

**ANNUAL FINANCIAL REPORT  
MARSHALL COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2007**



**ANNUAL FINANCIAL REPORT**  
**MARSHALL COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2007**

***DEPARTMENT OF AUDIT***  
***JOHN G. MORGAN***  
***Comptroller of the Treasury***

***DIVISION OF COUNTY AUDIT***  
***RICHARD V. NORMENT***  
***Assistant to the Comptroller***

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***Director***

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***JAY FINCHER***  
***State Auditors***

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

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# MARSHALL COUNTY, TENNESSEE

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***Audit Highlights***  
Annual Financial Report  
Marshall County, Tennessee  
For the Year Ended June 30, 2007

***Scope***

We have audited the basic financial statements of Marshall 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, each major fund, and the aggregate remaining fund information is unqualified.

Our audit resulted in three findings and recommendations, which we have reviewed with Marshall County management. Detailed findings and recommendations are included in the Single Audit section of this report.

***Findings***

The following are summaries of the audit findings:

**OFFICE OF COUNTY MAYOR**

- ◆ Competitive bids were not solicited for cleaning services for county buildings.

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**OTHER FINDINGS**

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff.
- ◆ County officials had not adopted a central system of purchasing.

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# INTRODUCTORY SECTION

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# Marshall County Officials

## June 30, 2007

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### **Officials**

Joe Liggett, County Mayor  
Jerry Williams, Highway Superintendent  
John David Pierce, Director of Schools  
Marilyn Ervin, Trustee  
Linda Haislip, Assessor of Property  
Daphne Fagan, County Clerk  
Elinor Foster, Circuit, General Sessions, and Juvenile Courts Clerk  
Tommy Higdon, Clerk and Master  
Doris Wayne Weaver, Register  
Leslie Helton, Sheriff  
Freda Terry, Director of Accounts and Budgets  
Jessie Whaley, Jr., Board of Public Utilities Manager

### **Board of County Commissioners**

Sam Smith, Chairman  
Dean Delk  
Scotty Poarch  
Rocky Bowden, Jr.  
Mary Ann Neill  
Ernest Hill, Jr.  
Linda Williams-Lee  
Mickey King  
Don Ledford

Jennifer Harris  
Jimmy Stitt  
Joe Brandon  
Seth Warf  
Wilford Wentzel  
Phil Willis  
Larry McKnight  
Richard Medley  
Reynelle Smith

### **Board of Education**

Jerry Campbell, Chairman  
Randy Perryman  
Kristen Gold  
Debbie Alan  
Craig Michael

Timothy Harrison  
Ann Tears  
John McCullough  
Todd Tietgens

### **Board of Public Utilities**

Rocky Bowden, Jr., Chairman  
Joe Brandon  
William Blalock

Sam Smith  
Michael Waggoner

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## FINANCIAL SECTION

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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

INDEPENDENT AUDITOR'S REPORT

October 24, 2007

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marshall County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Marshall County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Marshall 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 Marshall 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' financial statements referred to above do not include amounts for the Marshall 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 Marshall County Emergency Communications, 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 Marshall County, Tennessee, at June 30, 2007, and the changes in financial position and cash flows, where applicable, of the aggregate 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, each major fund, and the aggregate remaining fund information of Marshall County, Tennessee, as of June 30, 2007, and the respective changes in financial position 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 October 24, 2007, on our consideration of Marshall 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., Marshall County has implemented the provisions of Governmental Accounting Standards Board (GASB) 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 Marshall County did not prepare a 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 63 through 67 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 Marshall 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, combining and individual fund financial statements of the Marshall 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, combining and individual fund financial statements of the Marshall 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,

A handwritten signature in cursive script that reads "John G. Morgan". The signature is written in black ink and includes a long horizontal flourish at the end.

John G. Morgan  
Comptroller of the Treasury

JGM/yu

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## **BASIC FINANCIAL STATEMENTS**

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Exhibit A

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

	Primary Government	Component Units	
	Governmental Activities	Marshall County School Department	Marshall County Board of Public Utilities
<u>ASSETS</u>			
Cash	\$ 450	\$ 1,750	\$ 1,728
Equity in Pooled Cash and Investments	9,598,198	3,965,639	1,803,908
Inventories	0	0	36,711
Accounts Receivable	1,121,901	107,758	168,610
Allowance for Uncollectibles	(420,324)	0	0
Property Taxes Receivable	6,044,664	8,688,540	0
Allowance for Uncollectible Property Taxes	(102,189)	(156,357)	0
Due from Other Governments	791,545	368,565	0
Prepaid Items	0	152,343	0
Deferred Charges - Debt Issuance Costs	128,240	0	0
Restricted Assets:			
Customer Deposits	0	0	43,765
Revenue Bond Future Debt Service	0	0	55,600
Capital Assets:			
Assets Not Depreciated:			
Land	13,345,414	2,312,249	65,610
Construction in Progress	0	6,952,912	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	13,915,692	36,734,049	210,010
Other Capital Assets	2,519,143	2,077,972	1,223,076
Infrastructure	10,865,980	0	7,575,913
Total Assets	<u>\$ 57,808,714</u>	<u>\$ 61,205,420</u>	<u>\$ 11,184,931</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 106,757	\$ 0	\$ 33,765
Accrued Payroll	209,969	2,526	17,197
Due to Other Taxing Units	0	0	12,683
Accrued Interest Payable	842,600	0	3,157
Contracts Payable	0	33,466	0
Matured Bonds Payable	8,108	0	0
Payroll Deductions Payable	69	807,077	0
Deferred Revenue - Current Property Taxes	5,744,435	8,207,663	0
Current Liabilities Payable from Restricted Assets:			
Customer Deposits Payable	0	0	13,900
Other Payables from Restricted Assets	49,171	0	29,864
Noncurrent Liabilities:			
Due Within One Year	3,839,225	10,765	87,867
Due in More Than One Year	42,477,400	40,760	1,633,473
Total Liabilities	<u>\$ 53,277,734</u>	<u>\$ 9,102,257</u>	<u>\$ 1,831,906</u>

(Continued)

Exhibit A

Marshall County, Tennessee  
Statement of Net Assets (Cont.)

	Primary Government	Component Units	
	Governmental Activities	Marshall County School Department	Marshall County Board of Public Utilities
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 27,136,745	\$ 0	\$ 7,365,728
Invested in Capital Assets	0	48,077,182	0
Restricted for:			
Capital Projects	1,736,417	1,087,346	0
Debt Service	4,763,623	0	55,600
Solid Waste/Sanitation	379,506	0	0
Highway/Public Works	350,393	0	0
Other Purposes	352,164	273,724	0
Unrestricted	(30,187,868)	2,664,911	1,931,697
Total Net Assets	<u>\$ 4,530,980</u>	<u>\$ 52,103,163</u>	<u>\$ 9,353,025</u>

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

Exhibit B

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

Functions/Programs						Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Program Revenues			Primary Government	Component Units		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Marshall County School Department	Marshall County Board of Public Utilities	
Primary Government:								
General Government	\$ 1,294,519	\$ 472,287	\$ 18,358	\$ 12,671	\$ (791,203)	\$ 0	\$ 0	
Finance	1,090,616	793,445	9,474	0	(287,697)	0	0	
Administration of Justice	930,170	513,661	10,000	0	(406,509)	0	0	
Public Safety	3,527,054	517,211	0	198,479	(2,811,364)	0	0	
Public Health and Welfare	2,944,887	1,499,262	223,656	45,600	(1,176,369)	0	0	
Social, Cultural, and Recreational Services	333,993	5,506	14,413	0	(314,074)	0	0	
Agriculture and Natural Resources	110,954	0	0	0	(110,954)	0	0	
Other Operations	379,730	15,261	142,700	0	(221,769)	0	0	
Highways/Public Works	3,389,121	33,274	1,660,703	52,281	(1,642,863)	0	0	
Education	2,905,000	0	0	0	(2,905,000)	0	0	
Interest on Long-term Debt	2,536,391	0	0	0	(2,536,391)	0	0	
Other Debt Service	58,457	0	0	0	(58,457)	0	0	
Total Governmental Activities	<u>\$ 19,500,892</u>	<u>\$ 3,849,907</u>	<u>\$ 2,079,304</u>	<u>\$ 309,031</u>	<u>\$ (13,262,650)</u>	<u>\$ 0</u>	<u>\$ 0</u>	
Total Primary Government	<u>\$ 19,500,892</u>	<u>\$ 3,849,907</u>	<u>\$ 2,079,304</u>	<u>\$ 309,031</u>	<u>\$ (13,262,650)</u>	<u>\$ 0</u>	<u>\$ 0</u>	
Component Units:								
Marshall County School Department	\$ 34,667,418	\$ 1,317,890	\$ 3,057,372	\$ 2,818,590	\$ 0	\$ (27,473,566)	\$ 0	
Marshall County Board of Public Utilities	1,973,967	1,583,732	628,276	300,000	0	0	538,041	
Total Component Units	<u>\$ 36,641,385</u>	<u>\$ 2,901,622</u>	<u>\$ 3,685,648</u>	<u>\$ 3,118,590</u>	<u>\$ 0</u>	<u>\$ (27,473,566)</u>	<u>\$ 538,041</u>	

(Continued)

Exhibit B

Marshall County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units	
					Governmental Activities	Marshall County School Department	Marshall County Board of Public Utilities
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 4,667,465	\$ 8,905,615	\$ 0
Property Taxes Levied for Debt Service					759,789	0	0
Local Option Sales Tax					2,025,899	1,934,947	0
Other Local Taxes					2,028,865	4,508	0
Grants and Contributions Not Restricted to Specific Programs					318,667	18,713,673	0
Unrestricted Investment Earnings					918,210	40,907	142,179
Miscellaneous					244,510	51,092	0
Total General Revenues					<u>\$ 10,963,405</u>	<u>\$ 29,650,742</u>	<u>\$ 142,179</u>
Change in Net Assets					\$ (2,299,245)	\$ 2,177,176	\$ 680,220
Net Assets, July 1, 2006					<u>6,830,225</u>	<u>49,925,987</u>	<u>8,672,805</u>
Net Assets, June 30, 2007					<u>\$ 4,530,980</u>	<u>\$ 52,103,163</u>	<u>\$ 9,353,025</u>

