ANNUAL FINANCIAL REPORT
HUMPHREYS COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2007

TENNESSEE
COMPTROLLER
OF THE TREASURY

ANNUAL FINANCIAL REPORT

HUMPHREYS COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2007

DEPARTMENT OF AUDIT
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HUMPHREYS COUNTY, TENNESSEE
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Audit Highlights

Annual Financial Report
Humphreys County, Tennessee
For the Year Ended June 30, 2007

Scope

We have audited the basic financial statements of Humphreys County as of and for the year ended June 30, 2007.

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements did not include one component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is unqualified.

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY EXECUTIVE

- The office did not have a formal purchase order system.
- The General Capital Projects Fund had a budget deficit of $66,694.

OFFICE OF ROAD SUPERVISOR

- The office used a mechanical warrant-signing machine to affix the official's signature, and the mechanical counter on the machine could be reset.

OFFICE OF DIRECTOR OF SCHOOLS

- In some instances, purchase orders were issued after the purchases were made.
- A $107,200 interfund loan from the Central Cafeteria Fund to the General Purpose School Fund was not approved as required by state statute.

OTHER FINDINGS

- Airport collections were not deposited with the trustee within three days of collection as required by state statute. Also, airport collections were not deposited intact; i.e., funds collected during a specific period of time were not deposited together.
- County officials had not adopted a central system of accounting, budgeting, and purchasing.
- The county used a questionable method of funding workers' compensation expenses, general liability insurance, official's corporate surety bonds, and employees' dishonesty bonds.
- Duties were not segregated adequately among the officials and employees in the Offices of County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.

INTRODUCTORY SECTION

Humphreys County Officials
June 30, 2007

Officials

Jaycee Rawlings, County Executive
Ronald Carter, Road Supervisor
James Long, Director of Schools
Wanda Adkins, Trustee
Vickie Cowell, Assessor of Property
Betty Etheridge, County Clerk
Elaine Choate, Circuit and General Sessions Courts Clerk
Michael Bullion, Clerk and Master
Jan Crowell, Register
Chris Davis, Sheriff

Board of County Commissioners

Jaycee Rawlings, Chairman
Robert Reid, Chairman Pro Tem
H.R. Carson
Charles Cullum
Reed Dreaden
Richard Garber
James Graham
Alvin Hall
Ronald Hughes
Billy Hugh Link
Walter Reid Long
Larry Mayberry
Edward Rochelle
Glenn Shivers
Jessie Wallace

County Road Advisory Committee

Leonard Parnell, Sr., Chairman
Charles Beacham
John Brady Dunn
Clark Hinrichs
Bill Johnson
John Moore
Michael Simpson

Board of Education

Gene Trotter, Chairman
Billy Daniel
J.D. Painter
Jimmy Reeves
Dwayne Ross
James Simmons
Johnny Whitfield

FINANCIAL SECTION

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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NASHVILLE, TENNESSEE 37243-0269
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INDEPENDENT AUDITOR'S REPORT

March 17, 2008

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

To the County Executive and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Humphreys County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Humphreys County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Humphreys County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements of the Humphreys County Emergency Communications District, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units referred to above do not include amounts for the Humphreys County

Emergency Communications District which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Humphreys County Emergency Communications District, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Humphreys County, Tennessee, at June 30, 2007, and the results of operations of the aggregate discretely presented component units, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Humphreys County, Tennessee, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 17, 2008, on our consideration of Humphreys County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., Humphreys County has implemented the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. For the first time, the financial statements include the government-wide financial statements.

The management of Humphreys County did not prepare the management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

The budgetary comparison and pension information on pages 57 through 63 are not required parts of the basic financial statements but they do provide supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Humphreys County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund and the General Capital Projects Fund, combining and individual fund financial statements of the Humphreys County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund and the General Capital Projects Fund, combining and individual fund financial statements of the Humphreys County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

John G. Morgan
Comptroller of the Treasury

JGM/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Humphreys County, Tennessee
Statement of Net Assets
June 30, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Humphreys County School Department
ASSETS				
Cash	$ 257,069	$ 0	$ 257,069	$ 0
Equity in Pooled Cash and Investments	5,688,138	144,993	5,833,131	320,310
Accounts Receivable	9,721	11,717	21,438	3,034
Due from Other Governments	535,458	0	535,458	483,090
Due from Component Units	375	0	375	0
Property Taxes Receivable	4,047,195	0	4,047,195	2,852,941
Allowance for Uncollectible Property Taxes	(105,427)	0	(105,427)	(74,316)
Prepaid Items	5,111	0	5,111	0
Restricted Assets:				
Other Restricted Assets	0	113,276	113,276	0
Capital Assets Not Depreciated:				
Land	1,488,084	12,000	1,500,084	141,175
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	4,911,444	236,688	5,148,132	10,077,736
Infrastructure	25,625,601	210,474	25,836,075	57,379
Other Capital Assets	854,677	99,389	954,066	1,428,853
Total Assets	$ 43,317,446	$ 828,537	$ 44,145,983	$ 15,290,202
LIABILITIES				
Accounts Payable	$ 79,769	$ 0	$ 79,769	$ 4,385
Accrued Payroll	9,689	0	9,689	0
Payroll Deductions Payable	0	0	0	30,601
Contracts Payable	28,985	0	28,985	0
Retainage Payable	30,265	0	30,265	0
Accrued Interest Payable	36,123	0	36,123	0
Due to Primary Government	0	0	0	375
Other Payables from Restricted Assets	0	113,276	113,276	0
Deferred Revenue - Current Property Taxes	3,838,831	0	3,838,831	2,706,062
Noncurrent Liabilities:				
Due Within One Year	809,777	0	809,777	1,000
Due in More Than One Year	8,162,595	0	8,162,595	5,433
Total Liabilities	$ 12,996,034	$ 113,276	$ 13,109,310	$ 2,747,856
NET ASSETS				
Invested in Capital Assets, net of related debt	$ 30,580,211	$ 0	$ 30,580,211	$ 11,698,710
Invested in Capital Assets	0	558,551	558,551	0
Restricted for:				
Capital Projects	576,756	0	576,756	0
Debt Service	1,815,337	0	1,815,337	0
Highway/Public Works	1,099,326	0	1,099,326	0
Solid Waste/Sanitation	412,418	0	412,418	0
Local Purpose Tax	122,898	0	122,898	0
Other Purposes	295,228	0	295,228	244,687
Unrestricted	(4,580,762)	156,710	(4,424,052)	598,949
Total Net Assets	$ 30,321,412	$ 715,261	$ 31,036,673	$ 12,542,346

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

Exhibit B

Humphreys County, Tennessee
Statement of Activities
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Humphreys County School Department
Primary Government:								
Governmental Activities:								
General Government	$ 1,160,360	$ 146,936	$ 16,380	$ 6,250	$ (990,794)	$ 0	$ (990,794)	$ 0
Finance	627,743	427,516	7,695	0	(192,532)	0	(192,532)	0
Administration of Justice	684,665	377,304	9,000	0	(298,361)	0	(298,361)	0
Public Safety	2,035,547	81,954	14,719	43,078	(1,895,796)	0	(1,895,796)	0
Public Health and Welfare	1,051,515	12,801	100,355	4,787	(933,572)	0	(933,572)	0
Social, Cultural, and Recreational Services	198,766	0	4,070	5,420	(189,276)	0	(189,276)	0
Agriculture and Natural Resources	180,762	0	0	0	(180,762)	0	(180,762)	0
Other Operations	493,131	100,737	5,763	161,198	(225,433)	0	(225,433)	0
Highways/Public Works	5,911,407	91,036	1,775,829	301,528	(3,743,014)	0	(3,743,014)	0
Education	747,905	0	0	0	(747,905)	0	(747,905)	0
Interest on Long-term Debt	305,776	0	0	0	(305,776)	0	(305,776)	0
Other Debt Service	45,001	0	0	0	(45,001)	0	(45,001)	0
Total Governmental Activities	$ 13,442,578	$ 1,238,284	$ 1,933,811	$ 522,261	$ (9,748,222)	$ 0	$ (9,748,222)	$ 0
Business-type Activities:								
Public Utility	$ 112,466	$ 113,096	$ 0	$ 0	$ 0	$ 630	$ 630	$ 0
Total Primary Government	$ 13,555,044	$ 1,351,380	$ 1,933,811	$ 522,261	$ (9,748,222)	$ 630	$ (9,747,592)	$ 0
Component Unit:								
Humphreys County School Department	$ 20,338,703	$ 821,193	$ 3,011,731	$ 79,206	$ 0	$ 0	$ 0	$ (16,426,573)
Total Component Unit	$ 20,338,703	$ 821,193	$ 3,011,731	$ 79,206	$ 0	$ 0	$ 0	$ (16,426,573)

(Continued)

Exhibit B

Humphreys County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Humphreys County School Department
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					$ 3,523,612	$ 0	$ 3,523,612	$ 2,876,390
Property Taxes Levied for Debt Service					501,914	0	501,914	0
Local Option Sales Taxes					479,859	0	479,859	1,626,127
Other Local Taxes					417,347	0	417,347	2,898
Grants and Contributions Not Restricted to Specific Programs					1,288,538	0	1,288,538	11,887,612
Unrestricted Investment Earnings					413,423	0	413,423	0
Miscellaneous					9,412	0	9,412	53,461
Total General Revenues					$ 6,634,105	$ 0	$ 6,634,105	$ 16,446,488
Change in Net Assets					$ (3,114,117)	$ 630	$ (3,113,487)	$ 19,915
Net Assets, July 1, 2006					33,435,529	714,631	34,150,160	12,522,431
Net Assets, June 30, 2007					$ 30,321,412	$ 715,261	$ 31,036,673	$ 12,542,346

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

Exhibit C-1

Humphreys County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2007

	Major Funds					Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS							
Cash	$ 4,300	$ 0	$ 0	$ 0	$ 239,404	$ 13,365	$ 257,069
Equity in Pooled Cash and Investments	2,045,759	409,608	819,304	1,838,804	279,972	294,691	5,688,138
Accounts Receivable	0	1,933	7,788	0	0	0	9,721
Due from Other Governments	192,522	1,321	312,574	0	29,041	0	535,458
Due from Other Funds	13,365	0	0	0	3,173	0	16,538
Due from Component Units	375	0	0	0	0	0	375
Property Taxes Receivable	2,115,423	597,127	314,509	497,606	323,488	199,042	4,047,195
Allowance for Uncollectible Property Taxes	(52,672)	(15,555)	(7,990)	(12,962)	(11,063)	(5,185)	(105,427)
Prepaid Items	0	0	5,111	0	0	0	5,111
Total Assets	$ 4,319,072	$ 994,434	$ 1,451,296	$ 2,323,448	$ 864,015	$ 501,913	$ 10,454,178
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	$ 20,706	$ 15,631	$ 4,486	$ 0	$ 0	$ 38,946	$ 79,769
Accrued Payroll	9,689	0	0	0	0	0	9,689
Contracts Payable	0	0	0	0	28,985	0	28,985
Retainage Payable	0	0	0	0	30,265	0	30,265
Due to Other Funds	3,173	0	0	0	0	13,365	16,538
Deferred Revenue - Current Property Taxes	2,013,813	566,385	298,925	471,988	298,925	188,795	3,838,831
Deferred Revenue - Delinquent Property Taxes	39,156	12,147	6,073	10,056	10,836	4,310	82,578
Other Deferred Revenues	116,836	0	162,796	0	0	0	279,632
Total Liabilities	$ 2,203,373	$ 594,163	$ 472,280	$ 482,044	$ 369,011	$ 245,416	$ 4,366,287
Fund Balances							
Reserved for Encumbrances	$ 0	$ 0	$ 0	$ 0	$ 360,362	$ 0	$ 360,362
Reserved for Alcohol and Drug Treatment	53,577	0	0	0	0	0	53,577
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	157,354	0	0	0	0	0	157,354
Reserved for Sexual Offender Registration	900	0	0	0	0	0	900
Reserved for Automation Purposes - Circuit Court	712	0	0	0	0	0	712
Reserved for Automation Purposes - General Sessions Court	15,692	0	0	0	0	0	15,692

(Continued)

Exhibit C-1

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

	Major Funds					Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Govern-mental Funds
LIABILITIES AND FUND BALANCES (Cont.)							
Fund Balances (Cont.)							
Reserved for Capital Outlay	$ 0	$ 0	$ 0	$ 0	$ 180,000	$ 0	$ 180,000
Unreserved, Reported In:							
General Fund	1,887,464	0	0	0	0	0	1,887,464
Special Revenue Funds	0	400,271	979,016	0	0	185,581	1,564,868
Debt Service Funds	0	0	0	1,841,404	0	0	1,841,404
Capital Projects Funds (Deficit)	0	0	0	0	(45,358)	70,916	25,558
Total Fund Balances	$ 2,115,699	$ 400,271	$ 979,016	$ 1,841,404	$ 495,004	$ 256,497	$ 6,087,891
Total Liabilities and Fund Balances	$ 4,319,072	$ 994,434	$ 1,451,296	$ 2,323,448	$ 864,015	$ 501,913	$ 10,454,178

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

Exhibit C-2

Humphreys County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2007

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		$ 6,087,891
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 1,488,084	
Add: buildings and improvements net of accumulated depreciation	4,911,444	
Add: infrastructure net of accumulated depreciation	25,625,601	
Add: other capital assets net of accumulated depreciation	854,677	32,879,806
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		362,210
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	$ (1,054,595)	
Less: other loans payable	(6,813,000)	
Less: bonds payable	(173,000)	
Less: compensated absences payable	(95,224)	
Less: landfill closure/postclosure care costs	(836,553)	
Less: accrued interest on notes, capital leases, and bonds	(36,123)	(9,008,495)
Net assets of governmental activities (Exhibit A)		$ 30,321,412

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

Exhibit C-3

Humphreys County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2007

	Major Funds					Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues							
Local Taxes	$ 2,942,482	$ 605,324	$ 306,078	$ 504,739	$ 537,824	$ 146,881	$ 5,043,328
Licenses and Permits	712	0	0	0	0	0	712
Fines, Forfeitures, and Penalties	110,212	0	0	0	0	26,571	136,783
Charges for Current Services	19,759	12,667	424	0	0	0	32,850
Other Local Revenues	107,728	0	91,267	413,423	23,866	135	636,419
Fees Received from County Officials	811,678	0	0	0	0	0	811,678
State of Tennessee	1,338,906	10,468	2,052,401	0	158,025	0	3,559,800
Federal Government	44,307	0	6,262	0	0	2,333	52,902
Other Governments and Citizens Groups	1,800	0	0	0	0	0	1,800
Total Revenues	$ 5,377,584	$ 628,459	$ 2,456,432	$ 918,162	$ 719,715	$ 175,920	$ 10,276,272
Expenditures							
Current:							
General Government	$ 841,184	$ 0	$ 0	$ 0	$ 0	$ 0	$ 841,184
Finance	485,125	0	0	0	0	0	485,125
Administration of Justice	529,143	0	0	0	0	0	529,143
Public Safety	1,345,573	0	0	0	0	166,930	1,512,503
Public Health and Welfare	361,681	495,660	0	0	0	0	857,341
Social, Cultural, and Recreational Services	144,571	0	0	0	0	0	144,571
Agriculture and Natural Resources	152,427	0	0	0	0	0	152,427
Other Operations	1,574,409	65,451	0	0	0	0	1,639,860
Highways	0	0	2,856,908	0	0	0	2,856,908
Debt Service:							
Principal on Debt	425	0	0	700,897	1,306	0	702,628
Interest on Debt	0	0	0	295,986	0	0	295,986
Other Debt Service	0	0	0	45,001	0	0	45,001
Capital Projects	11,054	0	0	0	2,307,407	0	2,318,461
Total Expenditures	$ 5,445,592	$ 561,111	$ 2,856,908	$ 1,041,884	$ 2,308,713	$ 166,930	$ 12,381,138
Excess (Deficiency) of Revenues Over Expenditures	$ (68,008)	$ 67,348	$ (400,476)	$ (123,722)	$ (1,588,998)	$ 8,990	$ (2,104,866)

(Continued)

Exhibit C-3

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

	Major Funds					Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Other Financing Sources (Uses)							
Notes Issued	$ 0	$ 0	$ 0	$ 0	$ 600,000	$ 0	$ 600,000
Other Loans Issued	0	0	0	0	770,300	0	770,300
Insurance Recovery	1,814	3,424	0	0	0	6,699	11,937
Total Other Financing Sources (Uses)	$ 1,814	$ 3,424	$ 0	$ 0	$ 1,370,300	$ 6,699	$ 1,382,237
Net Change in Fund Balances	$ (66,194)	$ 70,772	$ (400,476)	$ (123,722)	$ (218,698)	$ 15,689	$ (722,629)
Fund Balance, July 1, 2006	2,181,893	329,499	1,379,492	1,965,126	713,702	240,808	6,810,520
Fund Balance, June 30, 2007	$ 2,115,699	$ 400,271	$ 979,016	$ 1,841,404	$ 495,004	$ 256,497	$ 6,087,891

