anderson     | 38. Lauderdale  |
| 2. Bedford      | 39. Lawrence    |
| 3. Bledsoe      | 40. Lewis       |
| 4. Blount       | 41. McNairy     |
| 5. Bradley      | 42. Madison     |
| 6. Campbell     | 43. Marion      |
| 7. Cannon       | 44. Marshall    |
| 8. Carroll *    | 45. Maury       |
| 9. Carter       | 46. Meigs       |
| 10. Cheatham    | 47. Monroe      |
| 11. Chester     | 48. Montgomery* |
| 12. Clay        | 49. Moore       |
| 13. Cocke       | 50. Morgan      |
| 14. Coffee      | 51. Obion       |
| 15. Crockett    | 52. Overton     |
| 16. Cumberland  | 53. Perry       |
| 17. DeKalb      | 54. Pickett     |
| 18. Dickson     | 55. Polk        |
| 19. Dyer        | 56. Putnam      |
| 20. Fayette     | 57. Rhea        |
| 21. Fentress    | 58. Roane       |
| 22. Franklin    | 59. Scott       |
| 23. Giles       | 60. Sequatchie  |
| 24. Grainger    | 61. Sevier      |
| 25. Greene      | 62. Smith       |
| 26. Hamblen     | 63. Stewart     |
| 27. Hancock     | 64. Sullivan *  |
| 28. Hardin      | 65. Sumner *    |
| 29. Hawkins     | 66. Tipton      |
| 30. Haywood     | 67. Unicoi      |
| 31. Henry       | 68. Union       |
| 32. Hickman     | 69. Van Buren   |
| 33. Houston     | 70. Warren      |
| 34. Humphreys   | 71. Weakley     |
| 35. Jackson     | 72. White       |
| 36. Jefferson * | 73. Williamson  |
| 37. Johnson     | 74. Wilson      |

\* Centralized through General Purpose School Fund