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

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 450	\$ 0	\$ 0	\$ 0	\$ 450
Equity in Pooled Cash and Investments	1,750,280	258,059	5,224,710	2,365,149	9,598,198
Accounts Receivable	1,025,899	3,485	33,154	59,363	1,121,901
Allowance for Uncollectibles	(420,324)	0	0	0	(420,324)
Due from Other Governments	113,780	348,589	329,176	0	791,545
Property Taxes Receivable	4,611,872	560,151	872,641	0	6,044,664
Allowance for Uncollectible Property Taxes	(79,630)	(7,877)	(14,682)	0	(102,189)
<b>Total Assets</b>	<b>\$ 7,002,327</b>	<b>\$ 1,162,407</b>	<b>\$ 6,444,999</b>	<b>\$ 2,424,512</b>	<b>\$ 17,034,245</b>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 41,800	\$ 0	\$ 1,000	\$ 63,957	\$ 106,757
Accrued Payroll	182,957	20,329	0	6,683	209,969
Payroll Deductions Payable	0	69	0	0	69
Matured Bonds Payable	0	0	8,108	0	8,108
Current Liabilities Payable from Restricted Assets:					
Other Payables from Restricted Assets	0	49,171	0	0	49,171
Deferred Revenue - Current Property Taxes	4,374,143	540,624	829,668	0	5,744,435
Deferred Revenue - Delinquent Property Taxes	151,612	11,171	27,131	0	189,914
Other Deferred Revenues	420,296	156,794	164,588	0	741,678
<b>Total Liabilities</b>	<b>\$ 5,170,808</b>	<b>\$ 778,158</b>	<b>\$ 1,030,495</b>	<b>\$ 70,640</b>	<b>\$ 7,050,101</b>
<u>Fund Balances</u>					
Reserved for Alcohol and Drug Treatment	\$ 60,034	\$ 0	\$ 0	\$ 0	\$ 60,034
Reserved for Sexual Offender Registration	1,427	0	0	0	1,427
Reserved for Courtroom Security	1,714	0	0	0	1,714
Reserved for Automation Purposes - General Sessions Court	15,972	0	0	0	15,972
Reserved for Automation Purposes - Juvenile Court	1,963	0	0	0	1,963
Reserved for Automation Purposes - Chancery Court	8,633	0	0	0	8,633
Reserved for Automation Purposes - Other Courts	1,488	0	0	0	1,488
Other Local Education Reserves	0	0	1,822,447	0	1,822,447
Reserved for Other General Purposes	27,017	0	0	0	27,017
Unreserved, Reported In:					
General Fund	1,713,271	0	0	0	1,713,271
Special Revenue Funds	0	384,249	0	617,455	1,001,704
Debt Service Funds	0	0	3,592,057	0	3,592,057
Capital Projects Funds	0	0	0	1,736,417	1,736,417
<b>Total Fund Balances</b>	<b>\$ 1,831,519</b>	<b>\$ 384,249</b>	<b>\$ 5,414,504</b>	<b>\$ 2,353,872</b>	<b>\$ 9,984,144</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,002,327</b>	<b>\$ 1,162,407</b>	<b>\$ 6,444,999</b>	<b>\$ 2,424,512</b>	<b>\$ 17,034,245</b>

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

Exhibit C-2

Marshall 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)		\$	9,984,144
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	13,345,414	
Add: buildings and improvements net of accumulated depreciation		13,915,692	
Add: other capital assets net of accumulated depreciation		2,519,143	
Add: infrastructure net of accumulated depreciation		<u>10,865,980</u>	40,646,229
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			931,592
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(38,630,000)	
Less: notes payable		(4,305,000)	
Less: other loans payable		(3,047,800)	
Less: accrued interest on bonds payable		(770,520)	
Less: accrued interest on notes payable		(72,080)	
Add: deferred charges - debt issuance costs		128,240	
Less: compensated absences payable		<u>(333,825)</u>	<u>(47,030,985)</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 4,530,980</u>

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

Exhibit C-3

Marshall 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	Highway / Public Works	General Debt Service	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>						
Local Taxes	\$ 4,990,586	\$ 746,434	\$ 3,645,816	\$ 0	\$ 155,769	\$ 9,538,605
Licenses and Permits	173,034	0	0	0	0	173,034
Fines, Forfeitures, and Penalties	76,674	0	0	0	53,438	130,112
Charges for Current Services	1,077,169	224	0	0	308,695	1,386,088
Other Local Revenues	571,785	78,870	600,184	0	74,477	1,325,316
Fees Received from County Officials	1,367,730	0	0	0	0	1,367,730
State of Tennessee	859,850	1,727,585	21,173	0	51,638	2,660,246
Federal Government	443,692	0	0	0	0	443,692
Other Governments and Citizens Groups	46,518	0	0	0	87,002	133,520
<b>Total Revenues</b>	<b>\$ 9,607,038</b>	<b>\$ 2,553,113</b>	<b>\$ 4,267,173</b>	<b>\$ 0</b>	<b>\$ 731,019</b>	<b>\$ 17,158,343</b>
<u>Expenditures</u>						
Current:						
General Government	\$ 1,113,331	\$ 0	\$ 0	\$ 0	\$ 39,330	\$ 1,152,661
Finance	1,117,715	0	0	0	0	1,117,715
Administration of Justice	826,593	0	0	0	67,241	893,834
Public Safety	3,248,595	0	0	0	7,099	3,255,694
Public Health and Welfare	2,547,625	0	0	0	446,667	2,994,292
Social, Cultural, and Recreational Services	333,429	0	0	0	0	333,429
Agricultural and Natural Resources	111,067	0	0	0	0	111,067
Other Operations	273,900	0	0	0	102,113	376,013
Highways	0	2,838,636	0	0	0	2,838,636
Debt Service:						
Principal on Debt	0	0	3,190,200	0	0	3,190,200
Interest on Debt	0	0	1,693,254	0	0	1,693,254
Other Debt Service	0	0	58,457	0	0	58,457
Capital Projects	0	0	0	2,555,000	1,599,935	4,154,935
<b>Total Expenditures</b>	<b>\$ 9,572,255</b>	<b>\$ 2,838,636</b>	<b>\$ 4,941,911</b>	<b>\$ 2,555,000</b>	<b>\$ 2,262,385</b>	<b>\$ 22,170,187</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 34,783	\$ (285,523)	\$ (674,738)	\$ (2,555,000)	\$ (1,531,366)	\$ (5,011,844)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 170,000	\$ 0	\$ 2,555,000	\$ 2,275,000	\$ 5,000,000
Other Loans Issued	0	0	0	0	794,900	794,900

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Education Capital Projects	Other Govern- mental Funds	
<u>Other Financing Sources (Uses) (Cont.)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 69,373	\$ 69,373
Transfers Out	(15,000)	0	0	0	(54,373)	(69,373)
Total Other Financing Sources (Uses)	<u>\$ (15,000)</u>	<u>\$ 170,000</u>	<u>\$ 0</u>	<u>\$ 2,555,000</u>	<u>\$ 3,084,900</u>	<u>\$ 5,794,900</u>
Net Change in Fund Balances	\$ 19,783	\$ (115,523)	\$ (674,738)	\$ 0	\$ 1,553,534	\$ 783,056
Fund Balance, July 1, 2006	1,811,736	499,772	6,089,242	0	800,338	9,201,088
Fund Balance, June 30, 2007	<u>\$ 1,831,519</u>	<u>\$ 384,249</u>	<u>\$ 5,414,504</u>	<u>\$ 0</u>	<u>\$ 2,353,872</u>	<u>\$ 9,984,144</u>

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

Exhibit C-4

Marshall 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)	\$	783,056
(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	\$ 2,002,288	
Less: current year depreciation expense	<u>(1,457,974)</u>	544,314
(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	\$ 45,600	
Less: loss on disposal of capital assets	<u>(15,033)</u>	30,567
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2006	\$ (918,855)	
Add: deferred delinquent property taxes and other deferred June 30, 2007	<u>931,592</u>	12,737
(4) The issuance of long-term debt (e.g., notes, bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of debt issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (5,000,000)	
Less: other loan proceeds	(794,900)	
Add: principal payment on notes	705,000	
Add: principal payment on bonds	1,995,000	
Add: principal payment on other loans	490,200	
Less: change in deferred debt issuance costs	<u>(537)</u>	(2,605,237)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ (842,600)	
Change in compensated absences	<u>(222,082)</u>	(1,064,682)
Change in net assets of governmental activities (Exhibit B)	\$	<u><u>(2,299,245)</u></u>

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

Exhibit D-1

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

	<u>Component Unit</u> <u>Enterprise Fund</u> Marshall County Board of Public Utilities
<u>Operating Revenues</u>	
Charges for Current Services	\$ 1,580,219
Other Local Revenues	3,513
Total Operating Revenues	<u>\$ 1,583,732</u>
<u>Operating Expenses</u>	
Other Economic and Community Development	\$ 1,254,819
Depreciation	640,757
Total Operating Expenses	<u>\$ 1,895,576</u>
Operating Income (Loss)	<u>\$ (311,844)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 142,179
Contribution from Primary Government (Adequate Facilities Tax)	300,000
Interest Expense	(78,391)
Total Nonoperating Revenues (Expenses)	<u>\$ 363,788</u>
Income (Loss) Before Contributions	\$ 51,944
Capital Contributions	628,276
Change in Net Assets	\$ 680,220
Net Assets, July 1, 2006	<u>8,672,805</u>
Net Assets, June 30, 2007	<u>\$ 9,353,025</u>

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

Exhibit D-2

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

	<u>Component Unit</u> <u>Enterprise Fund</u> Marshall County Board of Public Utilities
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 1,557,612
Other Receipts (Payments)	3,513
Payments to Suppliers	(859,540)
Payments to Employees	(393,625)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 307,960</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Contribution from Primary Government (Adequate Facilities Tax)	\$ 300,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 300,000</u>
<u>Cash Flows from Capital and Related Financing</u> <u>Activities</u>	
Purchase of Capital Assets	\$ (1,872,361)
Capital Contributions	628,276
Principal Paid on Other Long-term Debt	(88,944)
Interest Paid on Other Long-term Debt	(78,391)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (1,411,420)</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 142,179
Net Cash Provided By (Used In) Investing Activities	<u>\$ 142,179</u>
Increase (Decrease) in Cash	\$ (661,281)
Cash, July 1, 2006	<u>2,566,282</u>
Cash, June 30, 2007	<u><u>\$ 1,905,001</u></u>

(Continued)

Exhibit D-2

Marshall County, Tennessee  
Statement of Cash Flows  
Proprietary Fund (Cont.)