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

Exhibit C-4

Humphreys County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2007

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

Net change in fund balances - total governmental funds (Exhibit C-3)		$ (722,629)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	$ 1,425,910	
Less: current year depreciation expense	(3,168,388)	(1,742,478)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2007	$ 362,210	
Less: deferred delinquent property taxes and other deferred June 30, 2006	(310,021)	52,189
(3) The issuance of long-term debt (e.g. notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Less: note proceeds	$ (600,000)	
Less: other loan proceeds	(770,300)	
Add: principal payments on notes	191,628	
Add: principal payments on other loans	494,000	
Add: principal payments on bonds	17,000	(667,672)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	$ (9,790)	
Change in compensated absences	691	
Change in landfill closure/postclosure care costs	(24,428)	(33,527)
Change in net assets of governmental activities (Exhibit B)		$ (3,114,117)

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

Exhibit D-1

Humphreys County, Tennessee
Statement of Revenues, Expenses,
and Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2007

	Major Enterprise Fund Public Utility Fund
Operating Revenues	
Wastewater Treatment Charges	$ 113,096
Total Operating Revenues	$ 113,096
Operating Expenses	
Communication	$ 700
Contracts with Private Agencies	47,382
Maintenance and Repair Services - Building	134
Maintenance and Repair Services - Equipment	15,942
Electricity	8,555
Water	1,406
Premiums on Corporate Surety Bonds	2,000
Other Charges	500
Depreciation	35,847
Total Operating Expenses	$ 112,466
Change in Net Assets	$ 630
Net Assets, July 1, 2006	714,631
Net Assets, June 30, 2007	$ 715,261

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

Exhibit D-2

Humphreys County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2007

	Major Enterprise Fund Public Utility Fund
Cash Flows From Operating Activities	
Receipts from Customers and Users	$ 110,943
Payments to Vendors	(80,137)
Net Cash Provided By (Used In) Operating Activities	$ 30,806
Net Increase (Decrease) in Cash	$ 30,806
Cash, July 1, 2006	227,463
Cash, June 30, 2007	$ 258,269
Reconciliation of Operating Income to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	$ 630
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	35,847
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	347
Increase (Decrease) in Accounts Payable	(6,018)
Net Cash Provided By (Used In) Operating Activities	$ 30,806
Reconciliation of Cash with Statement of Net Assets	
Equity in Pooled Cash and Investments	$ 144,993
Cash - Other Restricted Assets	113,276
Cash, June 30, 2007	$ 258,269

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

Exhibit E

Humphreys County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2007

	Agency Funds
ASSETS	
Cash	$ 1,113,345
Accounts Receivable	503
Due from Other Governments	204,869
Total Assets	$ 1,318,717
LIABILITIES	
Due to Other Taxing Units	$ 204,869
Due to Litigants, Heirs, and Others	1,113,848
Total Liabilities	$ 1,318,717

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

HUMPHREYS COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Humphreys County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Humphreys County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Blended Component Units – There are no legally separate component units of Humphreys County that meet the criteria for being reported as part of the primary government by the blending method.

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

The Humphreys County School Department operates the public school system in the county, and the voters of Humphreys County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Humphreys County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Humphreys County, and the County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of

most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Humphreys County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Humphreys County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Humphreys County School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Humphreys County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Humphreys County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Humphreys County Emergency Communications District
P.O. Box 553
Waverly, TN 37185

B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Humphreys County issues all debt for the discretely presented Humphreys County School Department. No new debt issues were contributed by the county to the School Department during the year ended June 30, 2007.

Separate financial statements are provided for governmental funds, proprietary funds (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

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

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

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

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

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Humphreys County reports the following major governmental funds:

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

Solid Waste/Sanitation Fund – This fund accounts for all solid waste activities, including those activities specifically related to the landfill.

Highway Public Works Fund – This fund accounts for transactions of the county's Highway Department.

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

General Capital Projects Fund – This fund accounts for major capital expenditures of the county.

Humphreys County reports the following major enterprise fund:

Public Utility Fund – This fund accounts for the transactions of the county-owned wastewater disposal facility.

Additionally, Humphreys County reports the following fund type:

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

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

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

Additionally, the School Department reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Private-Purpose Trust Fund – The Private-Purpose Trust Fund is used to account for resources legally held in trust for use to provide scholarships for students seeking further education in a field related to mechanical or chemical engineering. The corpus will remain undistributed as a source of investment income for scholarships.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. Humphreys County has elected not to follow subsequent private-sector guidance.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, a public utility fund, used to account for the transactions of the county-owned wastewater disposal facility. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For purposes of the statement of cash flows, cash includes cash on deposit with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the county's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Humphreys County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Humphreys County and the Humphreys County School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.3 percent of total taxes levied.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

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

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

Retainage payable in the primary government's major General Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the airport improvement and sewer extension projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the General Capital Projects Fund.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Restricted Assets

In the Public Utility Fund, an enterprise fund, certain contributions from two businesses are classified as other restricted assets on the balance sheet because their use is limited to construction costs by agreements between the wastewater customers and Humphreys County.

5. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and the business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the Public Utility Fund, an enterprise fund, is included as part of the capitalized value of the assets constructed.

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

	Primary Government		Humphreys County School Department - Years
Assets	Governmental Activities - Years	Business-type Activities - Years	
Buildings and Improvements	25 or life of note	24	20-40
Other Capital Assets	5 - 15	24	5-20
Infrastructure	10 - 30 or life of note	50	20-30

6. Compensated Absences

It is the policy of Humphreys County to permit employees to accumulate a limited amount of earned but unused vacation benefits which will be paid to employees upon separation from service. In addition, it is the policy of the Humphreys County Highway Department to permit its employees to accumulate earned but unused sick leave, which will be paid to employees upon separation from service. The granting of sick leave, except for the Highway Department, as described above, has no guaranteed payment attached and therefore is not required to be accrued or recorded. All vacation benefits, along with sick leave benefits for the Highway/Public Works Fund, are accrued when incurred in the government-wide financial statements for the county. A liability for vacation benefits and sick leave benefits of the Highway Department is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The policy of the discretely presented School Department permits the unlimited accumulation of unused sick leave for professional personnel (teachers) and nonprofessional full-time personnel. There is no provision for accumulating vacation days. The granting of sick leave has no guaranteed payment attached and therefore requires no accrual or recording.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

8. Net Assets and Fund Equity

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

a. 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 balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. 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.

c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets.

As of June 30, 2007, Humphreys County had $5,741,000 of outstanding debt for capital purposes for the discretely presented Humphreys County School Department. This debt is a liability of Humphreys County, but the capital assets acquired are reported in the financial statements of the Humphreys County School Department. Therefore, Humphreys County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2007:

Fund/Purpose	Amount
General:	
Local Library	$ 3,216
Jail Construction	148,674

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds to the government-wide statement of net assets.

Discretely Presented Humphreys County School Department

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds to the government-wide statement of net assets.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the changes in net assets of governmental activities reported in the government-wide statement of activities.

Discretely Presented Humphreys County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

B. Fund Deficit

The General Capital Projects Fund had a deficit in unreserved fund balance of $45,358 at June 30, 2007. This deficit resulted from the unperformed portions of construction contracts of $360,362 being reserved as encumbrances. This fund deficit was liquidated on July 24, 2007, when county officials issued $357,000 in general obligation bonds.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Other General Government Projects ($6,054) major appropriation category (the legal level of control) of the General Capital Projects Fund and the Jail ($3,464) major appropriation category of the General Fund. Such overexpenditures are a violation of state statutes. The General Fund overexpenditure was funded by greater than anticipated revenues and by bond proceeds received subsequent to June 30, 2007, in the General Capital Projects Fund.

D. The General Capital Projects Fund Had a Budget Deficit

The budget and subsequent amendments submitted to and approved by the County Commission for the General Capital Projects Fund contained appropriations that exceeded estimated available funding causing a budget deficit of $66,694.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

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

Investment Balances. As of June 30, 2007, Humphreys County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Humphreys County and the discretely presented Humphreys County School Department since both pool their deposits and investments through the county trustee.

Investment	Maturities	Cost
State Treasurer's Investment Pool	Daily	$ 1,764,127

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Humphreys County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Humphreys County has no investment policy that would further limit its investment choices. As of June 30, 2007, Humphreys County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2007, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	$ 1,488,084	$ 0	$ 0	$ 1,488,084
Construction in Progress	1,378,888	47,000	1,425,888	0
Total Capital Assets Not Depreciated	$ 2,866,972	$ 47,000	$ 1,425,888	$ 1,488,084
Capital Assets Depreciated:				
Buildings and Improvements	$ 7,626,449	$ 0	$ 0	$ 7,626,449
Infrastructure	43,387,281	2,626,835	0	46,014,116
Other Capital Assets	3,944,096	177,963	0	4,122,059
Total Capital Assets Depreciated	$ 54,957,826	$ 2,804,798	$ 0	$ 57,762,624
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 2,456,462	$ 258,543	$ 0	$ 2,715,005
Infrastructure	17,775,816	2,612,699	0	20,388,515
Other Capital Assets	2,970,236	297,146	0	3,267,382
Total Accumulated Depreciation	$ 23,202,514	$ 3,168,388	$ 0	$ 26,370,902
Total Capital Assets Depreciated, Net	$ 31,755,312	$ (363,590)	$ 0	$ 31,391,722
Governmental Activities Capital Assets, Net	$ 34,622,284	$ (316,590)	$ 1,425,888	$ 32,879,806

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

Governmental Activities:

General Administration	$ 132,654
Finance	15,510
Public Safety	137,026
Public Health and Welfare	53,752
Social, Cultural, and Recreational Services	9,728
Agriculture and Natural Resources	4,546
Other Operations	66,329
Highways/Public Works	2,748,843
Total Depreciation Expense - Governmental Activities	$ 3,168,388

Business-type Activities:

	Balance 7-1-06	Increases	Balance 6-30-07
Capital Assets Not Depreciated:			
Land	$ 12,000	$ 0	$ 12,000
Total Capital Assets Not Depreciated	$ 12,000	$ 0	$ 12,000
Capital Assets Depreciated:			
Buildings and Improvements	$ 506,953	$ 0	$ 506,953
Infrastructure	284,425	0	284,425
Other Capital Assets	216,848	0	216,848
Total Capital Assets Depreciated	$ 1,008,226	$ 0	$ 1,008,226
Less Accumulated Depreciation For:			
Buildings and Improvements	$ 249,142	$ 21,123	$ 270,265
Infrastructure	68,262	5,689	73,951
Other Capital Assets	108,424	9,035	117,459
Total Accumulated Depreciation	$ 425,828	$ 35,847	$ 461,675
Total Capital Assets Depreciated, Net	$ 582,398	$ (35,847)	$ 546,551
Business-type Activities Capital Assets, Net	$ 594,398	$ (35,847)	$ 558,551

Discretely Presented Humphreys County School Department

Governmental Activities:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	$ 141,175	$ 0	$ 0	$ 141,175
Total Capital Assets Not Depreciated	$ 141,175	$ 0	$ 0	$ 141,175
Capital Assets Depreciated:				
Buildings and Improvements	$ 18,047,285	$ 391,027	$ 0	$ 18,438,312
Infrastructure	71,974	0	0	71,974
Other Capital Assets	2,892,618	510,745	120,095	3,283,268
Total Capital Assets Depreciated	$ 21,011,877	$ 901,772	$ 120,095	$ 21,793,554
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 7,960,408	$ 400,168	$ 0	$ 8,360,576
Infrastructure	12,196	2,399	0	14,595
Other Capital Assets	1,738,197	236,313	120,095	1,854,415
Total Accumulated Depreciation	$ 9,710,801	$ 638,880	$ 120,095	$ 10,229,586
Total Capital Assets Depreciated, Net	$ 11,301,076	$ 262,892	$ 0	$ 11,563,968
Governmental Activities Capital Assets, Net	$ 11,442,251	$ 262,892	$ 0	$ 11,705,143

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

Governmental Activities:

Instruction	$ 355,820
Support Services	249,747
Operation of Non-Instructional Services	33,313
Total Depreciation Expense - Governmental Activities	$ 638,880

C. Construction Commitments

At June 30, 2007, the General Capital Projects Fund had uncompleted construction contracts of approximately $343,217 for extension of sewer lines and $17,145 for expansion of the Center for Higher Learning. Funding for these future expenditures is expected to be received from federal grants and general obligation bonds.

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2007, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 13,365
General Capital Projects	General	3,173
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	1,332

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

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
General	General Purpose School	$ 375

Interfund Transfers:

Interfund transfers for the year ended June 30, 2007, consisted of the following amount:

Discretely Presented Humphreys County School Department

Transfers Out	Transfers In General Purpose School Fund
Nonmajor governmental fund	$ 4,430

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 40 years for bonds, up to ten years for notes, and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, other loans, and notes included in long-term debt as of June 30, 2007, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2007, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
General Obligation Bonds	4.371 to 5 %	$ 438,500	$ 173,000
Capital Outlay Notes	0 to 5.35	2,280,000	1,054,595
Other Loans	variable	9,200,000	6,813,000

During the 1999-2000 year, Humphreys County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned $7,000,000 to Humphreys County for school renovation and construction. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent, Bank of America (BOA) daily or weekly. In addition, the county pays various other fees (letter of credit, administrative, and debt remarketing) in connection with this loan. At June 30, 2007, the variable interest rate was 3.89 percent, and other fees amounted to approximately .35 percent (letter of credit), .08 percent (remarketing), and .15 percent (administrative) of the outstanding loan principal.

During the 2003-04 year, Humphreys County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned $2,200,000 to Humphreys County for various renovation and construction projects. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent, BOA, daily or weekly. In addition, the county pays various other fees (letter of credit, administrative, and debt remarketing) in connection with this loan. At June 30, 2007, the variable interest rate was 3.87 percent, and other fees amounted to approximately .45 percent (letter of credit), .08 percent (remarketing), and .15 percent (administrative) of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2007, including interest payments and other loan fees, are presented in the following table:

Year Ending	Bonds		Notes	
June 30	Principal	Interest	Principal	Interest
2008	$ 17,200	$ 8,358	$ 264,817	$ 43,483
2009	18,400	7,524	224,889	33,142
2010	19,700	6,632	189,889	22,801
2011	19,900	5,676	75,000	14,063
2012	21,100	4,712	75,000	11,250
2013-2016	76,700	8,017	225,000	16,873
Total	$ 173,000	$ 40,919	$ 1,054,595	$ 141,612

Year Ending June 30	Other Loans Principal	Interest	Other Fees	Total
2008	$ 512,000	$ 264,727	$ 43,047	$ 819,774
2009	532,000	244,849	39,886	816,735
2010	552,000	224,194	36,601	812,795
2011	573,000	202,762	33,194	808,956
2012	594,000	180,515	28,637	803,152
2013-2017	2,571,000	567,256	90,396	3,228,652
2018-2020	1,479,000	116,545	20,437	1,615,982
Total	$ 6,813,000	$ 1,800,848	$ 292,198	$ 8,906,046

There is $1,841,404 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled $10, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans totaled $448, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2007, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2006	$ 190,000	$ 646,223
Additions	0	600,000
Deductions	(17,000)	(191,628)
Balance, June 30, 2007	$ 173,000	$ 1,054,595
Balance Due Within One Year	$ 17,200	$ 264,817

	Other Loans	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2006	$ 6,536,700	$ 95,915	$ 812,125
Additions	770,300	119,535	24,428
Deductions	(494,000)	(120,226)	0
Balance, June 30, 2007	$ 6,813,000	$ 95,224	$ 836,553
Balance Due Within One Year	$ 512,000	$ 4,760	$ 11,000

Analysis of Noncurrent Liabilites Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	$ 8,972,372
Less: Balance Due Within One Year	(809,777)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 8,162,595

Discretely Presented Humphreys County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Humphreys County School Department for the year ended June 30, 2007, was as follows:

	Notes
Balance, July 1, 2006	$ 7,808
Deductions	(1,375)
Balance, June 30, 2007	$ 6,433
Balance Due Within One Year	$ 1,000

V. OTHER INFORMATION

A. Risk Management

Liability, Property, Casualty, and Workers' Compensation Insurance

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

Employee Health Insurance

Humphreys County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and

quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, Tennessee Code Annotated, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

The Humphreys County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-302, Tennessee Code Annotated, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Change

At the beginning of the year, Humphreys County implemented the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. In the prior year, Humphreys County had elected only to implement the provisions of Statement No. 34 that related to the fund financial statements.