	<u>Component Unit</u> <u>Enterprise Fund</u> Marshall County Board of Public Utilities
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities:</u>	
Operating Income (Loss)	\$ (311,844)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	640,757
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(22,607)
(Increase) Decrease in Inventories	(17,116)
Increase (Decrease) in Accounts Payable	19,827
Increase (Decrease) in Accrued Payroll	1,247
Increase (Decrease) in Accrued Interest Payable	(2,033)
Increase (Decrease) in Due to Other Taxing Units	2,922
Increase (Decrease) in Customer Deposits	900
Increase (Decrease) in Other Payables from Restricted Assets	(4,239)
Increase (Decrease) in Accrued Leave	146
	<hr/>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 307,960</u>
 <u>Reconciliation of Cash with Statement of Net Assets</u>	
Cash Per Net Assets	\$ 1,728
Equity in Pooled Cash and Investments per Net Assets	1,803,908
Restricted Customer Deposits	43,765
Restricted Revenue Bond Future Debt Service Account	55,600
	<hr/>
Cash, June 30, 2007	<u>\$ 1,905,001</u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,293,906
Due from Other Governments	<u>286,897</u>
Total Assets	<u><u>\$ 1,580,803</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 286,897
Due to Litigants, Heirs, and Others	<u>1,293,906</u>
Total Liabilities	<u><u>\$ 1,580,803</u></u>

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

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Marshall 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 Marshall County:

**A. Reporting Entity**

Marshall County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Marshall 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 relationship with the county.

**Blended Component Units** – There are no legally separate component units of Marshall 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 Marshall County School Department operates the public school system in the county, and the voters of Marshall 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 Marshall County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Marshall County, and the Marshall 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 Marshall County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Marshall County Board of Public Utilities provides water services for the citizens of Marshall County, and the Marshall County Commission appoints its governing body. The public utility may not issue debt without county approval, and its budget is subject to the County Commission's approval. Water sales are the major source of funding, with the county being contingently liable for any debt.

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

Administrative Office:

Marshall County Emergency Communications District  
1350 L & L Lane  
Lewisburg, TN 37091

## **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. However, the primary government of Marshall County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Marshall County School Department component unit only reports governmental activities in the government-wide financial statements while the Marshall County Board of Public Utilities component unit reports an enterprise fund.

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.

Marshall County issues most debt for the discretely presented Marshall County School Department. Net debt issues (\$2,818,590) 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, 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 Marshall 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, the proprietary fund, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. Fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days

after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Marshall 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 fund 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.

Marshall County reports the following major governmental funds:

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

**Highway/Public Works Fund** – This 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.

**Education Capital Projects Fund** – This fund accounts for debt issued by Marshall County that is subsequently contributed to the Marshall County School Department for building construction and renovations.

Additionally, Marshall 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 Marshall

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 Marshall County School Department reports the following major governmental funds:

**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.

**Education Capital Projects Fund** – This fund accounts for School Department construction and renovations.

Additionally, the Marshall County School Department reports the following fund type:

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

The discretely presented Marshall County Board of Public Utilities reports the following major proprietary fund:

**Board of Public Utilities Fund** – This fund accounts for water distribution services to areas of the county not served by existing municipal systems.

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 the same limitations. The Marshall County Board of Public Utilities 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 discretely presented Marshall County Board of Public Utilities has one proprietary fund, an enterprise fund, used to account for water distribution services to areas of the county not served by existing municipal systems. Operating revenues and expenses generally result from

providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are charges for services. Operating expenses for the enterprise fund include administrative expenses and employee benefits.

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 hand, demand deposits, and cash on deposit with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; 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, the discretely presented Marshall County School Department, and the discretely presented Marshall County Board of Public Utilities. 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 primary government's General and General Debt Service Funds. Marshall County, the Marshall County School Department, and the Marshall County Board of Public Utilities 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.

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to one percent of total taxes levied.

Accounts receivable for water sales are shown without an allowance for uncollectibles. The Marshall County Board of Public Utilities does not provide an allowance for uncollectible accounts because of its ability to stop service for nonpaying customers.

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.

Most payables are disaggregated on the face of the financial statements. Current liabilities payable from restricted assets reflected in the Highway/Public Works Fund represent deposits placed with Marshall County for road damage and repairs (\$49,171). Current liabilities payable from restricted assets reflected in the Board of Public Utilities Fund represent funds on deposit with the Marshall County trustee that are restricted because of applicable bond covenants (\$29,864) and customer deposits (\$13,900).

**3. Inventories and Prepaid Items**

Inventories of the Marshall County Board of Public Utilities are recorded at cost, determined on the first-in, first-out method. Inventories are recorded as expenditures when consumed rather than when purchased.

Insurance prepayments reflect costs applicable to future accounting periods and are recorded as prepaid items in the fund financial statements.

**4. Restricted Assets**

Certain resources set aside by the Marshall County Board of Public Utilities for the repayment of revenue bonds are classified as restricted assets on the statement of net assets because their use is limited by applicable bond covenants. The Revenue Bond Future Debt Service Account is used to report resources set aside to comply with those covenants.

**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 column and discretely presented component unit columns (School Department and Board of Public Utilities) in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$1 for property and \$10,000 or more for plant, equipment, and infrastructure and an estimated useful life of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the Marshall County Board of Utilities enterprise fund is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	7-40
Other Capital Assets	5-20
Infrastructure:	
Roads	40-50
Bridges	20-40
Water Systems	25

**6. Compensated Absences**

Primary Government and Discretely Presented Marshall County Board of Public Utilities

It is the county and the discretely presented Marshall County Board of Public Utilities' policy to permit employees to accumulate earned but unused vacation and sick leave benefits. There is no liability for unpaid accumulated sick leave since Marshall County and the Marshall County Board of Public Utilities do not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation benefits is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Discretely Presented Marshall County School Department

In prior years, the School Department's policy allowed employees to accumulate earned but unused vacation benefits; however, this policy has changed, and employees must now use all vacation in the year earned. A liability exists for previously accumulated vacation benefits, and this liability is reported in governmental funds only if they have matured, for example, as a result of employee resignations and

retirements. It is the School Department's policy to permit employees to accumulate earned but unused sick pay benefits. There is no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the government.

**7. Long-term Obligations**

In the government-wide financial statements and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net 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, 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 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, net of related debt.

As of June 30, 2007, Marshall County had \$32,431,125 in outstanding debt for capital purposes for the discretely presented Marshall County School Department. This debt is a liability of Marshall County, but the capital assets acquired are reported in the financial statements of the Marshall County School Department. Therefore, Marshall 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.

## **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 with the government-wide statement of net assets.

#### **Discretely Presented Marshall County School Department**

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

**Discretely Presented Marshall 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**

**Budgetary Information**

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Marshall 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, County Mayor, County Attorney, etc.). Management may make revisions within major categories, but only the Marshall County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

#### IV. DETAILED NOTES ON ALL FUNDS

##### A. Deposits and Investments

Marshall County, the Marshall County School Department, and the Marshall County Board of Public Utilities 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 in the fund financial statements represents nonpooled amounts held separately by individual funds.

##### Deposits

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

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

##### Investments

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; 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, Marshall 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 Marshall County, the Marshall County School Department, and the Marshall County Board of Public Utilities since all pool their deposits and investments through the county trustee.

<u>Investment</u>	<u>Maturities</u>	<u>Cost</u>
State Treasurer's Investment Pool	Daily	<u>\$ 14,106</u>
Total		<u><u>\$ 14,106</u></u>

**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. Marshall 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. Marshall County has no investment policy that would further limit its investment choices. As of June 30, 2007, Marshall 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	\$ 13,299,814	\$ 45,600	\$ 0	\$ 13,345,414
Total Capital Assets Not Depreciated	\$ 13,299,814	\$ 45,600	\$ 0	\$ 13,345,414
Capital Assets Depreciated:				
Buildings and Improvements	\$ 15,363,885	\$ 1,149,881	\$ 0	\$ 16,513,766
Infrastructure	23,095,765	410,627	0	23,506,392
Other Capital Assets	5,470,145	441,780	(346,100)	5,565,825
Total Capital Assets Depreciated	\$ 43,929,795	\$ 2,002,288	\$ (346,100)	\$ 45,585,983
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 2,190,688	\$ 407,386	\$ 0	\$ 2,598,074
Infrastructure	12,072,381	568,031	0	12,640,412
Other Capital Assets	2,895,192	482,557	(331,067)	3,046,682
Total Accumulated Depreciation	\$ 17,158,261	\$ 1,457,974	\$ (331,067)	\$ 18,285,168
Total Capital Assets Depreciated, Net	\$ 26,771,534	\$ 544,314	\$ (15,033)	\$ 27,300,815
Governmental Activities Capital Assets, Net	\$ 40,071,348	\$ 589,914	\$ (15,033)	\$ 40,646,229

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

Governmental Activities:

General Government	\$	138,839
Finance		1,633
Public Safety		439,218
Public Health and Welfare		144,296
Other Operations		4,635
Highway/Public Works		<u>729,353</u>

Total Depreciation Expense - Governmental Activities	\$	<u>1,457,974</u>
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**Discretely Presented Marshall County School Department**

Governmental Activities:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 1,409,434	\$ 902,815	\$ 0	\$ 2,312,249
Construction in Progress	0	6,952,912	0	<u>6,952,912</u>
Total Capital Assets Not Depreciated	<u>\$ 1,409,434</u>	<u>\$ 7,855,727</u>	<u>\$ 0</u>	<u>\$ 9,265,161</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 61,457,819	\$ 465,705	\$ 0	\$ 61,923,524
Other Capital Assets	3,151,279	502,247	(82,854)	<u>3,570,672</u>
Total Capital Assets Depreciated	<u>\$ 64,609,098</u>	<u>\$ 967,952</u>	<u>\$ (82,854)</u>	<u>\$ 65,494,196</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 23,767,674	\$ 1,421,801	\$ 0	\$ 25,189,475
Other Capital Assets	1,361,278	213,143	(81,721)	<u>1,492,700</u>
Total Accumulated Depreciation	<u>\$ 25,128,952</u>	<u>\$ 1,634,944</u>	<u>\$ (81,721)</u>	<u>\$ 26,682,175</u>
Total Capital Assets Depreciated, Net	<u>\$ 39,480,146</u>	<u>\$ (666,992)</u>	<u>\$ (1,133)</u>	<u>\$ 38,812,021</u>
Governmental Activities Capital Assets, Net	<u>\$ 40,889,580</u>	<u>\$ 7,188,735</u>	<u>\$ (1,133)</u>	<u>\$ 48,077,182</u>

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

Governmental Activities:

Support Services	\$	1,630,851
Operation of Non-Instructional Services		<u>4,093</u>
Total Depreciation Expense - Governmental Activities	\$	<u>1,634,944</u>

**Discretely Presented Marshall County Board of Public Utilities**

**Business-type Activities:**

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets				
Not Depreciated:				
Land	\$ 65,610	\$ 0	\$ 0	\$ 65,610
Total Capital Assets Not Depreciated	<u>\$ 65,610</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 65,610</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 227,534	\$ 2,300	\$ 0	\$ 229,834
Machinery and Equipment	514,963	0	(514,963)	0
Infrastructure	0	11,295,297	0	11,295,297
Other Capital Assets	10,539,901	1,606,634	(10,539,901)	1,606,634
Total Capital Assets Depreciated	<u>\$ 11,282,398</u>	<u>\$ 12,904,231</u>	<u>\$ (11,054,864)</u>	<u>\$ 13,131,765</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 9,703	\$ 10,121	\$ 0	\$ 19,824
Machinery and Equipment	285,019	0	(285,019)	0
Infrastructure	0	3,719,384	0	3,719,384
Other Capital Assets	3,187,287	383,558	(3,187,287)	383,558
Total Accumulated Depreciation	<u>\$ 3,482,009</u>	<u>\$ 4,113,063</u>	<u>\$ (3,472,306)</u>	<u>\$ 4,122,766</u>

(Continued)

**Business-type Activities (Cont.):**

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Total Capital Assets				
Depreciated, Net	\$ 7,800,389	\$ 8,791,168	\$ (7,582,558)	\$ 9,008,999
Business-type Activities				
Capital Assets, Net	\$ 7,865,999	\$ 8,791,168	\$ (7,582,558)	\$ 9,074,609

Depreciation expense totaled \$640,757 for the year ended June 30, 2007.

**C. Construction Commitments**

At June 30, 2007, the discretely presented Marshall County School Department had uncompleted construction contracts of approximately \$105,759 for school renovations. Funding has been received for these future expenditures.

**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
School Department Component Unit:		
Nonmajor governmental	General Purpose School	\$ 5,450

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

**Interfund Transfers:**

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

<b>Primary Government</b>	<u>Transfers In</u>
	Nonmajor Governmental Funds
<u>Transfers Out</u>	
General Fund	\$ 15,000
Nonmajor governmental funds	<u>54,373</u>
Total	<u>\$ 69,373</u>

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

**E. Long-term 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. In addition, general obligation bonds and capital outlay notes have been issued to refund other general obligation bonds and notes. 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 25 years for bonds, up to 12 years for notes, and up to 28 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, notes, and other loans 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:

Purpose	Interest Rate	Original Amount of Issue	Balance 6-30-07
General Obligation Bonds	2 to 5 %	\$ 36,680,000	\$ 26,300,000
General Obligation Bonds - Refunding	2.1 to 4.25	19,080,000	12,330,000
Capital Outlay Notes	3.36 to 3.9	4,975,000	3,775,000
Capital Outlay Notes - Refunding	4.15	1,050,000	530,000
Other Loans	variable	7,250,900	3,047,800

In prior years, Marshall County entered into loan agreements with the Montgomery County Public Building Authority. Under three of these loan agreements, the authority loaned \$2,200,000, \$1,980,000, and \$1,500,000 to Marshall County for various renovation and construction projects. Under a fourth loan agreement, the authority has made \$2,000,000 available for loan to Marshall County on an as-needed basis for various renovation and construction projects. As of June 30, 2007, Marshall County had borrowed \$1,570,900 of the available \$2,000,000. The loans are repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with these loans. At June 30, 2007, the variable interest rates were 3.87 to 3.99 percent, and other fees amounted to approximately .2 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal, and \$85 per month trustee fee per loan.

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 June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2008	\$ 2,255,000	\$ 1,455,702	\$ 735,000	\$ 154,385
2009	2,245,000	1,376,196	755,000	126,938
2010	2,275,000	1,289,940	425,000	98,865
2011	2,350,000	1,208,382	440,000	83,158
2012	2,445,000	1,121,626	460,000	66,798
2013-2017	9,430,000	4,413,603	1,360,000	134,754
2018-2022	9,135,000	2,597,967	130,000	5,070
2023-2027	5,135,000	1,301,499	0	0
2028-2031	3,360,000	300,498	0	0
Total	\$ 38,630,000	\$ 15,065,413	\$ 4,305,000	\$ 669,968

Year Ending June 30	Other Loans (\$2,200,000)			Total
	Principal	Interest	Other Fees	
2008	\$ 195,400	\$ 15,916	\$ 2,137	\$ 213,453
2009	203,500	8,120	1,505	213,125
Total	\$ 398,900	\$ 24,036	\$ 3,642	\$ 426,578

Year Ending June 30	Other Loans (\$1,980,000)			Total
	Principal	Interest	Other Fees	
2008	\$ 167,000	\$ 28,888	\$ 3,047	\$ 198,935
2009	176,000	22,224	2,580	200,804
2010	185,000	15,202	2,087	202,289
2011	196,000	7,820	1,484	205,304
Total	\$ 724,000	\$ 74,134	\$ 9,198	\$ 807,332

Year Ending June 30	Other Loans (\$1,500,000)			Total
	Principal	Interest	Other Fees	
2008	\$ 108,000	\$ 28,825	\$ 3,095	\$ 139,920
2009	114,000	24,624	2,795	141,419
2010	120,000	20,189	2,473	142,662
2011	126,000	15,521	2,137	143,658
2012	133,000	10,620	1,784	145,404
2013	140,000	5,446	1,327	146,773
Total	\$ 741,000	\$ 105,225	\$ 13,611	\$ 859,836

Year Ending June 30	Other Loans (\$2,000,000 authorized)			Total
	Principal	Interest	Other Fees	
2008	\$ 45,000	\$ 45,817	\$ 4,335	\$ 95,152
2009	47,000	44,075	4,209	95,284
2010	48,000	42,257	4,077	94,334
2011	49,000	40,399	3,943	93,342
2012	50,000	38,503	3,806	92,309
2013-2017	268,000	162,598	16,864	447,462
2018-2022	302,000	108,108	13,671	423,779
2023-2027	340,000	46,846	9,095	395,941
2028	34,900	1,351	1,135	37,386
Total	\$ 1,183,900	\$ 529,954	\$ 61,135	\$ 1,774,989

There is \$5,414,504 available in the General Debt Service Fund to service long-term debt. Bonded debt totaled \$1,443, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans, totaled \$1,718, 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:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2006	\$ 35,625,000	\$ 5,010,000
Additions	5,000,000	0
Deductions	(1,995,000)	(705,000)
	<hr/>	<hr/>
Balance, June 30, 2007	\$ 38,630,000	\$ 4,305,000
	<hr/> <hr/>	<hr/> <hr/>
Balance Due Within One Year	\$ 2,255,000	\$ 735,000
	<hr/> <hr/>	<hr/> <hr/>

	<u>Other Loans</u>	<u>Compensated Absences</u>
Balance, July 1, 2006	\$ 2,743,100	\$ 111,743
Additions	794,900	495,782
Deductions	(490,200)	(273,700)
	<hr/>	<hr/>
Balance, June 30, 2007	\$ 3,047,800	\$ 333,825
	<hr/> <hr/>	<hr/> <hr/>
Balance Due Within One Year	\$ 515,400	\$ 333,825
	<hr/> <hr/>	<hr/> <hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 46,316,625
Less: Due Within One Year	<u>(3,839,225)</u>
Noncurrent Liabilities - Due In More Than One Year - Exhibit A	<u>\$ 42,477,400</u>

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

Defeasance of Prior Debt

In prior years, Marshall County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the

deceased bonds as originally scheduled. Accordingly, the trust accounts and the deceased bonds are not included in the county's financial statements. At June 30, 2007, the 2000 School Refunding Bond (\$7,480,000) was outstanding and considered deceased.

**Discretely Presented Marshall County School Department**

**Changes in Long-term Liabilities**

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

Governmental Activities:

	<u>Compensated Absences</u>
Balance, July 1, 2006	\$ 60,463
Additions	0
Deductions	<u>(8,938)</u>
Balance, June 30, 2007	<u>\$ 51,525</u>
Balance Due Within One Year	<u>\$ 10,765</u>

**Discretely Presented Marshall County Board of Public Utilities**

Revenue bonds were issued to provide funds for the acquisition and construction of major capital assets with original terms up to 38 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All revenue bonds will be retired by the utility.