C. Subsequent Event

On July 24, 2007, Humphreys County issued $357,000 in general obligation bonds.

D. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

E. Change in Administration

On August 31, 2006, Ronnie Toungette left the Office of Sheriff and was succeeded by Chris Davis.

F. Landfill Closure/Postclosure Care Costs

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. These closure and postclosure care costs generally are paid near or after the date the landfill stops accepting waste. Humphreys County closed its Class I-II landfill during the 1997-98 year. Humphreys County closed its Class III-IV landfill (extension of Class I-II) during the 2002-03 year. The Tennessee Department of Environment and Conservation's estimate for postclosure care costs is $773,642. Humphreys County began operating a Class III-IV landfill (demolition) in January 2002. Humphreys County has used approximately 50 percent of the Class III-IV capacity at June 30, 2007. The Tennessee Department of Environment and Conservation's estimate based on a 50 percent capacity at June 30, 2007, for closure and postclosure care costs is $62,911. The $836,553 reported as accrued liability for landfill closure/postclosure care costs at June 30, 2007, represents the estimated cost for future closure/postclosure care costs. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Retirement Commitments

Employees

Plan Description

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

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

Funding Policy

Humphreys County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2007, was 7.45 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Humphreys County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2007, Humphreys County's annual pension cost of $391,217 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2005, 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 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), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three 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 five-year period. Humphreys County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was ten years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-07	$391,217	100%	$0
6-30-06	295,636	100	0
6-30-05	276,312	100	0

School Teachers

Plan Description

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Humphreys County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2007, was 6.13 percent of annual covered payroll. The employer contribution requirement for the Humphreys County School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2007, 2006, and 2005, were $625,932, $546,389, and $539,505, respectively, equal to the required contributions for each year.

H. Other Post-employment Benefits

In addition to the retirement commitments described above, the discretely presented Humphreys County School Department provides post-retirement health care benefits, in accordance with contract provisions, to certified employees who retire from the School Department with at least 20 years of service; participate in the Tennessee Consolidated Retirement System, have accumulated sick leave at retirement, and have been covered under the group medical plan prior to retirement. Currently, eight school retirees meet those eligibility requirements. The School Department pays 25 percent of the retirees final daily rate of pay multiplied by the amount of accumulated sick leave at retirement toward medical premiums for retirees and their dependents. During the year, expenditures totaling $27,070 were recognized for post-employment health care.

I. Purchasing Laws

Office of County Executive

Purchasing procedures for the County Executive's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, Tennessee Code Annotated (TCA), which provide for all purchases exceeding $5,000 ($10,000 effective May 10, 2007) to be made after public advertisement and solicitation of competitive bids.

Office of Road Supervisor

Purchasing procedures for the Road Department are governed by the provisions of Chapter 634, Private Acts of 1935, as amended, and the Uniform Road Law, Section 54-7-113, TCA. Provisions of the private act provide for the road supervisor to obtain the approval of the County Road Advisory Commission for all purchases of single items exceeding $2,500. The Uniform Road Law provides for purchases exceeding $10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

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

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 2,942,482	$ 0	$ 2,942,482	$ 2,635,947	$ 2,635,947	$ 306,535
Licenses and Permits	712	0	712	1,100	1,100	(388)
Fines, Forfeitures, and Penalties	110,212	0	110,212	105,380	105,380	4,832
Charges for Current Services	19,759	0	19,759	20,010	20,010	(251)
Other Local Revenues	107,728	0	107,728	78,500	79,524	28,204
Fees Received from County Officials	811,678	0	811,678	698,900	698,900	112,778
State of Tennessee	1,338,906	0	1,338,906	1,283,390	1,321,040	17,866
Federal Government	44,307	0	44,307	0	15,293	29,014
Other Governments and Citizens Groups	1,800	0	1,800	5,500	6,500	(4,700)
Total Revenues	$ 5,377,584	$ 0	$ 5,377,584	$ 4,828,727	$ 4,883,694	$ 493,890
Expenditures						
General Government						
County Commission	$ 95,285	$ 0	$ 95,285	$ 111,735	$ 111,735	$ 16,450
Board of Equalization	550	0	550	2,000	2,000	1,450
Beer Board	360	0	360	800	800	440
County Mayor/Executive	175,639	0	175,639	193,524	193,524	17,885
County Attorney	36,572	0	36,572	40,822	40,822	4,250
Election Commission	151,810	0	151,810	152,720	158,970	7,160
Register of Deeds	129,696	0	129,696	129,742	129,742	46
Development	8,500	0	8,500	9,000	9,000	500
County Buildings	242,772	0	242,772	275,664	282,746	39,974
Finance						
Property Assessor's Office	153,036	0	153,036	176,417	176,417	23,381
Reappraisal Program	12,413	0	12,413	15,390	15,390	2,977
County Trustee's Office	135,511	0	135,511	139,467	139,467	3,956
County Clerk's Office	184,165	0	184,165	202,411	202,411	18,246

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)						
Administration of Justice						
Circuit Court	$ 197,592	$ 0	$ 197,592	$ 201,672	$ 203,720	$ 6,128
General Sessions Court	71,496	0	71,496	66,976	76,976	5,480
Chancery Court	127,437	0	127,437	128,290	128,290	853
Juvenile Court	101,087	0	101,087	95,778	109,778	8,691
District Attorney General	4,500	0	4,500	6,000	6,000	1,500
Judicial Commissioners	27,031	0	27,031	27,263	27,263	232
Public Safety						
Sheriff's Department	707,345	0	707,345	709,953	716,350	9,005
Jail	173,704	0	173,704	169,695	170,240	(3,464)
Workhouse	232,559	0	232,559	250,839	250,839	18,280
Work Release Program	450	0	450	1,000	1,000	550
Fire Prevention and Control	2,000	0	2,000	2,000	2,000	0
Inspection and Regulation	52,338	0	52,338	52,497	67,790	15,452
County Coroner/Medical Examiner	6,960	0	6,960	14,900	14,900	7,940
Other Public Safety	170,217	0	170,217	169,142	170,556	339
Public Health and Welfare						
Local Health Center	66,088	0	66,088	67,102	67,102	1,014
Ambulance/Emergency Medical Services	184,714	0	184,714	182,228	184,714	0
Other Local Health Services	25,000	0	25,000	25,000	25,000	0
General Welfare Assistance	800	0	800	2,200	2,200	1,400
Sanitation Education/Information	30,949	0	30,949	40,522	40,522	9,573
Other Public Health and Welfare	54,130	0	54,130	92,900	125,156	71,026
Social, Cultural, and Recreational Services						
Libraries	144,571	0	144,571	143,569	145,150	579
Other Social, Cultural, and Recreational	0	0	0	800	800	800

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)						
Agriculture and Natural Resources						
Agriculture Extension Service	$ 78,214	$ 0	$ 78,214	$ 78,214	$ 78,214	$ 0
Soil Conservation	74,213	0	74,213	74,397	74,397	184
Other Operations						
Tourism	28,586	0	28,586	25,000	28,586	0
Industrial Development	50,000	0	50,000	50,000	50,000	0
Other Economic and Community Development	0	0	0	70,000	70,000	70,000
Airport	136,840	0	136,840	113,935	156,269	19,429
Veterans' Services	9,053	0	9,053	9,467	9,467	414
Other Charges	591,639	0	591,639	652,500	652,500	60,861
Contributions to Other Agencies	43,973	0	43,973	47,073	47,073	3,100
Employee Benefits	714,318	0	714,318	803,422	803,422	89,104
Principal on Debt						
General Government	425	0	425	5,100	1,927	1,502
Capital Projects						
Other General Government Projects	11,054	(8,080)	2,974	0	3,173	199
Total Expenditures	$ 5,445,592	$ (8,080)	$ 5,437,512	$ 5,829,126	$ 5,974,398	$ 536,886
Excess (Deficiency) of Revenues Over Expenditures	$ (68,008)	$ 8,080	$ (59,928)	$ (1,000,399)	$ (1,090,704)	$ 1,030,776
Other Financing Sources (Uses)						
Insurance Recovery	$ 1,814	$ 0	$ 1,814	$ 0	$ 1,414	$ 400
Total Other Financing Sources (Uses)	$ 1,814	$ 0	$ 1,814	$ 0	$ 1,414	$ 400
Net Change in Fund Balance	$ (66,194)	$ 8,080	$ (58,114)	$ (1,000,399)	$ (1,089,290)	$ 1,031,176
Fund Balance, July 1, 2006	2,181,893	(8,080)	2,173,813	2,060,761	2,060,761	113,052
Fund Balance, June 30, 2007	$ 2,115,699	$ 0	$ 2,115,699	$ 1,060,362	$ 971,471	$ 1,144,228

Exhibit F-2

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 605,324	$ 578,220	$ 578,220	$ 27,104
Charges for Current Services	12,667	7,500	7,500	5,167
Other Local Revenues	0	150	150	(150)
State of Tennessee	10,468	13,000	13,000	(2,532)
Total Revenues	$ 628,459	$ 598,870	$ 598,870	$ 29,589
Expenditures				
Public Health and Welfare				
Landfill Operation and Maintenance	$ 495,660	$ 591,615	$ 602,650	$ 106,990
Other Operations				
Other Charges	12,164	20,000	20,000	7,836
Employee Benefits	53,287	59,900	59,900	6,613
Total Expenditures	$ 561,111	$ 671,515	$ 682,550	$ 121,439
Excess (Deficiency) of Revenues Over Expenditures	$ 67,348	$ (72,645)	$ (83,680)	$ 151,028
Other Financing Sources (Uses)				
Insurance Recovery	$ 3,424	$ 0	$ 0	$ 3,424
Total Other Financing Sources (Uses)	$ 3,424	$ 0	$ 0	$ 3,424
Net Change in Fund Balance	$ 70,772	$ (72,645)	$ (83,680)	$ 154,452
Fund Balance, July 1, 2006	329,499	325,785	325,785	3,714
Fund Balance, June 30, 2007	$ 400,271	$ 253,140	$ 242,105	$ 158,166

Exhibit F-3

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 306,078	$ 0	$ 306,078	$ 293,214	$ 293,214	$ 12,864
Charges for Current Services	424	0	424	250	250	174
Other Local Revenues	91,267	0	91,267	125,000	125,000	(33,733)
State of Tennessee	2,052,401	0	2,052,401	2,491,662	2,491,662	(439,261)
Federal Government	6,262	0	6,262	0	0	6,262
Total Revenues	$ 2,456,432	$ 0	$ 2,456,432	$ 2,910,126	$ 2,910,126	$ (453,694)
Expenditures						
Highways						
Administration	$ 124,904	$ 0	$ 124,904	$ 154,398	$ 154,398	$ 29,494
Highway and Bridge Maintenance	1,659,714	0	1,659,714	1,775,074	1,925,074	265,360
Operation and Maintenance of Equipment	420,509	0	420,509	572,700	572,700	152,191
Other Charges	24,700	0	24,700	31,500	31,500	6,800
Employee Benefits	242,991	0	242,991	325,352	325,352	82,361
Capital Outlay	384,090	(277,242)	106,848	1,162,000	1,012,000	905,152
Total Expenditures	$ 2,856,908	$ (277,242)	$ 2,579,666	$ 4,021,024	$ 4,021,024	$ 1,441,358
Excess (Deficiency) of Revenues Over Expenditures	$ (400,476)	$ 277,242	$ (123,234)	$ (1,110,898)	$ (1,110,898)	$ 987,664
Net Change in Fund Balance	$ (400,476)	$ 277,242	$ (123,234)	$ (1,110,898)	$ (1,110,898)	$ 987,664
Fund Balance, July 1, 2006	1,379,492	(277,242)	1,102,250	1,286,295	1,286,295	(184,045)
Fund Balance, June 30, 2007	$ 979,016	$ 0	$ 979,016	$ 175,397	$ 175,397	$ 803,619

Exhibit F-4

Humphreys County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2007

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-05	$ 11,562	$ 11,733	$ 171	98.54 %	$ 4,804	3.57 %
6-30-03	10,388	10,581	193	98.18	4,421	4.37
6-30-01	9,361	9,597	236	97.54	3,802	6.21

HUMPHREYS COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2007

A. BUDGETARY INFORMATION

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

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

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

B. EXPENDITURES EXCEEDED APPROPRIATIONS

Expenditures exceeded appropriations approved by the County Commission in the Jail major appropriation category (the legal level of control) of the General Fund by $3,464. Such overexpenditure is a violation of state statutes. This overexpenditure was funded by greater than anticipated revenues.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for transactions involving the Humphreys County Rural Fire Department.

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

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

Capital Projects Fund

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for bond proceeds received in prior years for the construction of dams associated with the Hurricane Creek Watershed District.

Exhibit G-1

Humphreys County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Special Revenue Funds				Capital Projects Fund	
	Local Purpose Tax	Drug Control	Constitu-tional Officers - Fees	Total	Other Capital Projects	Total Nonmajor Governmental Funds
ASSETS						
Cash	$ 0	$ 0	$ 13,365	$ 13,365	$ 0	$ 13,365
Equity in Pooled Cash and Investments	154,085	69,690	0	223,775	70,916	294,691
Property Taxes Receivable	199,042	0	0	199,042	0	199,042
Allowance for Uncollectible Property Taxes	(5,185)	0	0	(5,185)	0	(5,185)
Total Assets	$ 347,942	$ 69,690	$ 13,365	$ 430,997	$ 70,916	$ 501,913
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	$ 36,249	$ 2,697	$ 0	$ 38,946	$ 0	$ 38,946
Due to Other Funds	0	0	13,365	13,365	0	13,365
Deferred Revenue - Current Property Taxes	188,795	0	0	188,795	0	188,795
Deferred Revenue - Delinquent Property Taxes	4,310	0	0	4,310	0	4,310
Total Liabilities	$ 229,354	$ 2,697	$ 13,365	$ 245,416	$ 0	$ 245,416
Fund Balances						
Unreserved	$ 118,588	$ 66,993	$ 0	$ 185,581	$ 70,916	$ 256,497
Total Fund Balances	$ 118,588	$ 66,993	$ 0	$ 185,581	$ 70,916	$ 256,497
Total Liabilities and Fund Balances	$ 347,942	$ 69,690	$ 13,365	$ 430,997	$ 70,916	$ 501,913

Exhibit G-2

Humphreys County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2007

	Special Revenue Funds			Capital Projects Fund	Total
	Local Purpose Tax	Drug Control	Total	Other Capital Projects	Nonmajor Governmental Funds
Revenues					
Local Taxes	$ 146,881	$ 0	$ 146,881	$ 0	$ 146,881
Fines, Forfeitures, and Penalties	0	26,571	26,571	0	26,571
Other Local Revenues	0	135	135	0	135
Federal Government	0	2,333	2,333	0	2,333
Total Revenues	$ 146,881	$ 29,039	$ 175,920	$ 0	$ 175,920
Expenditures					
Current:					
Public Safety	$ 135,540	$ 31,390	$ 166,930	$ 0	$ 166,930
Total Expenditures	$ 135,540	$ 31,390	$ 166,930	$ 0	$ 166,930
Excess (Deficiency) of Revenues Over Expenditures	$ 11,341	$ (2,351)	$ 8,990	$ 0	$ 8,990
Other Financing Sources (Uses)					
Insurance Recovery	$ 6,699	$ 0	$ 6,699	$ 0	$ 6,699
Total Other Financing Sources (Uses)	$ 6,699	$ 0	$ 6,699	$ 0	$ 6,699
Net Change in Fund Balances	$ 18,040	$ (2,351)	$ 15,689	$ 0	$ 15,689
Fund Balance, July 1, 2006	100,548	69,344	169,892	70,916	240,808
Fund Balance, June 30, 2007	$ 118,588	$ 66,993	$ 185,581	$ 70,916	$ 256,497

Exhibit G-3

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 146,881	$ 132,814	$ 132,814	$ 14,067
Total Revenues	$ 146,881	$ 132,814	$ 132,814	$ 14,067
Expenditures				
Public Safety				
Fire Prevention and Control	$ 135,540	$ 169,000	$ 169,000	$ 33,460
Total Expenditures	$ 135,540	$ 169,000	$ 169,000	$ 33,460
Excess (Deficiency) of Revenues Over Expenditures	$ 11,341	$ (36,186)	$ (36,186)	$ 47,527
Other Financing Sources (Uses)				
Insurance Recovery	$ 6,699	$ 0	$ 0	$ 6,699
Total Other Financing Sources (Uses)	$ 6,699	$ 0	$ 0	$ 6,699
Net Change in Fund Balance	$ 18,040	$ (36,186)	$ (36,186)	$ 54,226
Fund Balance, July 1, 2006	100,548	97,619	97,619	2,929
Fund Balance, June 30, 2007	$ 118,588	$ 61,433	$ 61,433	$ 57,155