Revenue bonds of the utility outstanding as of June 30, 2007, were as follows:

	<u>FHA Bonds</u>	<u>FHA Bonds</u>	<u>FHA Bonds</u>	<u>FHA Bonds</u>
Original Amount of Issue	\$ 625,000	\$ 188,000	\$ 849,000	\$ 667,000
Balance, June 30, 2007	50,600	179,131	820,720	658,430
Date of Issue	5-1-1981	2-20-03	6-22-04	3-17-06
Interest Rate	5%	4.625%	4.375%	4.5%

The annual requirements to amortize all revenue bonds outstanding as of June 30, 2007, including interest payments, are presented in the following table:

Year Ending June 30	Principal	Interest
2008	\$ 70,403	\$ 78,420
2009	20,703	72,520
2010	21,643	71,579
2011	22,626	70,596
2012	23,654	69,568
2013-2017	138,395	330,710
2018-2022	169,068	297,026
2023-2027	211,122	254,976
2028-2032	263,644	202,430
2033-2037	329,233	136,824
2038-2042	383,365	55,486
2043-2044	55,025	2,054
Total	<u>\$ 1,708,881</u>	<u>\$ 1,642,189</u>

Changes in Long-term Liabilities

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

	Bonds	Compensated Absences
Balance, July 1, 2006	\$ 1,797,825	\$ 12,313
Additions	0	19,750
Deductions	(88,944)	(19,604)
Balance, June 30, 2007	<u>\$ 1,708,881</u>	<u>\$ 12,459</u>
Balance Due Within One Year	<u>\$ 75,408</u>	<u>\$ 12,459</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 1,721,340
Less: Due Within One Year	<u>(87,867)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,633,473</u>

## V. OTHER INFORMATION

### A. Risk Management

Marshall County and the Marshall County Board of Public Utilities are exposed to various risks related to general liability, property, and casualty losses. In prior years, the county and the Marshall County Board of Public Utilities decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county and the Marshall County Board of Public Utilities joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county and the Marshall County Board of Public Utilities pay an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

In prior years, Marshall County, the Marshall County School Department, and the Marshall County Board of Public Utilities decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for workers' compensation coverage. Marshall County, the Marshall County School Department, and the Marshall County Board of Public Utilities joined the Local Government Workers' Compensation Fund (LWCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. Marshall County, the Marshall County School Department, and the Marshall County Board of Public Utilities pay annual premiums to the LWCF for their workers' compensation coverage. The creation of the LWCF provides for it to be self-sustaining through member premiums.

The Marshall County School Department joined the Tennessee School Boards Risk Management Trust (TSB-RMT), which is a public entity risk pool established by the Tennessee School Boards Association, an association of member school districts. The School Department pays an annual premium to the TSB-RMT for its general liability, property, and casualty insurance coverage. The creation of the TSB-RMT provides for it to be self-sustaining through member premiums.

### B. Accounting Change

At the beginning of the year, Marshall 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, Marshall County had elected to implement only the provisions of Statement No. 34 that related to the fund financial statements.

**C. Subsequent Event**

John David Pierce, director of schools, left office October 5, 2007, and Nancy Aldridge was appointed interim director.

**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.

Marshall County is contingently liable for certain water revenue and tax bonds (\$1,708,881) issued or assumed by the discretely presented Marshall County Board of Public Utilities. In the event that revenues of the utility are insufficient to meet the debt service requirements, the payments are to be made by Marshall County from ad valorem taxes levied upon all property in the county.

**E. Change in Administration**

On August 31, 2006, Terry Wallace left the Office of County Mayor and was succeeded by Joe Liggett.

**F. Joint Ventures**

**Primary Government**

The Marshall County Joint Economic Development Board is a joint venture between Marshall County, the City of Lewisburg, the Town of Chapel Hill, the Town of Petersburg, and the Town of Cornersville. The board comprises the county mayor, city mayor, town administrators, and 16 additional members. The purpose of the board is to foster communication and facilitate economic and community development between and among governmental entities, industry, and private citizens. The city, towns, and county provide the majority of funding for the board based on the percentage of its population compared to the total census of the county. Marshall County has been designated as the fiscal agent for the board and accounts for its activities through the Industrial/Economic Development Fund (special revenue fund), which is included in the financial statements of this report. Marshall County contributed \$54,373 to the operations of the board during the year ended June 30, 2007.

The Seventeenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Seventeenth Judicial District, Bedford, Lincoln, Moore, and Marshall counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of

drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. Marshall County did not contribute to the DTF for the year ended June 30, 2007.

Marshall County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Seventeenth Judicial District Drug Task Force can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General  
Seventeenth Judicial District Drug Task Force  
P.O. Box 878  
Fayetteville, TN 37334

**Discretely Presented Marshall County School Department**

The School Department participates in the Volunteer State Cooperative (VOLCO) which represents a cost-sharing arrangement. The cooperative was established through a contractual agreement between the Boards of Education of Bedford County, Coffee County, Dickson County, Fayetteville City, Manchester City, Maury County, Marshall County, and Stewart County. The cooperative was authorized through Chapter 49 of Tennessee Code Annotated. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Bedford County School Department) and a service provider to provide these services. The cooperative is governed by a Representative Committee, comprising one representative from each of the member districts; and an Executive Council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the Representative Committee.

The School Department does not retain an equity interest in the above-noted joint venture.

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

Administrative Office:

Volunteer State Cooperative  
Bedford County Board of Education  
500 Madison Avenue  
Shelbyville, TN 37160-3391

## **G. Retirement Commitments**

### **Employees**

#### **Plan Description**

Employees of Marshall County, the Marshall County School Department, and the Marshall County Board of Public Utilities 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 Marshall County, the Marshall County School Department, and the Marshall County Board of Public Utilities 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**

Marshall County, the Marshall County School Department, and the Marshall County Board of Public Utilities require employees to contribute five percent of earnable compensation. Marshall County, the Marshall County School Department, and the Marshall County Board of Public Utilities are required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2007, was 8.54 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Marshall County, the Marshall County School Department, and the Marshall County Board of Public Utilities is established and may be amended by the TCRS Board of Trustees.

## Annual Pension Cost

For the year ended June 30, 2007, Marshall County's, the Marshall County School Department's, and the Marshall County Board of Public Utilities' annual pension cost of \$870,896 to TCRS was equal to Marshall County's, the Marshall County School Department's, and the Marshall County Board of Public Utilities' 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. Marshall County's, the Marshall County School Department's, and the Marshall County Board of Public Utilities' 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	\$870,896	100%	\$0
6-30-06	655,121	100	0
6-30-05	645,026	100	0

## School Teachers

### Plan Description

The Marshall County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service.

Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.treasury.state.tn.us](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 Marshall 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 Marshall 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 \$976,766, \$818,429, and \$805,257, respectively, equal to the required contributions for each year.

### **H. Other Post-employment Benefits**

In addition to the retirement commitments described above, Marshall County and the Marshall County Board of Public Utilities provide post-retirement health care benefits for retirees who have met the following eligibility requirements: (1) the employee must meet Tennessee Consolidated Retirement System requirements, (2) the employee must have been employed by the county 15 or more years, and (3) the employee must have been insured under the current medical insurance plan for at least five years. Currently, one retiree meets those eligibility requirements. The county will pay 83 percent of the cost of an individual policy for a maximum of ten years or until the retiree reaches Medicare eligibility.

In addition to the retirement commitments described above, the School Department provides post-retirement health-care benefits for retirees who have met the following eligibility requirements: (1) the employee must meet

Tennessee Consolidated Retirement System requirements, (2) the employee must have been employed by the School Department for 15 or more years, and (3) the employee must have been insured under the current medical insurance plan for at least five years. Currently, two non-certified/classified and 34 certified school retirees meet those eligibility requirements. The School Department pays 83 percent of non-certified/classified and 38 percent of certified medical premiums for retirees' individual policies.

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

Marshall County operates under provisions of Chapter 17, Private Acts of 2005, which provides for a system of central accounting and budgeting covering funds administered by the county mayor and highway superintendent. These funds are maintained in the Office of Director of Accounts and Budgets.

**J. Purchasing Laws**

Office of County Mayor

Purchasing procedures for this 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 competitive bids on all purchases exceeding \$5,000 (\$10,000 effective May 10, 2007). Chapter 17, Private Acts of 2005, requires that purchases exceeding \$500 be approved in advance by the director of accounts and budgets.

Office of Highway Superintendent

Purchasing procedures for the Highway Department are governed by Chapter 17, Private Acts of 2005, and the Uniform Road Law, Section 54-7-113, TCA. Competitive bids are required to be solicited through newspaper advertisement for all purchases exceeding \$10,000, and purchases exceeding \$500 are required to have prior approval by the director of accounts and budgets.

Office of Director of Schools

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

Office of Board of Public Utilities

The utility has a general policy of requiring all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,990,586	\$ 5,215,736	\$ 5,515,736	\$ (525,150)
Licenses and Permits	173,034	166,500	166,500	6,534
Fines, Forfeitures, and Penalties	76,674	54,850	54,850	21,824
Charges for Current Services	1,077,169	1,099,594	1,108,594	(31,425)
Other Local Revenues	571,785	388,763	422,997	148,788
Fees Received from County Officials	1,367,730	1,209,500	1,209,500	158,230
State of Tennessee	859,850	895,598	817,230	42,620
Federal Government	443,692	192,776	370,472	73,220
Other Governments and Citizens Groups	46,518	40,002	40,252	6,266
Total Revenues	\$ 9,607,038	\$ 9,263,319	\$ 9,706,131	\$ (99,093)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 67,541	\$ 255,289	\$ 139,866	\$ 72,325
Board of Equalization	2,140	8,301	8,301	6,161
Beer Board	219	812	812	593
Budget and Finance Committee	2,117	4,324	4,324	2,207
Other Boards and Committees	10,107	11,884	11,884	1,777
County Mayor/Executive	125,012	126,446	127,438	2,426
County Attorney	18,445	20,545	32,766	14,321
Election Commission	154,234	172,996	180,576	26,342
Register of Deeds	203,165	213,473	214,356	11,191
Planning	8,500	8,500	8,500	0
Building	104,388	106,807	106,807	2,419
Codes Compliance	71,867	87,718	87,939	16,072
County Buildings	345,596	368,779	368,779	23,183
<u>Finance</u>				
Accounting and Budgeting	314,457	321,483	326,649	12,192
Property Assessor's Office	222,466	235,363	235,363	12,897
Reappraisal Program	125,662	117,859	143,424	17,762
County Trustee's Office	161,992	166,867	170,250	8,258
County Clerk's Office	293,138	296,293	299,409	6,271
<u>Administration of Justice</u>				
Circuit Court	328,744	335,847	337,523	8,779
General Sessions Court	132,303	121,996	132,994	691
Chancery Court	204,132	207,135	208,504	4,372
Juvenile Court	161,414	159,389	170,052	8,638
<u>Public Safety</u>				
Sheriff's Department	1,518,190	1,547,825	1,594,375	76,185
Jail	1,231,594	1,253,613	1,280,566	48,972
Civil Defense	446,145	460,614	521,765	75,620
County Coroner/Medical Examiner	52,018	51,812	62,916	10,898
Other Public Safety	648	610	660	12

(Continued)

Exhibit F-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 67,784	\$ 56,200	\$ 92,588	\$ 24,804
Rabies and Animal Control	41,556	53,324	53,324	11,768
Ambulance/Emergency Medical Services	2,180,484	2,242,328	2,227,328	46,844
Maternal and Child Health Services	7,849	9,000	9,000	1,151
Other Local Health Services	148,990	174,600	188,500	39,510
Regional Mental Health Center	27,700	27,700	27,700	0
Appropriation to State	20,100	20,100	20,100	0
Other Public Health and Welfare	53,162	59,162	59,162	6,000
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	85,945	85,000	85,945	0
Libraries	247,484	224,787	263,045	15,561
<u>Agriculture &amp; Natural Resources</u>				
Agriculture Extension Service	72,739	73,762	73,762	1,023
Forest Service	2,000	2,000	2,000	0
Soil Conservation	36,328	37,271	37,492	1,164
<u>Other Operations</u>				
Housing and Urban Development	121,457	125,897	125,897	4,440
Veterans' Services	29,719	29,891	31,818	2,099
Employee Benefits	2,154	16,500	16,500	14,346
Miscellaneous	120,570	227,850	187,700	67,130
Total Expenditures	\$ 9,572,255	\$ 10,127,952	\$ 10,278,659	\$ 706,404
Excess (Deficiency) of Revenues Over Expenditures	\$ 34,783	\$ (864,633)	\$ (572,528)	\$ 607,311
<u>Other Financing Sources (Uses)</u>				
Other Loans Issued	\$ 0	\$ 0	\$ 500	\$ (500)
Transfers Out	(15,000)	(300,000)	(15,000)	0
Total Other Financing Sources (Uses)	\$ (15,000)	\$ (300,000)	\$ (14,500)	\$ (500)
Net Change in Fund Balance	\$ 19,783	\$ (1,164,633)	\$ (587,028)	\$ 606,811
Fund Balance, July 1, 2006	1,811,736	1,852,458	1,852,458	(40,722)
Fund Balance, June 30, 2007	\$ 1,831,519	\$ 687,825	\$ 1,265,430	\$ 566,089

Exhibit F-2

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 746,434	\$ 668,239	\$ 668,239	\$ 78,195
Charges for Current Services	224	250	250	(26)
Other Local Revenues	78,870	15,000	55,519	23,351
State of Tennessee	1,727,585	2,118,400	2,142,126	(414,541)
Federal Government	0	0	21,178	(21,178)
Total Revenues	<u>\$ 2,553,113</u>	<u>\$ 2,801,889</u>	<u>\$ 2,887,312</u>	<u>\$ (334,199)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 172,370	\$ 177,650	\$ 181,650	\$ 9,280
Highway and Bridge Maintenance	1,392,816	1,438,689	1,428,103	35,287
Operation and Maintenance of Equipment	630,184	540,394	645,298	15,114
Other Charges	69,063	75,141	75,141	6,078
Employee Benefits	224,904	217,006	229,006	4,102
Capital Outlay	349,299	798,259	905,364	556,065
Total Expenditures	<u>\$ 2,838,636</u>	<u>\$ 3,247,139</u>	<u>\$ 3,464,562</u>	<u>\$ 625,926</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (285,523)</u>	<u>\$ (445,250)</u>	<u>\$ (577,250)</u>	<u>\$ 291,727</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 170,000	\$ 0	\$ 120,000	\$ 50,000
Notes Issued	0	60,000	60,000	(60,000)
Total Other Financing Sources (Uses)	<u>\$ 170,000</u>	<u>\$ 60,000</u>	<u>\$ 180,000</u>	<u>\$ (10,000)</u>
Net Change in Fund Balance	\$ (115,523)	\$ (385,250)	\$ (397,250)	\$ 281,727
Fund Balance, July 1, 2006	499,772	416,193	416,193	83,579
Fund Balance, June 30, 2007	<u>\$ 384,249</u>	<u>\$ 30,943</u>	<u>\$ 18,943</u>	<u>\$ 365,306</u>

Exhibit F-3

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

**Required Supplementary Information**  
Schedule of Funding Progress for Marshall County

(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	UAAL as a Percentage of Covered Payroll  ((b-a)/c)
6-30-05	\$ 16,857	\$ 17,922	\$ 1,065	94.06 %	\$ 9,015	11.81 %
6-30-03	14,543	15,742	1,199	92.38	7,915	15.15
6-30-01	12,698	14,046	1,348	90.40	7,014	19.22

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

**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 Marshall 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, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the Marshall 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.

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation and the recording of certain instruments. The proceeds of the tax must be used to pay for improvements or maintenance on the courthouse or jail.

Juvenile Services Fund – The Juvenile Services Fund is used to account for the costs of the delinquency prevention officer's grant, programs, and services.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for the Marshall/Maury Municipal Planning Region.

Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for the Joint Economic and Community Development Board.

Special Purpose Fund – The Special Purpose Fund is used to account for revenues received from hotel/motel taxes.

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

Other Special Revenue Fund – The Other Special Revenue Fund is used for hazardous materials education programs and the containment of spills.

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 Funds

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

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

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for industrial park projects.

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for highway-related expenditures of the county.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for debt issued by the county that is subsequently contributed to the discretely presented Marshall County School Department for general capital expenditures.

Exhibit G-1

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

	<u>Special Revenue Funds</u>					
	Courthouse and Jail Maintenance	Juvenile Services	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
<u>ASSETS</u>						
Equity in Pooled Cash and Investments	\$ 63,242	\$ 73,892	\$ 349,125	\$ 12,798	\$ 77,277	\$ 28,878
Accounts Receivable	1,708	4,538	39,954	0	12,600	563
Total Assets	<u>\$ 64,950</u>	<u>\$ 78,430</u>	<u>\$ 389,079</u>	<u>\$ 12,798</u>	<u>\$ 89,877</u>	<u>\$ 29,441</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 0	\$ 60,000	\$ 1,699	\$ 56	\$ 1,082	\$ 1,120
Accrued Payroll	0	0	4,607	2,076	0	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 60,000</u>	<u>\$ 6,306</u>	<u>\$ 2,132</u>	<u>\$ 1,082</u>	<u>\$ 1,120</u>
<u>Fund Balances</u>						
Unreserved	\$ 64,950	\$ 18,430	\$ 382,773	\$ 10,666	\$ 88,795	\$ 28,321
Total Fund Balances	<u>\$ 64,950</u>	<u>\$ 18,430</u>	<u>\$ 382,773</u>	<u>\$ 10,666</u>	<u>\$ 88,795</u>	<u>\$ 28,321</u>
Total Liabilities and Fund Balances	<u>\$ 64,950</u>	<u>\$ 78,430</u>	<u>\$ 389,079</u>	<u>\$ 12,798</u>	<u>\$ 89,877</u>	<u>\$ 29,441</u>

(Continued)

Exhibit G-1

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

	Special Revenue Funds (Cont.)		Capital Projects Funds				Total Nonmajor Governmental Funds
	Other Special Revenue	Total	General Capital Projects	Highway Capital Projects	Other Capital Projects	Total	
<u>ASSETS</u>							
Equity in Pooled Cash and Investments	\$ 23,520	\$ 628,732	\$ 1,169,093	\$ 117,324	\$ 450,000	\$ 1,736,417	\$ 2,365,149
Accounts Receivable	0	59,363	0	0	0	0	59,363
Total Assets	<u>\$ 23,520</u>	<u>\$ 688,095</u>	<u>\$ 1,169,093</u>	<u>\$ 117,324</u>	<u>\$ 450,000</u>	<u>\$ 1,736,417</u>	<u>\$ 2,424,512</u>
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 0	\$ 63,957	\$ 0	\$ 0	\$ 0	\$ 0	\$ 63,957
Accrued Payroll	0	6,683	0	0	0	0	6,683
Total Liabilities	<u>\$ 0</u>	<u>\$ 70,640</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 70,640</u>
<u>Fund Balances</u>							
Unreserved	\$ 23,520	\$ 617,455	\$ 1,169,093	\$ 117,324	\$ 450,000	\$ 1,736,417	\$ 2,353,872
Total Fund Balances	<u>\$ 23,520</u>	<u>\$ 617,455</u>	<u>\$ 1,169,093</u>	<u>\$ 117,324</u>	<u>\$ 450,000</u>	<u>\$ 1,736,417</u>	<u>\$ 2,353,872</u>
Total Liabilities and Fund Balances	<u>\$ 23,520</u>	<u>\$ 688,095</u>	<u>\$ 1,169,093</u>	<u>\$ 117,324</u>	<u>\$ 450,000</u>	<u>\$ 1,736,417</u>	<u>\$ 2,424,512</u>