Exhibit G-4

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 26,571	$ 11,000	$ 11,000	$ 15,571
Other Local Revenues	135	0	0	135
Federal Government	2,333	0	2,333	0
Total Revenues	$ 29,039	$ 11,000	$ 13,333	$ 15,706
Expenditures				
Public Safety				
Drug Enforcement	$ 31,390	$ 6,100	$ 34,628	$ 3,238
Total Expenditures	$ 31,390	$ 6,100	$ 34,628	$ 3,238
Excess (Deficiency) of Revenues Over Expenditures	$ (2,351)	$ 4,900	$ (21,295)	$ 18,944
Net Change in Fund Balance	$ (2,351)	$ 4,900	$ (21,295)	$ 18,944
Fund Balance, July 1, 2006	69,344	69,274	69,274	70
Fund Balance, June 30, 2007	$ 66,993	$ 74,174	$ 47,979	$ 19,014

Exhibit H-1

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 504,739	$ 508,533	$ 508,533	$ (3,794)
Other Local Revenues	413,423	270,000	270,000	143,423
Total Revenues	$ 918,162	$ 778,533	$ 778,533	$ 139,629
Expenditures				
Principal on Debt				
General Government	$ 317,889	$ 317,889	$ 317,889	$ 0
Education	383,008	383,008	383,008	0
Interest on Debt				
General Government	77,604	84,402	84,055	6,451
Education	218,382	286,259	283,602	65,220
Other Debt Service				
General Government	21,331	20,000	29,334	8,003
Education	23,670	30,000	23,670	0
Total Expenditures	$ 1,041,884	$ 1,121,558	$ 1,121,558	$ 79,674
Excess (Deficiency) of Revenues Over Expenditures	$ (123,722)	$ (343,025)	$ (343,025)	$ 219,303
Net Change in Fund Balance	$ (123,722)	$ (343,025)	$ (343,025)	$ 219,303
Fund Balance, July 1, 2006	1,965,126	1,926,922	1,926,922	38,204
Fund Balance, June 30, 2007	$ 1,841,404	$ 1,583,897	$ 1,583,897	$ 257,507

Exhibit H-2

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 537,824	$ 0	$ 0	$ 537,824	$ 493,395	$ 493,395	$ 44,429
Other Local Revenues	23,866	0	0	23,866	0	0	23,866
State of Tennessee	158,025	0	0	158,025	90,000	300,373	(142,348)
Total Revenues	$ 719,715	$ 0	$ 0	$ 719,715	$ 583,395	$ 793,768	$ (74,053)
Expenditures							
Principal on Debt							
Education	$ 1,306	$ 0	$ 0	$ 1,306	$ 5,000	$ 5,000	$ 3,694
Capital Projects							
General Administration Projects	107,915	0	0	107,915	139,502	145,860	37,945
Public Safety Projects	32,031	(21,437)	0	10,594	100,000	280,000	269,406
Public Utility Projects	148,255	(35,515)	343,217	455,957	30,000	537,000	81,043
Other General Government Projects	152,877	0	0	152,877	0	146,823	(6,054)
Highway and Street Capital Projects	1,274,924	(26,794)	0	1,248,130	0	1,273,665	25,535
Education Capital Projects	591,405	0	17,145	608,550	125,000	608,550	0
Total Expenditures	$ 2,308,713	$ (83,746)	$ 360,362	$ 2,585,329	$ 399,502	$ 2,996,898	$ 411,569
Excess (Deficiency) of Revenues Over Expenditures	$ (1,588,998)	$ 83,746	$ (360,362)	$ (1,865,614)	$ 183,893	$ (2,203,130)	$ 337,516
Other Financing Sources (Uses)							
Notes Issued	$ 600,000	$ 0	$ 0	$ 600,000	$ 0	$ 600,000	$ 0
Other Loans Issued	770,300	0	0	770,300	0	770,300	0
Total Other Financing Sources (Uses)	$ 1,370,300	$ 0	$ 0	$ 1,370,300	$ 0	$ 1,370,300	$ 0
Net Change in Fund Balance	$ (218,698)	$ 83,746	$ (360,362)	$ (495,314)	$ 183,893	$ (832,830)	$ 337,516
Fund Balance, July 1, 2006	713,702	(83,746)	0	629,956	766,136	766,136	(136,180)
Fund Balance, June 30, 2007	$ 495,004	$ 0	$ (360,362)	$ 134,642	$ 950,029	$ (66,694)	$ 201,336

Major Governmental Funds

General Debt Service Fund

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

General Capital Projects Fund

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

Fiduciary Funds

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

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

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

Exhibit I-1

Humphreys County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2007

	Agency Funds		
	Cities - Sales Tax	Constitutional Officers - Agency	Total
ASSETS			
Cash	$ 0	$ 1,113,345	$ 1,113,345
Accounts Receivable	0	503	503
Due from Other Governments	204,869	0	204,869
Total Assets	$ 204,869	$ 1,113,848	$ 1,318,717
LIABILITIES			
Due to Other Taxing Units	$ 204,869	$ 0	$ 204,869
Due to Litigants, Heirs, and Others	0	1,113,848	1,113,848
Total Liabilities	$ 204,869	$ 1,113,848	$ 1,318,717

Exhibit I-2

Humphreys County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2007

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 1,159,168	$ 1,159,168	$ 0
Due from Other Governments	194,429	204,869	194,429	204,869
Total Assets	$ 194,429	$ 1,364,037	$ 1,353,597	$ 204,869
Liabilities				
Due to Other Taxing Units	$ 194,429	$ 204,869	$ 194,429	$ 204,869
Total Liabilities	$ 194,429	$ 204,869	$ 194,429	$ 204,869
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 641,450	$ 4,138,251	$ 3,666,356	$ 1,113,345
Accounts Receivable	981	0	478	503
Total Assets	$ 642,431	$ 4,138,251	$ 3,666,834	$ 1,113,848
Liabilities				
Due to Litigants, Heirs, and Others	$ 642,431	$ 4,138,251	$ 3,666,834	$ 1,113,848
Total Liabilities	$ 642,431	$ 4,138,251	$ 3,666,834	$ 1,113,848
Totals - All Agency Funds				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 1,159,168	$ 1,159,168	$ 0
Cash	641,450	4,138,251	3,666,356	1,113,345
Accounts Receivable	981	0	478	503
Due from Other Governments	194,429	204,869	194,429	204,869
Total Assets	$ 836,860	$ 5,502,288	$ 5,020,431	$ 1,318,717
Liabilities				
Due to Other Taxing Units	$ 194,429	$ 204,869	$ 194,429	$ 204,869
Due to Litigants, Heirs, and Others	642,431	4,138,251	3,666,834	1,113,848
Total Liabilities	$ 836,860	$ 4,343,120	$ 3,861,263	$ 1,318,717

Humphreys County School Department

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

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

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

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

Private-Purpose Trust Fund – The Private-Purpose Trust Fund is used to account for resources legally held in trust to provide scholarships for students.

Exhibit J-1

Humphreys County, Tennessee
Statement of Activities
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Total Governmental Activities
Governmental Activities:					
Instruction	$ 13,087,236	$ 18,959	$ 2,072,647	$ 30,175	$ (10,965,455)
Support Services	5,692,043	42,807	154,594	49,031	(5,445,611)
Operation of Non-Instructional Services	1,559,424	759,427	784,490	0	(15,507)
Total Governmental Activities	$ 20,338,703	$ 821,193	$ 3,011,731	$ 79,206	$ (16,426,573)

General Revenues:	
Taxes:	
Property Taxes Levied for General Purposes	$ 2,876,390
Local Option Sales Taxes	1,626,127
Other Local Taxes	2,898
Grants and Contributions Not Restricted to Specific Programs	11,887,612
Miscellaneous	53,461
Total General Revenues	$ 16,446,488
Change in Net Assets	$ 19,915
Net Assets, July 1, 2006	12,522,431
Net Assets, June 30, 2007	$ 12,542,346

Exhibit J-2

Humphreys County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Humphreys County School Department
June 30, 2007

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS			
Equity in Pooled Cash and Investments	$ 140,976	$ 179,334	$ 320,310
Accounts Receivable	3,034	0	3,034
Due from Other Governments	483,090	0	483,090
Due from Other Funds	0	1,332	1,332
Property Taxes Receivable	2,852,941	0	2,852,941
Allowance for Uncollectible Property Taxes	(74,316)	0	(74,316)
Total Assets	$ 3,405,725	$ 180,666	$ 3,586,391
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	$ 3,888	$ 497	$ 4,385
Payroll Deductions Payable	30,601	0	30,601
Due to Other Funds	1,332	0	1,332
Due to Primary Government	375	0	375
Deferred Revenue - Current Property Taxes	2,706,062	0	2,706,062
Deferred Revenue - Delinquent Property Taxes	58,030	0	58,030
Other Deferred Revenues	191,068	0	191,068
Total Liabilities	$ 2,991,356	$ 497	$ 2,991,853
Fund Balances			
Reserved for Encumbrances	$ 48,000	$ 0	$ 48,000
Other Local Education Reserves	60,818	0	60,818
Reserved for Career Ladder Program	3,700	0	3,700
Reserved for Title I Grants to Local Education Agencies	0	3,920	3,920
Reserved for Special Education - Grants to States	0	5,000	5,000
Other Federal Reserves	0	1,031	1,031
Unreserved, Reported In:			
General Fund	301,851	0	301,851
Special Revenue Funds	0	170,218	170,218
Total Fund Balances	$ 414,369	$ 180,169	$ 594,538
Total Liabilities and Fund Balances	$ 3,405,725	$ 180,666	$ 3,586,391

Exhibit J-3

Humphreys County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Humphreys County School Department
June 30, 2007

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		$ 594,538
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 141,175	
Add: buildings and improvements net of accumulated depreciation	10,077,736	
Add: infrastructure net of accumulated depreciation	57,379	
Add: other capital assets net of accumulated depreciation	1,428,853	11,705,143
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		249,098
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable		(6,433)
Net assets of governmental activities (Exhibit A)		$ 12,542,346

Exhibit J-4

Humphreys County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2007

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
Revenues			
Local Taxes	$ 4,530,731	$ 0	$ 4,530,731
Licenses and Permits	1,106	0	1,106
Charges for Current Services	64,123	757,070	821,193
Other Local Revenues	83,981	9,931	93,912
State of Tennessee	12,715,708	17,121	12,732,829
Federal Government	174,571	2,076,220	2,250,791
Total Revenues	$ 17,570,220	$ 2,860,342	$ 20,430,562
Expenditures			
Current:			
Instruction	$ 11,774,103	$ 1,074,919	$ 12,849,022
Support Services	5,936,377	256,552	6,192,929
Operation of Non-Instructional Services	13,562	1,523,919	1,537,481
Debt Service:			
Principal on Debt	1,375	0	1,375
Total Expenditures	$ 17,725,417	$ 2,855,390	$ 20,580,807
Excess (Deficiency) of Revenues Over Expenditures	$ (155,197)	$ 4,952	$ (150,245)
Other Financing Sources (Uses)			
Insurance Recovery	$ 8,012	$ 0	$ 8,012
Transfers In	4,430	0	4,430
Transfers Out	0	(4,430)	(4,430)
Total Other Financing Sources (Uses)	$ 12,442	$ (4,430)	$ 8,012
Net Change in Fund Balances	$ (142,755)	$ 522	$ (142,233)
Fund Balance, July 1, 2006	557,124	179,647	736,771
Fund Balance, June 30, 2007	$ 414,369	$ 180,169	$ 594,538

Exhibit J-5

Humphreys County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2007

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:		
Net change in fund balances - total governmental funds (Exhibit J-4)		$ (142,233)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	$ 871,597	
Less: current year depreciation expense	(638,880)	232,717
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
Add: assets donated and capitalized		30,175
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2007	$ 249,098	
Less: deferred delinquent property taxes and other deferred June 30, 2006	(351,217)	(102,119)
(4) The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net assets.		
Add: principal payments on notes		1,375
Change in net assets of governmental activities (Exhibit B)		$ 19,915

Exhibit J-6

Humphreys County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Humphreys County School Department
June 30, 2007

	Special Revenue Funds		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
ASSETS			
Equity in Pooled Cash and Investments	$ 8,619	$ 170,715	$ 179,334
Due from Other Funds	1,332	0	1,332
Total Assets	$ 9,951	$ 170,715	$ 180,666
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	$ 0	$ 497	$ 497
Total Liabilities	$ 0	$ 497	$ 497
Fund Balances			
Reserved for Title I Grants to Local Education Agencies	$ 3,920	$ 0	$ 3,920
Reserved for Special Education - Grants to States	5,000	0	5,000
Other Federal Reserves	1,031	0	1,031
Unreserved	0	170,218	170,218
Total Fund Balances	$ 9,951	$ 170,218	$ 180,169
Total Liabilities and Fund Balances	$ 9,951	$ 170,715	$ 180,666

Exhibit J-7

Humphreys County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2007

	Special Revenue Funds		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
Revenues			
Charges for Current Services	$ 0	$ 757,070	$ 757,070
Other Local Revenues	0	9,931	9,931
State of Tennessee	0	17,121	17,121
Federal Government	1,314,345	761,875	2,076,220
Total Revenues	$ 1,314,345	$ 1,545,997	$ 2,860,342
Expenditures			
Current:			
Instruction	$ 1,074,919	$ 0	$ 1,074,919
Support Services	256,552	0	256,552
Operation of Non-Instructional Services	0	1,523,919	1,523,919
Total Expenditures	$ 1,331,471	$ 1,523,919	$ 2,855,390
Excess (Deficiency) of Revenues Over Expenditures	$ (17,126)	$ 22,078	$ 4,952
Other Financing Sources (Uses)			
Transfers Out	$ (4,430)	$ 0	$ (4,430)
Total Other Financing Sources (Uses)	$ (4,430)	$ 0	$ (4,430)
Net Change in Fund Balances	$ (21,556)	$ 22,078	$ 522
Fund Balance, July 1, 2006	31,507	148,140	179,647
Fund Balance, June 30, 2007	$ 9,951	$ 170,218	$ 180,169

Exhibit J-8

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Humphreys County School Department
General Purpose School Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 4,530,731	$ 0	$ 0	$ 4,530,731	$ 4,485,039	$ 4,544,019	$ (13,288)
Licenses and Permits	1,106	0	0	1,106	1,220	1,220	(114)
Charges for Current Services	64,123	0	0	64,123	76,600	76,600	(12,477)
Other Local Revenues	83,981	0	0	83,981	193,300	144,870	(60,889)
State of Tennessee	12,715,708	0	0	12,715,708	12,319,263	12,782,630	(66,922)
Federal Government	174,571	0	0	174,571	224,561	303,391	(128,820)
Total Revenues	$ 17,570,220	$ 0	$ 0	$ 17,570,220	$ 17,299,983	$ 17,852,730	$ (282,510)
Expenditures							
Instruction							
Regular Instruction Program	$ 9,864,968	$ 0	$ 0	$ 9,864,968	$ 9,614,319	$ 9,941,572	$ 76,604
Alternative Instruction Program	58,570	0	0	58,570	55,110	60,410	1,840
Special Education Program	999,726	0	0	999,726	927,900	1,009,720	9,994
Vocational Education Program	722,365	0	0	722,365	710,250	732,250	9,885
Student Body Education Program	68,776	0	0	68,776	96,128	96,128	27,352
Adult Education Program	59,698	0	0	59,698	61,500	62,500	2,802
Support Services							
Health Services	128,827	0	0	128,827	79,400	138,400	9,573
Other Student Support	323,206	0	0	323,206	351,820	351,820	28,614
Regular Instruction Program	553,349	0	0	553,349	554,240	554,240	891
Special Education Program	64,095	0	0	64,095	64,580	64,580	485
Vocational Education Program	83,857	0	0	83,857	84,368	84,368	511
Adult Programs	66,572	0	0	66,572	68,178	68,178	1,606
Board of Education	136,062	0	0	136,062	136,642	136,642	580
Director of Schools	161,705	0	0	161,705	169,047	169,304	7,599
Office of the Principal	1,175,402	0	0	1,175,402	1,192,580	1,192,580	17,178