Exhibit G-2

Marshall 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						
	Courthouse and Jail Maintenance	Juvenile Services	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Other Special Revenue
<u>Revenues</u>							
Local Taxes	\$ 22,642	\$ 0	\$ 0	\$ 0	\$ 133,127	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	50,173	0	0	0	3,265	0
Charges for Current Services	0	0	306,989	0	0	0	0
Other Local Revenues	1,526	0	53,045	1,850	0	250	0
State of Tennessee	0	0	51,638	0	0	0	0
Other Governments and Citizens Groups	0	0	0	23,127	0	0	0
Total Revenues	\$ 24,168	\$ 50,173	\$ 411,672	\$ 24,977	\$ 133,127	\$ 3,515	\$ 0
<u>Expenditures</u>							
Current:							
General Government	\$ 39,330	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Administration of Justice	0	65,535	0	0	0	0	0
Public Safety	0	0	0	0	0	5,881	1,218
Public Health and Welfare	0	0	446,667	0	0	0	0
Other Operations	0	0	0	78,233	23,880	0	0
Capital Projects	0	0	0	0	0	0	0
Total Expenditures	\$ 39,330	\$ 65,535	\$ 446,667	\$ 78,233	\$ 23,880	\$ 5,881	\$ 1,218
Excess (Deficiency) of Revenues Over Expenditures	\$ (15,162)	\$ (15,362)	\$ (34,995)	\$ (53,256)	\$ 109,247	\$ (2,366)	\$ (1,218)
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Loans Issued	0	0	0	0	0	0	0
Transfers In	0	0	0	54,373	0	0	0
Transfers Out	0	0	0	0	(54,373)	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 54,373	\$ (54,373)	\$ 0	\$ 0
Net Change in Fund Balances	\$ (15,162)	\$ (15,362)	\$ (34,995)	\$ 1,117	\$ 54,874	\$ (2,366)	\$ (1,218)
Fund Balance, July 1, 2006	80,112	33,792	417,768	9,549	33,921	30,687	24,738
Fund Balance, June 30, 2007	\$ 64,950	\$ 18,430	\$ 382,773	\$ 10,666	\$ 88,795	\$ 28,321	\$ 23,520

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)		Capital Projects Funds					Total Nonmajor Governmental Funds
	Constitu- tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>								
Local Taxes	\$ 0	\$ 155,769	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 155,769
Fines, Forfeitures, and Penalties	0	53,438	0	0	0	0	0	53,438
Charges for Current Services	1,706	308,695	0	0	0	0	0	308,695
Other Local Revenues	0	56,671	0	17,806	0	0	17,806	74,477
State of Tennessee	0	51,638	0	0	0	0	0	51,638
Other Governments and Citizens Groups	0	23,127	0	63,875	0	0	63,875	87,002
<b>Total Revenues</b>	<b>\$ 1,706</b>	<b>\$ 649,338</b>	<b>\$ 0</b>	<b>\$ 81,681</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 81,681</b>	<b>\$ 731,019</b>
<u>Expenditures</u>								
Current:								
General Government	\$ 0	\$ 39,330	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,330
Administration of Justice	1,706	67,241	0	0	0	0	0	67,241
Public Safety	0	7,099	0	0	0	0	0	7,099
Public Health and Welfare	0	446,667	0	0	0	0	0	446,667
Other Operations	0	102,113	0	0	0	0	0	102,113
Capital Projects	0	0	30,907	1,005,840	213,188	350,000	1,599,935	1,599,935
<b>Total Expenditures</b>	<b>\$ 1,706</b>	<b>\$ 662,450</b>	<b>\$ 30,907</b>	<b>\$ 1,005,840</b>	<b>\$ 213,188</b>	<b>\$ 350,000</b>	<b>\$ 1,599,935</b>	<b>\$ 2,262,385</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (13,112)	\$ (30,907)	\$ (924,159)	\$ (213,188)	\$ (350,000)	\$ (1,518,254)	\$ (1,531,366)
<u>Other Financing Sources (Uses)</u>								
Bonds Issued	\$ 0	\$ 0	\$ 1,200,000	\$ 0	\$ 275,000	\$ 800,000	\$ 2,275,000	\$ 2,275,000
Other Loans Issued	0	0	0	794,900	0	0	794,900	794,900
Transfers In	0	54,373	0	15,000	0	0	15,000	69,373
Transfers Out	0	(54,373)	0	0	0	0	0	(54,373)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,200,000</b>	<b>\$ 809,900</b>	<b>\$ 275,000</b>	<b>\$ 800,000</b>	<b>\$ 3,084,900</b>	<b>\$ 3,084,900</b>
Net Change in Fund Balances	\$ 0	\$ (13,112)	\$ 1,169,093	\$ (114,259)	\$ 61,812	\$ 450,000	\$ 1,566,646	\$ 1,553,534
Fund Balance, July 1, 2006	0	630,567	0	114,259	55,512	0	169,771	800,338
<b>Fund Balance, June 30, 2007</b>	<b>\$ 0</b>	<b>\$ 617,455</b>	<b>\$ 1,169,093</b>	<b>\$ 0</b>	<b>\$ 117,324</b>	<b>\$ 450,000</b>	<b>\$ 1,736,417</b>	<b>\$ 2,353,872</b>

Exhibit G-3

Marshall County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Courthouse & Jail Maintenance Fund  
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 22,642	\$ 20,000	\$ 20,000	\$ 2,642
Other Local Revenues	1,526	0	0	1,526
Total Revenues	<u>\$ 24,168</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 4,168</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 39,330	\$ 56,200	\$ 56,200	\$ 16,870
Total Expenditures	<u>\$ 39,330</u>	<u>\$ 56,200</u>	<u>\$ 56,200</u>	<u>\$ 16,870</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (15,162)</u>	<u>\$ (36,200)</u>	<u>\$ (36,200)</u>	<u>\$ 21,038</u>
Net Change in Fund Balance	\$ (15,162)	\$ (36,200)	\$ (36,200)	\$ 21,038
Fund Balance, July 1, 2006	<u>80,112</u>	<u>79,634</u>	<u>79,634</u>	<u>478</u>
Fund Balance, June 30, 2007	<u><u>\$ 64,950</u></u>	<u><u>\$ 43,434</u></u>	<u><u>\$ 43,434</u></u>	<u><u>\$ 21,516</u></u>

Exhibit G-4

Marshall County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Juvenile Services Fund  
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 50,173	\$ 75,000	\$ 75,000	\$ (24,827)
Total Revenues	\$ 50,173	\$ 75,000	\$ 75,000	\$ (24,827)
<u>Expenditures</u>				
<u>Administration of Justice</u>				
Juvenile Court	\$ 65,535	\$ 104,894	\$ 104,894	\$ 39,359
Total Expenditures	\$ 65,535	\$ 104,894	\$ 104,894	\$ 39,359
Excess (Deficiency) of Revenues Over Expenditures	\$ (15,362)	\$ (29,894)	\$ (29,894)	\$ 14,532
Net Change in Fund Balance	\$ (15,362)	\$ (29,894)	\$ (29,894)	\$ 14,532
Fund Balance, July 1, 2006	33,792	33,792	33,792	0
Fund Balance, June 30, 2007	\$ 18,430	\$ 3,898	\$ 3,898	\$ 14,532

Exhibit G-5

Marshall 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		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 306,989	\$ 400,000	\$ 400,000	\$ (93,011)
Other Local Revenues	53,045	15,000	15,000	38,045
State of Tennessee	51,638	61,557	61,557	(9,919)
Total Revenues	<u>\$ 411,672</u>	<u>\$ 476,557</u>	<u>\$ 476,557</u>	<u>\$ (64,885)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 435,633	\$ 549,679	\$ 549,679	\$ 114,046
Waste Pickup	11,034	28,761	28,761	17,727
Total Expenditures	<u>\$ 446,667</u>	<u>\$ 578,440</u>	<u>\$ 578,440</u>	<u>\$ 131,773</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (34,995)</u>	<u>\$ (101,883)</u>	<u>\$ (101,883)</u>	<u>\$ 66,888</u>
Net Change in Fund Balance	\$ (34,995)	\$ (101,883)	\$ (101,883)	\$ 66,888
Fund Balance, July 1, 2006	<u>417,768</u>	<u>412,981</u>	<u>412,981</u>	<u>4,787</u>
Fund Balance, June 30, 2007	<u>\$ 382,773</u>	<u>\$ 311,098</u>	<u>\$ 311,098</u>	<u>\$ 71,675</u>

Exhibit G-6

Marshall County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Industrial/Economic Development Fund  
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 1,850	\$ 0	\$ 1,800	\$ 50
Other Governments and Citizens Groups	23,127	72,502	23,129	(2)
<b>Total Revenues</b>	<b>\$ 24,977</b>	<b>\$ 72,502</b>	<b>\$ 24,929</b>	<b>\$ 48</b>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Economic and Community Development	\$ 78,233	\$ 72,500	\$ 79,300	\$ 1,067
<b>Total Expenditures</b>	<b>\$ 78,233</b>	<b>\$ 72,500</b>	<b>\$ 79,300</b>	<b>\$ 1,067</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (53,256)	\$ 2	\$ (54,371)	\$ 1,115
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 54,373	\$ 0	\$ 54,373	\$ 0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 54,373</b>	<b>\$ 0</b>	<b>\$ 54,373</b>	<b>\$ 0</b>
Net Change in Fund Balance	\$ 1,117	\$ 2	\$ 2	\$ 1,115
Fund Balance, July 1, 2006	9,549	9,382	9,382	167
<b>Fund Balance, June 30, 2007</b>	<b>\$ 10,666</b>	<b>\$ 9,384</b>	<b>\$ 9,384</b>	<b>\$ 1,282</b>