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Fiscal Services	$ 101,496	$ 0	$ 0	$ 101,496	$ 104,080	$ 104,080	$ 2,584
Operation of Plant	1,317,317	0	0	1,317,317	1,370,900	1,370,900	53,583
Maintenance of Plant	424,533	0	48,000	472,533	479,788	524,729	52,196
Transportation	1,122,535	(189,162)	0	933,373	931,300	945,339	11,966
Central and Other	277,421	0	0	277,421	230,328	279,570	2,149
Operation of Non-Instructional Services							
Community Services	13,562	0	0	13,562	13,850	13,850	288
Principal on Debt							
Education	1,375	0	0	1,375	1,000	1,000	(375)
Total Expenditures	$ 17,725,417	$ (189,162)	$ 48,000	$ 17,584,255	$ 17,297,308	$ 17,902,160	$ 317,905
Excess (Deficiency) of Revenues Over Expenditures	$ (155,197)	$ 189,162	$ (48,000)	$ (14,035)	$ 2,675	$ (49,430)	$ 35,395
Other Financing Sources (Uses)							
Insurance Recovery	$ 8,012	$ 0	$ 0	$ 8,012	$ 0	$ 45,000	$ (36,988)
Transfers In	4,430	0	0	4,430	0	4,430	0
Transfers Out	0	0	0	0	(2,675)	0	0
Total Other Financing Sources (Uses)	$ 12,442	$ 0	$ 0	$ 12,442	$ (2,675)	$ 49,430	$ (36,988)
Net Change in Fund Balance	$ (142,755)	$ 189,162	$ (48,000)	$ (1,593)	$ 0	$ 0	$ (1,593)
Fund Balance, July 1, 2006	557,124	(189,162)	0	367,962	223,341	223,341	144,621
Fund Balance, June 30, 2007	$ 414,369	$ 0	$ (48,000)	$ 366,369	$ 223,341	$ 223,341	$ 143,028

Exhibit J-9

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Humphreys County School Department
School Federal Projects Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
State of Tennessee	$ 0	$ 65,000	$ 0	$ 0
Federal Government	1,314,345	1,349,337	1,503,982	(189,637)
Total Revenues	$ 1,314,345	$ 1,414,337	$ 1,503,982	$ (189,637)
Expenditures				
Instruction				
Regular Instruction Program	$ 504,265	$ 613,382	$ 630,574	$ 126,309
Special Education Program	523,581	501,720	528,581	5,000
Vocational Education Program	47,073	47,926	47,073	0
Support Services				
Other Student Support	8,973	22,496	30,629	21,656
Regular Instruction Program	133,906	114,055	147,490	13,584
Special Education Program	61,221	58,583	61,221	0
Vocational Education Program	2,680	2,680	2,680	0
Transportation	49,772	48,865	49,772	0
Total Expenditures	$ 1,331,471	$ 1,409,707	$ 1,498,020	$ 166,549
Excess (Deficiency) of Revenues Over Expenditures	$ (17,126)	$ 4,630	$ 5,962	$ (23,088)
Other Financing Sources (Uses)				
Transfers Out	$ (4,430)	$ (4,630)	$ (5,962)	$ 1,532
Total Other Financing Sources (Uses)	$ (4,430)	$ (4,630)	$ (5,962)	$ 1,532
Net Change in Fund Balance	$ (21,556)	$ 0	$ 0	$ (21,556)
Fund Balance, July 1, 2006	31,507	0	0	31,507
Fund Balance, June 30, 2007	$ 9,951	$ 0	$ 0	$ 9,951

Exhibit J-10

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Humphreys County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 757,070	$ 808,850	$ 808,850	$ (51,780)
Other Local Revenues	9,931	5,800	5,800	4,131
State of Tennessee	17,121	17,000	17,000	121
Federal Government	761,875	699,000	699,000	62,875
Total Revenues	$ 1,545,997	$ 1,530,650	$ 1,530,650	$ 15,347
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 1,523,919	$ 1,530,650	$ 1,530,650	$ 6,731
Total Expenditures	$ 1,523,919	$ 1,530,650	$ 1,530,650	$ 6,731
Excess (Deficiency) of Revenues Over Expenditures	$ 22,078	$ 0	$ 0	$ 22,078
Net Change in Fund Balance	$ 22,078	$ 0	$ 0	$ 22,078
Fund Balance, July 1, 2006	148,140	147,594	147,594	546
Fund Balance, June 30, 2007	$ 170,218	$ 147,594	$ 147,594	$ 22,624

Exhibit J-11

Humphreys County, Tennessee
Statement of Fiduciary Net Assets
Discretely Presented Humphreys County School Department
Fiduciary Fund
June 30, 2007

	Private - Purpose Trust Fund Endowment Principal Fund
ASSETS	
Equity in Pooled Cash and Investments	$ 60,818
Total Assets	$ 60,818
NET ASSETS	
Held in Trust for Scholarships	$ 60,818
Total Net Assets	$ 60,818

Exhibit J-12

Humphreys County, Tennessee
Statement of Changes in Fiduciary Net Assets
Discretely Presented Humphreys County School Department
Fiduciary Fund
June 30, 2007

	Private - Purpose Trust Fund Endowment Principal Fund
ADDITIONS	
Other Local Revenues	
Investment Income	$ 2,591
Total Additions	$ 2,591
DEDUCTIONS	
Other	
Scholarships	$ 0
Total Deductions	$ 0
Change in Net Assets	$ 2,591
Net Assets, July 1, 2006	58,227
Net Assets, June 30, 2007	$ 60,818

MISCELLANEOUS SCHEDULES

Exhibit K-1

Humphreys County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
Primary Government and Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2007

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-06	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-07
PRIMARY GOVERNMENT								
NOTES PAYABLE								
Payable through General Fund								
Airport Improvements	$ 51,000	0 %	7-28-1997	7-28-06	$ 425	$ 0	$ 425	$ 0
Payable through General Debt Service Fund								
Center for Higher Learning	400,000	0	12-8-1998	1-8-08	$ 79,936	$ 0	$ 40,008	$ 39,928
Center for Higher Learning	350,000	4.58	9-1-1998	9-1-08	105,000	0	35,000	70,000
Courthouse Annex Addition	800,000	5.35	7-3-00	7-3-09	355,556	0	88,889	266,667
Jail Expansion	130,000	4.5	10-1-04	10-1-09	104,000	0	26,000	78,000
School roofs, buses, equipment, and E911 towers/facilities	600,000	3.75	10-2-06	10-2-14	0	600,000	0	600,000
Total Payable through General Debt Service Fund					$ 644,492	$ 600,000	$ 189,897	$ 1,054,595
Payable through General Capital Projects Fund								
Asbestos Removal	69,666	0	6-1-1992	5-31-07	$ 1,306	$ 0	$ 1,306	$ 0
Total Notes Payable					$ 646,223	$ 600,000	$ 191,628	$ 1,054,595
OTHER LOANS PAYABLE								
Payable through General Debt Service Fund								
School	7,000,000	Variable	3-7-00	5-25-20	$ 5,629,000	$ 0	$ 308,000	$ 5,321,000
Jail Renovation/Road, Bridge, & Sewer Improvement/Career Center	2,200,000	Variable	10-15-03	5-25-14	907,700	770,300	186,000	1,492,000
Total Other Loans Payable					$ 6,536,700	$ 770,300	$ 494,000	$ 6,813,000
BONDS PAYABLE								
Payable through General Debt Service Fund								
Courthouse Annex, FmHA	328,500	5	7-1-1976	1-1-15	$ 139,500	$ 0	$ 13,000	$ 126,500
Flood Control, FmHA	110,000	4.371	7-1-1976	1-1-16	50,500	0	4,000	46,500
Total Bonds Payable					$ 190,000	$ 0	$ 17,000	$ 173,000
DISCRETELY PRESENTED HUMPHREYS COUNTY SCHOOL DEPARTMENT								
NOTES PAYABLE								
Payable through General Purpose School Fund								
Computer Labs and Equipment	45,000	0	7-28-1997	7-28-06	$ 375	$ 0	$ 375	$ 0
Asbestos Removal	16,933	0	5-22-1995	5-30-14	7,433	0	1,000	6,433
Total Notes Payable					$ 7,808	$ 0	$ 1,375	$ 6,433

Exhibit K-2

Humphreys County, Tennessee
Schedule of Bond and Interest Requirements by Year

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2008	$ 17,200	$ 8,358	$ 25,558
2009	18,400	7,524	25,924
2010	19,700	6,632	26,332
2011	19,900	5,676	25,576
2012	21,100	4,712	25,812
2013	22,400	3,689	26,089
2014	23,700	2,603	26,303
2015	24,400	1,454	25,854
2016	6,200	271	6,471
Total	$ 173,000	$ 40,919	$ 213,919

Exhibit K-3

Humphreys County, Tennessee
Schedule of Transfers
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2007

From Fund	To Fund	Purpose	Amount
School Federal Projects	General Purpose School	Indirect costs	$ 4,430

Exhibit K-4

Humphreys County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2007

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, TCA	$ 60,139	$ 50,000	The Cincinnati Insurance Company
Road Supervisor	Section 8-24-102, TCA	57,276	100,000	St. Paul Fire and Marine Insurance Company
Director of Schools	State Board of Education and County Board of Education	84,068 (1)	50,000	Travelers Casualty and Surety Company of America
Trustee	Section 8-24-102, TCA	52,069	662,000	The Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, TCA	52,069	10,000	United States Fidelity and Guaranty Company
County Clerk	Section 8-24-102, TCA	52,069	50,000	The Cincinnati Insurance Company
Circuit Court Clerk	Section 8-24-102, TCA	52,069	50,000	"
Clerk and Master	Section 8-24-102, TCA	52,069	75,000	Travelers Casualty and Surety Company of America
Register	Section 8-24-102, TCA	52,069	25,000	The Cincinnati Insurance Company
Sheriff:				
Ronnie Toungette (7-1-06 through 8-31-06)	Section 8-24-102, TCA	9,546	25,000	"
Chris Davis (9-1-06 through 6-30-07)	Section 8-24-102, TCA	48,330 (2)	25,000	"
Employee Blanket Bonds				
Public Employee Dishonesty - County Departments			150,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department			150,000	"

(1) Includes chief executive officer training supplement of $1,000.
(2) Includes law enforcement training supplement of $600.

Exhibit K-5

Humphreys County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2007

		Special Revenue Funds				Debt Service Fund	Capital Projects Fund	
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Total
Local Taxes								
County Property Taxes								
Current Property Tax	$ 1,865,250	$ 578,903	$ 141,185	$ 0	$ 288,302	$ 482,418	$ 514,532	$ 3,870,590
Trustee's Collections - Prior Year	47,991	14,898	3,847	0	8,581	12,459	13,214	100,990
Trustee's Collections - Bankruptcy	522	175	39	0	88	295	58	1,177
Circuit/Clerk & Master Collections - Prior Years	25,808	7,926	1,060	0	3,963	6,606	7,046	52,409
Interest and Penalty	10,737	3,422	750	0	1,712	2,961	2,974	22,556
Payments in-Lieu-of Taxes - T.V.A.	6,875	0	0	0	3,432	0	0	10,307
County Local Option Taxes								
Local Option Sales Tax	473,611	0	0	0	0	0	0	473,611
Hotel/Motel Tax	86,709	0	0	0	0	0	0	86,709
Local Amusement Tax	410	0	0	0	0	0	0	410
Litigation Tax - General	84,716	0	0	0	0	0	0	84,716
Litigation Tax - Special Purpose	14,768	0	0	0	0	0	0	14,768
Litigation Tax - Jail, Workhouse, or Courthouse	27,139	0	0	0	0	0	0	27,139
Business Tax	117,903	0	0	0	0	0	0	117,903
Other County Local Option Taxes	2,350	0	0	0	0	0	0	2,350
Statutory Local Taxes								
Bank Excise Tax	94,299	0	0	0	0	0	0	94,299
Wholesale Beer Tax	81,695	0	0	0	0	0	0	81,695
Interstate Telecommunications Tax	1,699	0	0	0	0	0	0	1,699
Total Local Taxes	$ 2,942,482	$ 605,324	$ 146,881	$ 0	$ 306,078	$ 504,739	$ 537,824	$ 5,043,328
Licenses and Permits								
Permits								
Beer Permits	$ 712	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 712
Total Licenses and Permits	$ 712	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 712
Fines, Forfeitures, and Penalties								
Circuit Court								
Fines	$ 851	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 851
Officers Costs	2,626	0	0	0	0	0	0	2,626
Drug Control Fines	6,627	0	0	4,779	0	0	0	11,406
Jail Fees	5,688	0	0	0	0	0	0	5,688

(Continued)

Exhibit K-5

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

		Special Revenue Funds				Debt Service Fund	Capital Projects Fund	
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)								
Circuit Court (Cont.)								
Judicial Commissioner Fees	$ 566	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 566
DUI Treatment Fines	854	0	0	0	0	0	0	854
Data Entry Fee - Circuit Court	284	0	0	0	0	0	0	284
Criminal Court								
Courtroom Security Fee	143	0	0	0	0	0	0	143
General Sessions Court								
Fines	11,838	0	0	0	0	0	0	11,838
Officers Costs	30,443	0	0	0	0	0	0	30,443
Game and Fish Fines	251	0	0	0	0	0	0	251
Drug Control Fines	6,967	0	0	7,551	0	0	0	14,518
Jail Fees	9,153	0	0	0	0	0	0	9,153
Judicial Commissioner Fees	3,943	0	0	0	0	0	0	3,943
DUI Treatment Fines	5,933	0	0	0	0	0	0	5,933
Data Entry Fee - General Sessions Court	4,787	0	0	0	0	0	0	4,787
Juvenile Court								
Fines	1,715	0	0	0	0	0	0	1,715
Officers Costs	3,485	0	0	0	0	0	0	3,485
Chancery Court								
Officers Costs	2,775	0	0	0	0	0	0	2,775
Data Entry Fee - Chancery Court	708	0	0	0	0	0	0	708
Other Courts - In-county								
Fines	10,575	0	0	0	0	0	0	10,575
Other Fines, Forfeitures, and Penalties								
Proceeds from Confiscated Property	0	0	0	14,241	0	0	0	14,241
Total Fines, Forfeitures, and Penalties	$ 110,212	$ 0	$ 0	$ 26,571	$ 0	$ 0	$ 0	$ 136,783
Charges for Current Services								
General Service Charges								
Other Employee Benefit Charges/Contributions	$ 2,222	$ 448	$ 0	$ 0	$ 424	$ 0	$ 0	$ 3,094
Tipping Fees	0	12,219	0	0	0	0	0	12,219
Work Release Charges for Board	2,520	0	0	0	0	0	0	2,520

(Continued)

Exhibit K-5

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

		Special Revenue Funds				Debt Service Fund	Capital Projects Fund	
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Total
Charges for Current Services (Cont.)								
Fees								
Copy Fees	$ 1,789	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,789
Vending Machine Collections	463	0	0	0	0	0	0	463
Data Processing Fee - Register	8,744	0	0	0	0	0	0	8,744
Data Processing Fee - Sheriff	3,301	0	0	0	0	0	0	3,301
Sexual Offender Registration Fees - Sheriff	720	0	0	0	0	0	0	720
Total Charges for Current Services	$ 19,759	$ 12,667	$ 0	$ 0	$ 424	$ 0	$ 0	$ 32,850
Other Local Revenues								
Recurring Items								
Investment Income	$ 0	$ 0	$ 0	$ 0	$ 0	$ 413,423	$ 4,787	$ 418,210
Lease/Rentals	15,861	0	0	0	0	0	15,466	31,327
Sale of Materials and Supplies	0	0	0	0	3,864	0	0	3,864
Sale of Gasoline	82,654	0	0	0	86,748	0	0	169,402
Sale of Recycled Materials	134	0	0	0	0	0	0	134
Miscellaneous Refunds	3,499	0	0	135	655	0	3,613	7,902
Nonrecurring Items								
Sale of Property	1,510	0	0	0	0	0	0	1,510
Contributions and Gifts	4,070	0	0	0	0	0	0	4,070
Total Other Local Revenues	$ 107,728	$ 0	$ 0	$ 135	$ 91,267	$ 413,423	$ 23,866	$ 636,419
Fees Received from County Officials								
Fees-In-Lieu of Salary								
County Clerk	$ 185,060	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 185,060
Circuit Court Clerk	53,641	0	0	0	0	0	0	53,641
General Sessions Court Clerk	136,073	0	0	0	0	0	0	136,073
Clerk and Master	65,048	0	0	0	0	0	0	65,048
Register	121,750	0	0	0	0	0	0	121,750
Sheriff	9,118	0	0	0	0	0	0	9,118
Trustee	240,988	0	0	0	0	0	0	240,988
Total Fees Received from County Officials	$ 811,678	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 811,678

(Continued)

Exhibit K-5

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

		Special Revenue Funds				Debt Service Fund	Capital Projects Fund	
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Total
State of Tennessee								
General Government Grants								
Juvenile Services Program	$ 9,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 9,000
Airport Maintenance Program	5,763	0	0	0	0	0	0	5,763
State Reappraisal Grant	7,695	0	0	0	0	0	0	7,695
Other General Government Grants	0	0	0	0	0	0	152,855	152,855
Public Safety Grants								
Law Enforcement Training Programs	9,945	0	0	0	0	0	0	9,945
Other Public Safety Grants	0	0	0	0	0	0	5,170	5,170
Health and Welfare Grants								
Health Department Programs	62,305	0	0	0	0	0	0	62,305
Public Works Grants								
Bridge Program	0	0	0	0	301,528	0	0	301,528
Litter Program	25,880	0	0	0	0	0	0	25,880
Other Public Works Grants	3,173	0	0	0	0	0	0	3,173
Other State Revenues								
Beer Tax	18,753	0	0	0	0	0	0	18,753
Alcoholic Beverage Tax	37,463	0	0	0	0	0	0	37,463
State Revenue Sharing - T.V.A.	1,078,971	0	0	0	0	0	0	1,078,971
Prisoner Transportation	374	0	0	0	0	0	0	374
Contracted Prisoner Boarding	51,534	0	0	0	0	0	0	51,534
Gasoline and Motor Fuel Tax	0	0	0	0	1,736,450	0	0	1,736,450
Petroleum Special Tax	0	0	0	0	14,423	0	0	14,423
Registrar's Salary Supplement	16,380	0	0	0	0	0	0	16,380
Other State Grants	11,670	10,468	0	0	0	0	0	22,138
Total State of Tennessee	$ 1,338,906	$ 10,468	$ 0	$ 0	$ 2,052,401	$ 0	$ 158,025	$ 3,559,800
Federal Government								
Federal Through State								
Disaster Relief	$ 0	$ 0	$ 0	$ 0	$ 6,262	$ 0	$ 0	$ 6,262
Law Enforcement Grants	0	0	0	2,333	0	0	0	2,333
Other Federal through State	40,745	0	0	0	0	0	0	40,745
Direct Federal Revenue								
Other Direct Federal Revenue	3,562	0	0	0	0	0	0	3,562
Total Federal Government	$ 44,307	$ 0	$ 0	$ 2,333	$ 6,262	$ 0	$ 0	$ 52,902

(Continued)

Exhibit K-5

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

		Special Revenue Funds				Debt Service Fund	Capital Projects Fund	
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Total
Other Governments and Citizens Groups								
Other								
Other	$ 1,800	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,800
Total Other Governments and Citizens Groups	$ 1,800	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,800
Total	$ 5,377,584	$ 628,459	$ 146,881	$ 29,039	$ 2,456,432	$ 918,162	$ 719,715	$ 10,276,272

Exhibit K-6

Humphreys County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2007

	General Purpose School	School Federal Projects	Central Cafeteria	Total
Local Taxes				
County Property Taxes				
Current Property Tax	$ 2,754,951	$ 0	$ 0	$ 2,754,951
Trustee's Collections - Prior Year	82,001	0	0	82,001
Trustee's Collections - Bankruptcy	840	0	0	840
Circuit/Clerk & Master Collections - Prior Years	37,874	0	0	37,874
Interest and Penalty	16,360	0	0	16,360
County Local Option Taxes				
Local Option Sales Tax	1,635,737	0	0	1,635,737
Statutory Local Taxes				
Interstate Telecommunications Tax	2,968	0	0	2,968
Total Local Taxes	$ 4,530,731	$ 0	$ 0	$ 4,530,731
Licenses and Permits				
Licenses				
Marriage Licenses	$ 517	$ 0	$ 0	$ 517
Permits				
Other Permits	589	0	0	589
Total Licenses and Permits	$ 1,106	$ 0	$ 0	$ 1,106
Charges for Current Services				
Education Charges				
Tuition - Adult Education	$ 1,180	$ 0	$ 0	$ 1,180
Tuition - Other	17,779	0	0	17,779
Lunch Payments - Children	0	0	407,435	407,435
Lunch Payments - Adults	0	0	52,382	52,382
Income from Breakfast	0	0	39,334	39,334
A la carte Sales	0	0	252,094	252,094
Receipts from Individual Schools	42,807	0	0	42,807
Other Charges for Services				
Other Charges for Services	2,357	0	5,825	8,182
Total Charges for Current Services	$ 64,123	$ 0	$ 757,070	$ 821,193
Other Local Revenues				
Recurring Items				
Investment Income	$ 0	$ 0	$ 5,494	$ 5,494
Refund of Telecommunication and Internet Fees (E-Rate)	28,046	0	0	28,046
Miscellaneous Refunds	20,770	0	4,437	25,207
Nonrecurring Items				
Sale of Equipment	26,681	0	0	26,681
Damages Recovered from Individuals	984	0	0	984
Contributions and Gifts	7,500	0	0	7,500
Total Other Local Revenues	$ 83,981	$ 0	$ 9,931	$ 93,912
State of Tennessee				
State Education Funds				
Basic Education Program	$ 11,507,800	$ 0	$ 0	$ 11,507,800
School Food Service	0	0	17,121	17,121
Driver Education	7,482	0	0	7,482
Other State Education Funds	835,525	0	0	835,525

(Continued)

Exhibit K-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
State of Tennessee (Cont.)				
State Education Funds (Cont.)				
Career Ladder Program	$ 202,392	$ 0	$ 0	$ 202,392
Career Ladder - Extended Contract	113,478	0	0	113,478
Other State Revenues				
Other State Revenues	49,031	0	0	49,031
Total State of Tennessee	$ 12,715,708	$ 0	$ 17,121	$ 12,732,829
Federal Government				
Federal Through State				
USDA School Lunch Program	$ 0	$ 0	$ 522,009	$ 522,009
Breakfast	0	0	159,843	159,843
USDA - Other	0	0	80,023	80,023
Vocational Education - Basic Grants to States	0	53,606	0	53,606
Title I Grants to Local Education Agencies	0	464,392	0	464,392
Innovative Education Program Strategies	0	4,794	0	4,794
Special Education - Grants to States	0	604,964	0	604,964
Special Education Preschool Grants	0	23,700	0	23,700
Eisenhower Professional Development State Grants	0	150,309	0	150,309
Other Federal through State	174,571	12,580	0	187,151
Total Federal Government	$ 174,571	$ 1,314,345	$ 761,875	$ 2,250,791
Total	$ 17,570,220	$ 1,314,345	$ 1,545,997	$ 20,430,562

Exhibit K-7

Humphreys County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2007

General Fund		
General Government		
County Commission		
Board and Committee Members Fees	$ 21,000	
Audit Services	4,242	
Contracts with Government Agencies	30,000	
Contracts with Private Agencies	2,074	
Data Processing Services	317	
Dues and Memberships	8,135	
Tax Relief Program	7,248	
Other Charges	22,269	
Total County Commission		$ 95,285
Board of Equalization		
Board and Committee Members Fees	$ 550	
Total Board of Equalization		550
Beer Board		
Board and Committee Members Fees	$ 360	
Total Beer Board		360
County Mayor/Executive		
County Official/Administrative Officer	$ 60,139	
Secretary(ies)	60,432	
Part-time Personnel	10,200	
Other Salaries and Wages	6,897	
Communication	2,983	
Operating Lease Payments	3,891	
Maintenance Agreements	8,857	
Postal Charges	2,904	
Travel	11,851	
Duplicating Supplies	1,588	
Office Supplies	2,426	
Other Supplies and Materials	1,383	
Other Charges	453	
Data Processing Equipment	1,635	
Total County Mayor/Executive		175,639
County Attorney		
Legal Services	$ 35,822	
Other Contracted Services	750	
Total County Attorney		36,572

(Continued)

Exhibit K-7

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

General Fund (Cont.)				
General Government (Cont.)				
Election Commission				
County Official/Administrative Officer	$	46,862		
Secretary(ies)		40,837		
Overtime Pay		2,514		
Other Salaries and Wages		1,328		
Election Commission		2,300		
Election Workers		11,662		
Audit Services		2,000		
Communication		2,942		
Data Processing Services		6,274		
Dues and Memberships		200		
Operating Lease Payments		1,632		
Maintenance and Repair Services - Office Equipment		1,746		
Postal Charges		3,666		
Printing, Stationery, and Forms		19,321		
Office Supplies		2,847		
Other Supplies and Materials		300		
Data Processing Equipment		4,364		
Office Equipment		1,015		
Total Election Commission			$	151,810
Register of Deeds				
County Official/Administrative Officer	$	52,069		
Secretary(ies)		53,838		
Communication		1,397		
Dues and Memberships		484		
Operating Lease Payments		2,405		
Postal Charges		173		
Other Contracted Services		7,255		
Duplicating Supplies		2,267		
Office Supplies		806		
Other Charges		334		
Data Processing Equipment		8,668		
Total Register of Deeds				129,696
Development				
Contracts with Government Agencies	$	8,500		
Total Development				8,500
County Buildings				
Custodial Personnel	$	42,945		

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Communication	$ 1,666	
Janitorial Services	14,679	
Maintenance Agreements	14,913	
Maintenance and Repair Services - Vehicles	2,142	
Pest Control	943	
Custodial Supplies	15,217	
Electricity	95,549	
Natural Gas	19,694	
Water and Sewer	9,378	
Building Improvements	25,646	
Total County Buildings		$ 242,772
Finance		
Property Assessor's Office		
County Official/Administrative Officer	$ 52,069	
Secretary(ies)	69,238	
Communication	1,685	
Data Processing Services	3,406	
Dues and Memberships	1,755	
Operating Lease Payments	2,449	
Postal Charges	390	
Other Contracted Services	19,715	
Office Supplies	1,187	
Other Charges	1,142	
Total Property Assessor's Office		153,036
Reappraisal Program		
Other Salaries and Wages	$ 8,746	
Data Processing Services	2,123	
Postal Charges	498	
Gasoline	592	
Other Charges	44	
Motor Vehicles	410	
Total Reappraisal Program		12,413
County Trustee's Office		
County Official/Administrative Officer	$ 52,069	
Secretary(ies)	53,132	
Part-time Personnel	2,431	
Communication	2,983	

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Finance (Cont.)		
County Trustee's Office (Cont.)		
Data Processing Services	$ 3,516	
Dues and Memberships	579	
Operating Lease Payments	1,866	
Legal Notices, Recording, and Court Costs	381	
Maintenance Agreements	6,239	
Postal Charges	4,000	
Printing, Stationery, and Forms	1,088	
Office Supplies	3,115	
Other Charges	585	
Data Processing Equipment	3,527	
Total County Trustee's Office		$ 135,511
County Clerk's Office		
County Official/Administrative Officer	$ 52,069	
Deputy(ies)	108,234	
Communication	2,102	
Dues and Memberships	469	
Operating Lease Payments	2,033	
Maintenance Agreements	9,246	
Postal Charges	4,496	
Office Supplies	5,516	
Total County Clerk's Office		184,165
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 52,069	
Secretary(ies)	101,976	
Board and Committee Members Fees	572	
Jury and Witness Fees	14,990	
Communication	3,363	
Dues and Memberships	369	
Operating Lease Payments	3,454	
Maintenance Agreements	8,518	
Postal Charges	2,950	
Printing, Stationery, and Forms	2,359	
Data Processing Supplies	999	
Office Supplies	3,925	
Data Processing Equipment	2,048	
Total Circuit Court		197,592

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
General Sessions Court		
Judge(s)	$ 67,759	
Teachers	1,280	
Secretary(ies)	1,280	
Communication	51	
Other Charges	1,126	
Total General Sessions Court		$ 71,496
Chancery Court		
County Official/Administrative Officer	$ 52,069	
Secretary(ies)	53,838	
Communication	2,825	
Dues and Memberships	429	
Operating Lease Payments	1,699	
Maintenance Agreements	4,334	
Postal Charges	2,556	
Printing, Stationery, and Forms	3,313	
Data Processing Supplies	1,226	
Office Supplies	3,485	
Other Charges	143	
Office Equipment	1,520	
Total Chancery Court		127,437
Juvenile Court		
Judge(s)	$ 67,759	
Youth Service Officer(s)	26,602	
In-Service Training	221	
Communication	1,247	
Other Contracted Services	3,540	
Office Supplies	724	
Other Charges	498	
Data Processing Equipment	496	
Total Juvenile Court		101,087
District Attorney General		
Investigator(s)	$ 4,500	
Total District Attorney General		4,500
Judicial Commissioners		
Other Salaries and Wages	$ 26,663	
Communication	368	
Total Judicial Commissioners		27,031

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 57,276	
Deputy(ies)	456,578	
Accountants/Bookkeepers	59,540	
Salary Supplements	9,000	
Other Salaries and Wages	21,653	
In-Service Training	1,322	
Communication	9,075	
Data Processing Services	270	
Dues and Memberships	1,400	
Maintenance Agreements	4,114	
Postal Charges	3,498	
Gasoline	50,939	
Office Supplies	5,943	
Uniforms	7,153	
Other Supplies and Materials	1,000	
Other Charges	2,985	
Data Processing Equipment	4,273	
Law Enforcement Equipment	11,326	
Total Sheriff's Department		$ 707,345
Jail		
Cafeteria Personnel	$ 22,695	
Maintenance Agreements	13,951	
Maintenance and Repair Services - Buildings	3,000	
Medical and Dental Services	60,057	
Transportation - Other than Students	1,244	
Custodial Supplies	9,000	
Food Preparation Supplies	1,915	
Food Supplies	55,797	
Office Supplies	2,999	
Other Charges	3,046	
Total Jail		173,704
Workhouse		
Guards	$ 231,030	
Small Tools	529	
Uniforms	1,000	
Total Workhouse		232,559

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Work Release Program		
Board and Committee Members Fees	$ 450	
Total Work Release Program		$ 450
Fire Prevention and Control		
Contributions	$ 2,000	
Total Fire Prevention and Control		2,000
Inspection and Regulation		
County Official/Administrative Officer	$ 6,967	
Secretary(ies)	17,727	
Communication	1,072	
Postal Charges	200	
Gasoline	2,940	
Vehicle Parts	2,439	
Other Supplies and Materials	5,635	
Other Equipment	15,358	
Total Inspection and Regulation		52,338
County Coroner/Medical Examiner		
County Official/Administrative Officer	$ 900	
Specialized Medical Treatment	5,600	
Other Charges	460	
Total County Coroner/Medical Examiner		6,960
Other Public Safety		
Dispatchers/Radio Operators	$ 95,142	
Maintenance and Repair Services - Vehicles	14,293	
Lubricants	932	
Tires and Tubes	6,000	
Motor Vehicles	53,850	
Total Other Public Safety		170,217
Public Health and Welfare		
Local Health Center		
Communication	$ 1,945	
Contracts with Government Agencies	60,152	
Drugs and Medical Supplies	140	
Office Supplies	753	
Other Supplies and Materials	3,086	
Other Charges	12	
Total Local Health Center		66,088

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Ambulance/Emergency Medical Services		
Contracts with Private Agencies	$ 184,714	
Total Ambulance/Emergency Medical Services		$ 184,714
Other Local Health Services		
Matching Share	$ 25,000	
Total Other Local Health Services		25,000
General Welfare Assistance		
Pauper Burials	$ 800	
Total General Welfare Assistance		800
Sanitation Education/Information		
Supervisor/Director	$ 10,864	
Part-time Personnel	9,670	
Communication	935	
Postal Charges	6	
Other Contracted Services	992	
Gasoline	1,383	
Instructional Supplies and Materials	4,299	
Motor Vehicles	2,800	
Total Sanitation Education/Information		30,949
Other Public Health and Welfare		
Other Salaries and Wages	$ 43,741	
Travel	1,686	
Office Supplies	632	
Other Supplies and Materials	2,215	
Other Charges	5,856	
Total Other Public Health and Welfare		54,130
Social, Cultural, and Recreational Services		
Libraries		
Supervisor/Director	$ 31,238	
Clerical Personnel	48,137	
Part-time Personnel	21,931	
Communication	2,564	
Maintenance Agreements	211	
Postal Charges	1,200	
Printing, Stationery, and Forms	150	
Library Books/Media	16,976	

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Libraries (Cont.)		
Periodicals	$ 427	
Other Supplies and Materials	5,964	
Indirect Cost	2,435	
Other Charges	822	
Data Processing Equipment	7,017	
Other Equipment	5,499	
Total Libraries		$ 144,571
Agriculture and Natural Resources		
Agriculture Extension Service		
Contributions	$ 78,214	
Total Agriculture Extension Service		78,214
Soil Conservation		
Secretary(ies)	$ 25,032	
Part-time Personnel	19,684	
Other Salaries and Wages	22,729	
Dues and Memberships	985	
Office Supplies	767	
Other Supplies and Materials	3,943	
Office Equipment	1,073	
Total Soil Conservation		74,213
Other Operations		
Tourism		
Contracts with Private Agencies	$ 3,586	
Other Charges	25,000	
Total Tourism		28,586
Industrial Development		
Secretary(ies)	$ 25,000	
Other Contracted Services	25,000	
Total Industrial Development		50,000
Airport		
Supervisor/Director	$ 23,503	
Part-time Personnel	10,112	
Bank Charges	30	
Communication	3,352	
Maintenance and Repair Services - Buildings	16,123	

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Other Operations (Cont.)		
Airport (Cont.)		
Gasoline	$ 66,716	
Lubricants	317	
Office Supplies	638	
Utilities	6,839	
Other Charges	9,210	
Total Airport		$ 136,840
Veterans' Services		
Supervisor/Director	$ 8,416	
Communication	422	
Postal Charges	96	
Office Supplies	100	
Other Charges	19	
Total Veterans' Services		9,053
Other Charges		
Liability Insurance	$ 307,498	
Premiums on Corporate Surety Bonds	10,098	
Trustee's Commission	61,839	
Workers' Compensation Insurance	212,204	
Total Other Charges		591,639
Contributions to Other Agencies		
Contributions	$ 43,973	
Total Contributions to Other Agencies		43,973
Employee Benefits		
Social Security	$ 149,184	
State Retirement	156,262	
Life Insurance	5,645	
Medical Insurance	364,184	
Unemployment Compensation	4,153	
Employer Medicare	34,890	
Total Employee Benefits		714,318
Principal on Debt		
General Government		
Principal on Notes	$ 425	
Total General Government		425

(Continued)

Exhibit K-7

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

General Fund (Cont.)			
Capital Projects			
Other General Government Projects			
Engineering Services	$ 11,054		
Total Other General Government Projects		$ 11,054	
Total General Fund			$ 5,445,592
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Landfill Operation and Maintenance			
Supervisor/Director	$ 57,964		
Laborers	178,047		
Communication	5,422		
Maintenance and Repair Services - Equipment	23,767		
Postal Charges	800		
Disposal Fees	170,787		
Diesel Fuel	24,370		
Fertilizer, Lime, and Seed	2,223		
Office Supplies	92		
Tires and Tubes	5,774		
Other Supplies and Materials	2,348		
Other Charges	21,166		
Other Equipment	2,900		
Total Landfill Operation and Maintenance		$ 495,660	
Other Operations			
Other Charges			
Trustee's Commission	$ 12,164		
Total Other Charges		12,164	
Employee Benefits			
Social Security	$ 14,674		
State Retirement	8,691		
Life Insurance	246		
Medical Insurance	26,244		
Employer Medicare	3,432		
Total Employee Benefits		53,287	
Total Solid Waste/Sanitation Fund			561,111

(Continued)

Exhibit K-7

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

Local Purpose Tax Fund			
Public Safety			
Fire Prevention and Control			
Equipment Operators	$ 34,340		
In-Service Training	4,812		
Communication	2,000		
Maintenance and Repair Services - Buildings	2,589		
Maintenance and Repair Services - Equipment	1,447		
Maintenance and Repair Services - Vehicles	11,506		
Other Contracted Services	4,800		
Diesel Fuel	1,068		
Electricity	3,543		
Gasoline	5,966		
Natural Gas	5,859		
Tires and Tubes	1,305		
Water and Sewer	351		
Liability Insurance	41,910		
Trustee's Commission	2,931		
Other Charges	1,694		
Communication Equipment	2,283		
Other Equipment	7,136		
Total Fire Prevention and Control		$ 135,540	
Total Local Purpose Tax Fund			$ 135,540
Drug Control Fund			
Public Safety			
Drug Enforcement			
Confidential Drug Enforcement Payments	$ 1,500		
Instructional Supplies and Materials	938		
Trustee's Commission	117		
Law Enforcement Equipment	28,835		
Total Drug Enforcement		$ 31,390	
Total Drug Control Fund			31,390
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 57,276		
Accountants/Bookkeepers	23,816		
Clerical Personnel	23,816		
Board and Committee Members Fees	920		

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Administration (Cont.)		
Advertising	$ 202	
Communication	2,667	
Data Processing Services	3,248	
Dues and Memberships	2,667	
Maintenance and Repair Services - Office Equipment	290	
Pest Control	132	
Postal Charges	598	
Travel	898	
Custodial Supplies	423	
Electricity	3,888	
Natural Gas	1,101	
Office Supplies	1,689	
Water and Sewer	992	
Other Charges	281	
Total Administration		$ 124,904
Highway and Bridge Maintenance		
Foremen	$ 76,236	
Equipment Operators	109,326	
Truck Drivers	218,667	
Laborers	121,901	
Other Contracted Services	3,664	
Asphalt - Cold Mix	872,765	
Crushed Stone	186,984	
General Construction Materials	20	
Pipe - Metal	60,913	
Road Signs	3,706	
Wood Products	5,408	
Other Supplies and Materials	124	
Total Highway and Bridge Maintenance		1,659,714
Operation and Maintenance of Equipment		
Foremen	$ 24,792	
Mechanic(s)	22,984	
Diesel Fuel	137,204	
Equipment and Machinery Parts	91,474	
Garage Supplies	4,596	
Gasoline	85,113	
Lubricants	7,433	
Tires and Tubes	37,814	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Operation and Maintenance of Equipment (Cont.)			
Other Supplies and Materials	$ 9,099		
Total Operation and Maintenance of Equipment		$ 420,509	
Other Charges			
Medical and Dental Services	$ 1,190		
Trustee's Commission	23,510		
Total Other Charges		24,700	
Employee Benefits			
Social Security	$ 52,071		
State Retirement	48,908		
Medical Insurance	141,173		
Unemployment Compensation	797		
Other Fringe Benefits	42		
Total Employee Benefits		242,991	
Capital Outlay			
Engineering Services	$ 19,177		
Bridge Construction	236,150		
Office Equipment	3,927		
Other Equipment	124,836		
Total Capital Outlay		384,090	
Total Highway/Public Works Fund			$ 2,856,908
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 17,000		
Principal on Notes	114,889		
Principal on Other Loans	186,000		
Total General Government		$ 317,889	
Education			
Principal on Notes	$ 75,008		
Principal on Other Loans	308,000		
Total Education		383,008	

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)			
Interest on Debt			
General Government			
Interest on Bonds	$ 9,182		
Interest on Notes	23,993		
Interest on Other Loans	44,429		
Total General Government		$ 77,604	
Education			
Interest on Notes	$ 4,805		
Interest on Other Loans	213,577		
Total Education		218,382	
Other Debt Service			
General Government			
Trustee's Commission	$ 14,179		
Other Debt Issuance Charges	7,152		
Total General Government		21,331	
Education			
Other Debt Issuance Charges	$ 23,670		
Total Education		23,670	
Total General Debt Service Fund			$ 1,041,884
General Capital Projects Fund			
Principal on Debt			
Education			
Principal on Notes	$ 1,306		
Total Education		$ 1,306	
Capital Projects			
General Administration Projects			
Trustee's Commission	$ 10,860		
Communication Equipment	34,138		
Data Processing Equipment	24,082		
Other Capital Outlay	38,835		
Total General Administration Projects		107,915	
Public Safety Projects			
Airport Improvement	$ 32,031		
Total Public Safety Projects		32,031	

(Continued)

Exhibit K-7

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

General Capital Projects Fund (Cont.)			
Capital Projects (Cont.)			
Public Utility Projects			
Engineering Services	$ 12,287		
Building Construction	135,968		
Total Public Utility Projects		$ 148,255	
Other General Government Projects			
Other Supplies and Materials	$ 19,500		
Building Improvements	133,377		
Total Other General Government Projects		152,877	
Highway and Street Capital Projects			
Other Supplies and Materials	$ 30,658		
Bridge Construction	1,244,266		
Total Highway and Street Capital Projects		1,274,924	
Education Capital Projects			
Engineering Services	$ 46,405		
Building Construction	125,000		
Other Equipment	420,000		
Total Education Capital Projects		591,405	
Total General Capital Projects Fund			$ 2,308,713
Total Governmental Funds - Primary Government			$ 12,381,138

Exhibit K-8

Humphreys County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2007

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 6,607,072	
Career Ladder Program	174,427	
Career Ladder Extended Contracts	131,964	
Salary Supplements	63,277	
Educational Assistants	454,920	
Other Salaries and Wages	14,971	
Certified Substitute Teachers	17,990	
Non-certified Substitute Teachers	101,512	
Social Security	445,279	
State Retirement	452,574	
Medical Insurance	877,775	
Dental Insurance	6,126	
Unemployment Compensation	4,316	
Employer Medicare	104,161	
Communication	513	
Consultants	18	
Travel	88	
Other Contracted Services	3,396	
Instructional Supplies and Materials	125,073	
Textbooks	177,671	
Other Supplies and Materials	221	
In Service/Staff Development	6,965	
Fee Waivers	10,236	
Other Charges	84,423	
Total Regular Instruction Program		$ 9,864,968
Alternative Instruction Program		
Teachers	$ 31,578	
Educational Assistants	13,535	
Social Security	2,621	
State Retirement	2,845	
Medical Insurance	7,337	
Unemployment Compensation	41	
Employer Medicare	613	
Total Alternative Instruction Program		58,570
Special Education Program		
Teachers	$ 706,094	
Educational Assistants	35,106	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Special Education Program (Cont.)		
Certified Substitute Teachers	$ 3,470	
Non-certified Substitute Teachers	12,726	
Social Security	41,590	
State Retirement	43,594	
Medical Insurance	107,547	
Dental Insurance	1,000	
Unemployment Compensation	387	
Employer Medicare	9,726	
Contracts with Private Agencies	35,143	
Travel	3,343	
Total Special Education Program		$ 999,726
Vocational Education Program		
Teachers	$ 542,341	
Certified Substitute Teachers	432	
Non-certified Substitute Teachers	6,149	
Social Security	32,141	
State Retirement	31,940	
Medical Insurance	80,085	
Dental Insurance	416	
Unemployment Compensation	257	
Employer Medicare	7,517	
Travel	2,461	
Other Contracted Services	1,000	
Instructional Supplies and Materials	3,868	
Textbooks	9,927	
Other Charges	3,131	
Vocational Instruction Equipment	700	
Total Vocational Education Program		722,365
Student Body Education Program		
Other Salaries and Wages	$ 42,078	
Social Security	2,574	
State Retirement	2,136	
Medical Insurance	1,176	
Dental Insurance	12	
Unemployment Compensation	9	
Employer Medicare	602	
Other Contracted Services	20,189	
Total Student Body Education Program		68,776

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)				
Instruction (Cont.)				
Adult Education Program				
Teachers	$	34,780		
Other Salaries and Wages		8,596		
Social Security		2,557		
State Retirement		2,132		
Medical Insurance		7,121		
Unemployment Compensation		43		
Employer Medicare		598		
Travel		2,260		
Instructional Supplies and Materials		1,533		
Other Supplies and Materials		78		
Total Adult Education Program			$	59,698
Support Services				
Health Services				
Supervisor/Director	$	27,488		
Medical Personnel		57,010		
Other Salaries and Wages		9,943		
Social Security		5,648		
State Retirement		4,383		
Medical Insurance		6,155		
Dental Insurance		51		
Unemployment Compensation		101		
Employer Medicare		1,321		
Medical and Dental Services		4,218		
Postal Charges		474		
Printing, Stationery, and Forms		49		
Travel		791		
Instructional Supplies and Materials		11,195		
Total Health Services				128,827
Other Student Support				
Guidance Personnel	$	246,361		
Social Security		14,791		
State Retirement		15,102		
Medical Insurance		34,101		
Dental Insurance		252		
Unemployment Compensation		110		
Employer Medicare		3,459		
Evaluation and Testing		9,030		
Total Other Student Support				323,206

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Regular Instruction Program		
Supervisor/Director	$ 154,836	
Librarians	241,659	
Materials Supervisor	21,806	
Other Salaries and Wages	4,132	
Social Security	24,830	
State Retirement	23,979	
Medical Insurance	34,435	
Dental Insurance	340	
Unemployment Compensation	165	
Employer Medicare	5,807	
Travel	5,375	
Library Books/Media	35,000	
In Service/Staff Development	985	
Total Regular Instruction Program		$ 553,349
Special Education Program		
Supervisor/Director	$ 49,071	
Social Security	2,767	
State Retirement	3,008	
Medical Insurance	8,482	
Dental Insurance	101	
Unemployment Compensation	19	
Employer Medicare	647	
Total Special Education Program		64,095
Vocational Education Program		
Supervisor/Director	$ 55,642	
Secretary(ies)	14,392	
Social Security	4,261	
State Retirement	4,482	
Medical Insurance	3,997	
Dental Insurance	48	
Unemployment Compensation	38	
Employer Medicare	997	
Total Vocational Education Program		83,857
Adult Programs		
Supervisor/Director	$ 51,322	
Social Security	2,848	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Adult Programs (Cont.)				
State Retirement	$	3,146		
Medical Insurance		8,523		
Dental Insurance		48		
Unemployment Compensation		19		
Employer Medicare		666		
Total Adult Programs			$	66,572
Board of Education				
Other Salaries and Wages	$	9,500		
Board and Committee Members Fees		950		
Social Security		569		
Dental Insurance		48		
Unemployment Compensation		26		
Employer Medicare		133		
Audit Services		8,900		
Dues and Memberships		5,134		
Legal Services		5,015		
Travel		1,993		
Trustee's Commission		103,794		
Total Board of Education				136,062
Director of Schools				
County Official/Administrative Officer	$	83,068		
Social Security		4,987		
State Retirement		5,076		
Medical Insurance		4,380		
Dental Insurance		44		
Unemployment Compensation		19		
Employer Medicare		1,166		
Communication		24,582		
Dues and Memberships		4,367		
Postal Charges		2,892		
Travel		2,099		
Other Contracted Services		6,631		
Office Supplies		12,863		
Other Supplies and Materials		1,235		
Other Charges		4,801		
Regular Instruction Equipment		3,495		
Total Director of Schools				161,705

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Office of the Principal		
Assistant(s)	$ 317,247	
Principals	392,798	
Secretary(ies)	167,162	
Social Security	52,842	
State Retirement	54,021	
Medical Insurance	72,413	
Dental Insurance	769	
Unemployment Compensation	464	
Employer Medicare	12,358	
Office Supplies	13,328	
Other Supplies and Materials	92,000	
Total Office of the Principal		$ 1,175,402
Fiscal Services		
Accountants/Bookkeepers	$ 29,443	
Secretary(ies)	52,728	
Social Security	4,899	
State Retirement	6,057	
Medical Insurance	3,672	
Dental Insurance	18	
Unemployment Compensation	57	
Employer Medicare	1,146	
Travel	1,356	
Other Supplies and Materials	2,120	
Total Fiscal Services		101,496
Operation of Plant		
Supervisor/Director	$ 36,320	
Custodial Personnel	422,851	
Social Security	27,563	
State Retirement	28,745	
Medical Insurance	40,791	
Dental Insurance	208	
Unemployment Compensation	589	
Employer Medicare	6,446	
Disposal Fees	35,797	
Custodial Supplies	49,107	
Electricity	519,800	
Natural Gas	121,994	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Operation of Plant (Cont.)		
Water and Sewer	$ 25,865	
Other Charges	1,241	
Total Operation of Plant		$ 1,317,317
Maintenance of Plant		
Other Salaries and Wages	$ 207,591	
Social Security	12,465	
State Retirement	14,399	
Medical Insurance	20,499	
Dental Insurance	48	
Unemployment Compensation	214	
Employer Medicare	2,915	
Maintenance and Repair Services - Buildings	28,112	
Maintenance and Repair Services - Equipment	17,787	
Maintenance and Repair Services - Vehicles	384	
Other Contracted Services	21,179	
Other Supplies and Materials	68,942	
Other Charges	654	
Maintenance Equipment	29,344	
Total Maintenance of Plant		424,533
Transportation		
Supervisor/Director	$ 35,391	
Mechanic(s)	74,225	
Bus Drivers	342,358	
Clerical Personnel	24,170	
Social Security	27,599	
State Retirement	10,592	
Medical Insurance	60,072	
Dental Insurance	382	
Unemployment Compensation	721	
Employer Medicare	6,455	
Maintenance and Repair Services - Vehicles	780	
Medical and Dental Services	3,219	
Equipment and Machinery Parts	73	
Gasoline	178,723	
Lubricants	7,878	
Tires and Tubes	29,796	
Vehicle Parts	43,241	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)			
Support Services (Cont.)			
Transportation (Cont.)			
Other Charges	$ 8,659		
Transportation Equipment	268,201		
Total Transportation		$ 1,122,535	
Central and Other			
Supervisor/Director	$ 40,675		
Other Salaries and Wages	52,746		
Social Security	4,750		
State Retirement	5,766		
Medical Insurance	3,246		
Dental Insurance	30		
Unemployment Compensation	38		
Employer Medicare	1,111		
Consultants	4,000		
Maintenance and Repair Services - Equipment	19,246		
Instructional Supplies and Materials	86,520		
Data Processing Equipment	25,436		
Regular Instruction Equipment	33,857		
Total Central and Other		277,421	
Operation of Non-Instructional Services			
Community Services			
Other Salaries and Wages	$ 12,000		
Social Security	716		
State Retirement	664		
Dental Insurance	14		
Employer Medicare	168		
Total Community Services		13,562	
Principal on Debt			
Education			
Principal on Notes	$ 1,375		
Total Education		1,375	
Total General Purpose School Fund			$ 17,725,417

(Continued)

Exhibit K-8

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

School Federal Projects Fund				
Instruction				
Regular Instruction Program				
Teachers	$	334,765		
Educational Assistants		51,244		
Other Salaries and Wages		7,027		
Certified Substitute Teachers		252		
Non-certified Substitute Teachers		4,511		
Social Security		22,941		
State Retirement		24,688		
Medical Insurance		44,730		
Dental Insurance		369		
Unemployment Compensation		286		
Employer Medicare		5,385		
Instructional Supplies and Materials		5,756		
Other Charges		2,311		
Total Regular Instruction Program			$	504,265
Special Education Program				
Educational Assistants	$	313,039		
Social Security		19,871		
State Retirement		20,085		
Medical Insurance		27,160		
Dental Insurance		372		
Unemployment Compensation		522		
Employer Medicare		4,647		
Contracts with Private Agencies		129,008		
Maintenance and Repair Services - Equipment		879		
Instructional Supplies and Materials		6,954		
Other Supplies and Materials		1,044		
Total Special Education Program				523,581
Vocational Education Program				
Educational Assistants	$	14,265		
Social Security		866		
State Retirement		1,071		
Medical Insurance		267		
Dental Insurance		48		
Unemployment Compensation		19		
Employer Medicare		202		
Instructional Supplies and Materials		20,561		
Vocational Instruction Equipment		9,774		
Total Vocational Education Program				47,073

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)				
Support Services				
Other Student Support				
Travel	$	2,755		
In Service/Staff Development		6,218		
Total Other Student Support			$	8,973
Regular Instruction Program				
Supervisor/Director	$	69,732		
Secretary(ies)		24,139		
Social Security		5,668		
State Retirement		6,074		
Medical Insurance		4,344		
Dental Insurance		48		
Unemployment Compensation		38		
Employer Medicare		1,326		
Travel		5,541		
In Service/Staff Development		16,996		
Total Regular Instruction Program				133,906
Special Education Program				
Secretary(ies)	$	38,519		
Social Security		2,304		
State Retirement		2,867		
Medical Insurance		3,325		
Unemployment Compensation		38		
Employer Medicare		539		
Travel		8,742		
Other Supplies and Materials		2,795		
In Service/Staff Development		2,092		
Total Special Education Program				61,221
Vocational Education Program				
Supervisor/Director	$	2,483		
Social Security		154		
Unemployment Compensation		7		
Employer Medicare		36		
Total Vocational Education Program				2,680
Transportation				
Bus Drivers	$	44,269		
Social Security		2,697		

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Transportation (Cont.)			
State Retirement	$ 802		
Unemployment Compensation	55		
Employer Medicare	631		
Diesel Fuel	1,318		
Total Transportation		$ 49,772	
Total School Federal Projects Fund			$ 1,331,471
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 49,427		
Clerical Personnel	26,392		
Cafeteria Personnel	323,065		
Custodial Personnel	30,952		
Other Salaries and Wages	112,366		
Social Security	30,762		
State Retirement	30,032		
Medical Insurance	55,631		
Dental Insurance	366		
Unemployment Compensation	815		
Employer Medicare	7,194		
Communication	2,392		
Maintenance and Repair Services - Equipment	13,576		
Travel	1,757		
Other Contracted Services	6,288		
Food Supplies	736,227		
Office Supplies	805		
Other Supplies and Materials	69,682		
In Service/Staff Development	6,226		
Food Service Equipment	19,964		
Total Food Service		$ 1,523,919	
Total Central Cafeteria Fund			1,523,919
Total Governmental Funds - Humphreys County School Department			$ 20,580,807

Exhibit K-9

Humphreys County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2007

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 1,159,168
Total Cash Receipts	$ 1,159,168
Cash Disbursements	
Remittance of Revenues Collected	$ 1,147,576
Trustee's Commission	11,592
Total Cash Disbursements	$ 1,159,168
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2006	0
Cash Balance, June 30, 2007	$ 0

SINGLE AUDIT SECTION

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

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

March 17, 2008

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

To the County Executive and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Humphreys County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Humphreys County's basic financial statements and have issued our report thereon dated March 17, 2008. Our report on the aggregate discretely presented component units' financial statements was qualified due to not including the financial statements of the Humphreys County Emergency Communications District, a discretely presented component unit, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Humphreys County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing

an opinion on the effectiveness of Humphreys County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Humphreys County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 07.01, 07.02, 07.03, 07.04, 07.06(B), and 07.09.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Humphreys County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Humphreys County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 07.05, 07.06(A), and 07.08.

We consider item 07.07 described in the accompanying Schedule of Findings and Questioned Costs to be a noteworthy control deficiency over financial operations. We also noted certain matters that we reported to management of Humphreys County in separate communications.

Humphreys County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Humphreys County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the county executive, director of schools, road supervisor, County Commission, Board of Education, and others within Humphreys County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

John G. Morgan
Comptroller of the Treasury

JGM/sb

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

March 17, 2008

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

To the County Executive and Board of County Commissioners:

Compliance

We have audited the compliance of Humphreys County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. Humphreys County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Humphreys County's management. Our responsibility is to express an opinion on Humphreys County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test

basis, evidence about Humphreys County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Humphreys County's compliance with those requirements.

In our opinion, Humphreys County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Humphreys County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Humphreys County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Humphreys County's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Humphreys County as of and for the year ended June 30, 2007, and have issued our report thereon dated March 17, 2008. Our report on the

aggregate discretely presented component units' financial statements was qualified due to not including the financial statements of the Humphreys County Emergency Communications District, a discretely presented component unit, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Humphreys County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Humphreys County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Humphreys County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the county executive, director of schools, road supervisor, County Commission, Board of Education, and others within Humphreys County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

John G. Morgan
Comptroller of the Treasury

JGM/sb

Humphreys County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2007

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	$ 159,843
National School Lunch Program	10.555	N/A	602,032
Total U.S. Department of Agriculture			$ 761,875
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
HOME Investment Partnerships Program	14.239	(2)	$ 152,855
Total U.S. Department of Housing and Urban Development			$ 152,855
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	$ 2,333
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	Z07036545	9,000
Total U.S. Department of Justice			$ 11,333
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(3)	$ 7,496
Total U.S. Department of Transportation			$ 7,496
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	Z0703370400	$ 56,819
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	480,656
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	610,876
Special Education - Preschool Grants	84.173	N/A	23,700
Vocational Education - Basic Grants to States	84.048	N/A	53,606
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	12,220
Twenty-First Century Community Learning Centers	84.287	(4)	199,142
State Grants for Innovative Programs	84.298	N/A	4,633
Education Technology State Grants	84.318	(2)	5,295
Improving Teacher Quality State Grants	84.367	N/A	144,914
Hurricane Education Recovery	84.938	N/A	10,395
Total U.S. Department of Education			$ 1,602,256
U.S. Elections Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(5)	$ 6,250
Total U.S. Elections Assistance Commission			$ 6,250

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Labor and Workforce Development:			
Temporary Assistance for Needy Families	93.558	Z0703423100	$ 8,128
Total U.S. Department of Health and Human Services			$ 8,128
U. S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(6)	$ 30,092
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(7)	6,262
Homeland Security Grant Program	97.067	Z0502517201	10,653
Total U. S. Department of Homeland Security			$ 47,007
Total Expenditures of Federal Awards			$ 2,597,200
State Grants:		Contract Number	
Airport Maintenance Program - State Department of Transportation	N/A	Z0703563600	$ 5,763
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	7,695
Litter Grant - State Department of Transportation	N/A	Z0703381100	25,880
Waste Tire Option Grant - State Department of Environment and Conservation	N/A	Z0301129200	10,468
Early Childhood Education - Lottery Grant - State Department of Education	N/A	(2)	341,731
Early Childhood Education - Pilot Program - State Department of Education	N/A	(2)	65,000
Early Childhood Education - Expansion - State Department of Education	N/A	(2)	170,866
Safe Schools Act of 1998 - State Department of Education	N/A	(2)	16,296
Adult Basic Education - State Department of Education	N/A	Z0703370400	18,940
Families First - State Department of Education	N/A	Z0703423100	15,094
Total State Grants			$ 677,733

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

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Z0301415800: $2,856; Z0502484700: $4,640.
(4) 192-06-2-001: $24,571; 192-07-3-044: $174,571.
(5) Z0703739500: $4,550; Z0703784400: $1,700.
(6) Z0603285400: $12,633; Z072061800: $17,459.
(7) Z0301580300: $2,985; Z0301789700: $3,277.

Humphreys County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2007

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Humphreys County, Tennessee, for the year ended June 30, 2006, which have not been corrected.

OFFICE OF COUNTY EXECUTIVE

Finding Number	Page Number	Subject
06.02	13	A formal purchase order system had not been established

OFFICE OF ROAD SUPERVISOR

Finding Number	Page Number	Subject
06.03	13	The office had deficiencies involving its warrant-signing machine

OFFICE OF DIRECTOR OF SCHOOLS

Finding Number	Page Number	Subject
06.04	14	Purchase orders were not properly issued

OTHER FINDINGS

Finding Number	Page Number	Subject
06.07	15	A central system of accounting, budgeting, and purchasing had not been adopted
06.08	15	The county used a questionable method of funding workers' compensation expenses, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds
06.09	16	Duties were not segregated adequately in the Offices of County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff

HUMPHREYS COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2007

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is unqualified.

2. The audit of the financial statements of Humphreys County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.

3. The audit disclosed one instance of noncompliance that is material to the financial statements of Humphreys County.

4. The audit disclosed no significant deficiencies in internal control over major programs.

5. An unqualified opinion was issued on compliance for major programs.

6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.

7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555) and the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.

8. A $300,000 threshold was used to distinguish between Type A and Type B federal programs.

9. Humphreys County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written response of the register is paraphrased in this report. Other officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

OFFICE OF COUNTY EXECUTIVE

FINDING 07.01 **A FORMAL PURCHASE ORDER SYSTEM HAD NOT BEEN ESTABLISHED**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The office had not established a formal purchase order system. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments.

RECOMMENDATION

The office should establish a formal purchase order system to improve internal controls over the purchasing process and to document purchasing commitments.

FINDING 07.02 **THE GENERAL CAPITAL PROJECTS FUND HAD A BUDGET DEFICIT**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The budget and subsequent amendments submitted to and approved by the County Commission for the General Capital Projects Fund resulted in appropriations exceeding estimated available funding causing a budget deficit of $66,694.

RECOMMENDATION

Appropriations that exceed estimated available funds should not be submitted to or approved by the County Commission.

OFFICE OF ROAD SUPERVISOR

FINDING 07.03 **THE OFFICE HAD DEFICIENCIES INVOLVING ITS WARRANT-SIGNING MACHINE**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The office used a mechanical warrant-signing machine to affix the signature of the Road Supervisor. The mechanical counter on the machine could be reset, and it did not have a counter to indicate the total number of checks processed.

RECOMMENDATION

The mechanical warrant-signing machine should have a counter that cannot be reset indicating the total number of checks processed.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 07.04 **PURCHASE ORDERS WERE NOT PROPERLY ISSUED**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

In some instances, purchase orders were issued after purchases were made. This practice defeats the purpose of the purchase order and makes it an approval of payment rather than an approval of the purchase.

RECOMMENDATION

Purchase orders should be issued for all applicable purchases before purchases are made.

FINDING 07.05 **AN INTERFUND LOAN WAS NOT AUTHORIZED IN ACCORDANCE WITH STATE STATUTES**
(Noncompliance Under Government Auditing Standards)

During the year, a transfer of $107,200 was made from the Central Cafeteria Fund to the General Purpose School Fund to provide cash for operations. This transfer was, in effect, an interfund loan and was not approved by the Board of Education, the County Commission, and the state director of Local Finance as required by Section 9-21-408, Tennessee Code Annotated. This loan was repaid to the Central Cafeteria Fund prior to June 30, 2007.

RECOMMENDATION

Interfund loans in the School Department should be approved by the Board of Education, the County Commission, and the state director of Local Finance as required by state statute.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 07.06 **AIRPORT COLLECTIONS WERE NOT DEPOSITED PROPERLY**
(A. – Noncompliance Under Government Auditing Standards; B. – Internal Control – Significant Deficiency Under Government Auditing Standards)

Our examination of airport collections and deposits noted the following deficiencies:

A. Collections at the airport were not always deposited with the trustee within three days of collection as required by Section 5-8-207, Tennessee Code Annotated. This statute requires county officials to deposit all funds within three days of collection. During the period under examination, as many as 62 days lapsed between the date funds were received by airport personnel and the date funds were deposited with the trustee.

B. Airport collections were not deposited intact; i.e., funds collected during a specific period of time were not deposited together. Because the airport manager used this method of depositing collections, we could not trace specific collections to specific deposits.

RECOMMENDATION

To strengthen internal controls over cash collections and deposits, the airport manager should deposit all funds intact within three days of collection.

FINDING 07.07 **A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAD NOT BEEN ADOPTED**
(Internal Control – Control Deficiency Under Government Auditing Standards)

County officials had not adopted a central system of accounting, budgeting, and purchasing. Establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes.

RECOMMENDATION

County officials should consider adopting the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

FINDING 07.08 **THE COUNTY USED A QUESTIONABLE METHOD OF FUNDING WORKERS' COMPENSATION EXPENSES, GENERAL LIABILITY INSURANCE, OFFICIALS' CORPORATE SURETY BONDS, AND EMPLOYEES' DISHONESTY BONDS**
(Material Noncompliance Under Government Auditing Standards)

During the year, premiums for workers' compensation expenses, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds for the general county government, Highway Department, and School Department were paid from the county's General Fund. The state attorney general has opined that state statutes authorize a county to levy a tax for county general purposes and has defined a county general purposes levy as a levy for all county purposes, except roads, bridges, and schools. Also, the state attorney general has opined that workers' compensation claims and/or insurance coverage for county school employees must be funded through the county's school fund. Therefore, the legality of using General Fund monies to pay for workers' compensation, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds for highway and school employees is questionable.

RECOMMENDATION

County officials should take immediate action to change the funding procedures and allocate the costs to the appropriate funds.

FINDING 07.09 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER, AND SHERIFF**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among officials and employees in the Offices of County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff. Officials and employees responsible for maintaining accounting records in these offices were also involved in receipting, depositing, preparing and signing checks, and reconciling bank statements. We realize that due to limited resources and personnel, management may not be able to properly segregate duties among employees. However, our professional standards require that we bring this matter to the reader's attention in this report.

MANAGEMENT'S RESPONSE – REGISTER

The Office of Register of Deeds has two employees other than me, a chief deputy register and a deputy. Given that fact, our duties are as segregated as possible. Each of us is trained in carrying out the regular business of our office in the event that one employee is absent. On a regular day, when all employees are present, the following are the normal procedures: The register checks documents as they are delivered to verify that they are recordable and checks to see that the amount of money paid in taxes and recording fees is appropriate. Both deputies write receipts and record documents. Toward the end of the day, the chief deputy register prepares and posts the deposit. The deputy hand delivers the daily receipted monies to the bank and then writes the deposit amount in the check book. The register verifies the deposit receipt from the bank, the deposit listing, and the receipt register. The register reconciles the bank statements and prepares tax reports and writes checks to the state and county for taxes and fees collected during the month. The register normally writes any other checks.

REBUTTAL

We realize that due to limited resources and personnel, management may not be able to fully segregate duties among employees. However, as noted above, our professional standards require that we bring this matter to your attention.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards.

HUMPHREYS COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2007

There were no audit findings relative to federal awards presented in the prior or current years' Schedules of Findings and Questioned Costs.