Exhibit G-7

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 133,127	\$ 80,000	\$ 80,000	\$ 53,127
Total Revenues	\$ 133,127	\$ 80,000	\$ 80,000	\$ 53,127
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Economic and Community Development	\$ 23,880	\$ 37,300	\$ 37,300	\$ 13,420
Total Expenditures	\$ 23,880	\$ 37,300	\$ 37,300	\$ 13,420
Excess (Deficiency) of Revenues Over Expenditures	\$ 109,247	\$ 42,700	\$ 42,700	\$ 66,547
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (54,373)	\$ (49,373)	\$ (54,373)	\$ 0
Total Other Financing Sources (Uses)	\$ (54,373)	\$ (49,373)	\$ (54,373)	\$ 0
Net Change in Fund Balance	\$ 54,874	\$ (6,673)	\$ (11,673)	\$ 66,547
Fund Balance, July 1, 2006	33,921	23,792	23,792	10,129
Fund Balance, June 30, 2007	\$ 88,795	\$ 17,119	\$ 12,119	\$ 76,676

Exhibit G-8

Marshall 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		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 3,265	\$ 2,700	\$ 2,700	\$ 565
Other Local Revenues	250	0	0	250
Total Revenues	<u>\$ 3,515</u>	<u>\$ 2,700</u>	<u>\$ 2,700</u>	<u>\$ 815</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 5,881	\$ 16,750	\$ 16,750	\$ 10,869
Total Expenditures	<u>\$ 5,881</u>	<u>\$ 16,750</u>	<u>\$ 16,750</u>	<u>\$ 10,869</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,366)</u>	<u>\$ (14,050)</u>	<u>\$ (14,050)</u>	<u>\$ 11,684</u>
Net Change in Fund Balance	\$ (2,366)	\$ (14,050)	\$ (14,050)	\$ 11,684
Fund Balance, July 1, 2006	<u>30,687</u>	<u>30,686</u>	<u>30,686</u>	<u>1</u>
Fund Balance, June 30, 2007	<u><u>\$ 28,321</u></u>	<u><u>\$ 16,636</u></u>	<u><u>\$ 16,636</u></u>	<u><u>\$ 11,685</u></u>

Exhibit G-9

Marshall County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Other Special Revenue Fund  
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>				
<u>Public Safety</u>				
Other Emergency Management	\$ 1,218	\$ 3,400	\$ 3,400	\$ 2,182
Total Expenditures	\$ 1,218	\$ 3,400	\$ 3,400	\$ 2,182
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,218)	\$ (3,400)	\$ (3,400)	\$ 2,182
Net Change in Fund Balance	\$ (1,218)	\$ (3,400)	\$ (3,400)	\$ 2,182
Fund Balance, July 1, 2006	24,738	24,738	24,738	0
Fund Balance, June 30, 2007	\$ 23,520	\$ 21,338	\$ 21,338	\$ 2,182

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit H

Marshall 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		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,645,816	\$ 3,459,900	\$ 3,459,900	\$ 185,916
Other Local Revenues	600,184	236,000	236,000	364,184
State of Tennessee	21,173	21,000	21,000	173
Total Revenues	<u>\$ 4,267,173</u>	<u>\$ 3,716,900</u>	<u>\$ 3,716,900</u>	<u>\$ 550,273</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 636,541	\$ 636,541	\$ 636,541	\$ 0
Highways and Streets	494,356	389,359	494,359	3
Education	2,059,303	2,039,306	2,059,306	3
<u>Interest on Debt</u>				
General Government	431,779	465,797	477,338	45,559
Highways and Streets	72,520	69,268	74,014	1,494
Education	1,188,955	1,182,040	1,214,929	25,974
<u>Other Debt Service</u>				
General Government	53,640	93,667	93,667	40,027
Highways and Streets	522	5,867	5,867	5,345
Education	4,295	39,667	39,667	35,372
Total Expenditures	<u>\$ 4,941,911</u>	<u>\$ 4,921,512</u>	<u>\$ 5,095,688</u>	<u>\$ 153,777</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (674,738)</u>	<u>\$ (1,204,612)</u>	<u>\$ (1,378,788)</u>	<u>\$ 704,050</u>
Net Change in Fund Balance	\$ (674,738)	\$ (1,204,612)	\$ (1,378,788)	\$ 704,050
Fund Balance, July 1, 2006	6,089,242	6,091,958	6,091,958	(2,716)
Fund Balance, June 30, 2007	<u>\$ 5,414,504</u>	<u>\$ 4,887,346</u>	<u>\$ 4,713,170</u>	<u>\$ 701,334</u>

# Fiduciary Funds

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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.

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

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

Exhibit I-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,293,906	\$ 1,293,906
Due from Other Governments	286,897	0	286,897
Total Assets	<u>\$ 286,897</u>	<u>\$ 1,293,906</u>	<u>\$ 1,580,803</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 286,897	\$ 0	\$ 286,897
Due to Litigants, Heirs, and Others	0	1,293,906	1,293,906
Total Liabilities	<u>\$ 286,897</u>	<u>\$ 1,293,906</u>	<u>\$ 1,580,803</u>

Exhibit I-2

Marshall 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
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,567,649	\$ 1,567,649	\$ 0
Due from Other Governments	257,714	286,897	257,714	286,897
Total Assets	\$ 257,714	\$ 1,854,546	\$ 1,825,363	\$ 286,897
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 257,714	\$ 1,854,546	\$ 1,825,363	\$ 286,897
Total Liabilities	\$ 257,714	\$ 1,854,546	\$ 1,825,363	\$ 286,897
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 788,964	\$ 7,401,232	\$ 6,896,290	\$ 1,293,906
Total Assets	\$ 788,964	\$ 7,401,232	\$ 6,896,290	\$ 1,293,906
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 788,964	\$ 7,401,232	\$ 6,896,290	\$ 1,293,906
Total Liabilities	\$ 788,964	\$ 7,401,232	\$ 6,896,290	\$ 1,293,906
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 788,964	\$ 7,401,232	\$ 6,896,290	\$ 1,293,906
Equity in Pooled Cash and Investments	0	1,567,649	1,567,649	0
Due from Other Governments	257,714	286,897	257,714	286,897
Total Assets	\$ 1,046,678	\$ 9,255,778	\$ 8,721,653	\$ 1,580,803
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 257,714	\$ 1,854,546	\$ 1,825,363	\$ 286,897
Due to Litigants, Heirs, and Others	788,964	7,401,232	6,896,290	1,293,906
Total Liabilities	\$ 1,046,678	\$ 9,255,778	\$ 8,721,653	\$ 1,580,803

# Marshall County School Department

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

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

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

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

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for School Department construction, renovation projects, and other capital purchases.

Exhibit J-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Total
					Governmental
					Activities
Governmental Activities:					
Instruction	\$ 20,335,055	\$ 0	\$ 1,919,448	\$ 0	\$ (18,415,607)
Support Services	11,824,100	97,244	26,499	2,818,590	(8,881,767)
Operation of Non-Instructional Services	2,508,263	1,220,646	1,111,425	0	(176,192)
<b>Total Governmental Activities</b>	<b>\$ 34,667,418</b>	<b>\$ 1,317,890</b>	<b>\$ 3,057,372</b>	<b>\$ 2,818,590</b>	<b>\$ (27,473,566)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 8,905,615
Local Option Sales Tax					1,934,947
Other Local Taxes					4,508
Grants and Contributions Not Restricted to Specific Programs					18,713,673
Unrestricted Investment Earnings					40,907
Miscellaneous					51,092
<b>Total General Revenues</b>					<b>\$ 29,650,742</b>
Change in Net Assets					\$ 2,177,176
Net Assets, July 1, 2006					49,925,987
Net Assets, June 30, 2007					<b>\$ 52,103,163</b>

Exhibit J-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>Education Capital Projects</u>	<u>Funds Other Governmental Funds</u>	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,750	\$ 1,750
Equity in Pooled Cash and Investments	2,711,809	1,120,812	133,018	3,965,639
Accounts Receivable	0	0	107,758	107,758
Due from Other Governments	368,565	0	0	368,565
Due from Other Funds	0	0	5,450	5,450
Property Taxes Receivable	8,688,540	0	0	8,688,540
Allowance for Uncollectible Property Taxes	(156,357)	0	0	(156,357)
Prepaid Items	152,343	0	0	152,343
<b>Total Assets</b>	<b>\$ 11,764,900</b>	<b>\$ 1,120,812</b>	<b>\$ 247,976</b>	<b>\$ 13,133,688</b>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accrued Payroll	\$ 2,526	\$ 0	\$ 0	\$ 2,526
Payroll Deductions Payable	807,077	0	0	807,077
Contracts Payable	0	33,466	0	33,466
Due to Other Funds	5,450	0	0	5,450
Deferred Revenue - Current Property Taxes	8,207,663	0	0	8,207,663
Deferred Revenue - Delinquent Property Taxes	311,208	0	0	311,208
Other Deferred Revenues	172,000	0	0	172,000
<b>Total Liabilities</b>	<b>\$ 9,505,924</b>	<b>\$ 33,466</b>	<b>\$ 0</b>	<b>\$ 9,539,390</b>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 146,836	\$ 105,759	\$ 327	\$ 252,922
Reserved for Career Ladder - Extended Contract	20,664	0	0	20,664
Reserved for Career Ladder Program	6,339	0	0	6,339
Reserved for Title I Grants to Local Education Agencies	0	0	6,462	6,462
Reserved for Special Education - Grants to States	0	0	117,765	117,765
Other Federal Reserves	0	0	2,873	2,873
Unreserved, Reported In:				
General Fund	2,085,137	0	0	2,085,137
Special Revenue Funds	0	0	120,549	120,549
Capital Projects Funds	0	981,587	0	981,587
<b>Total Fund Balances</b>	<b>\$ 2,258,976</b>	<b>\$ 1,087,346</b>	<b>\$ 247,976</b>	<b>\$ 3,594,298</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,764,900</b>	<b>\$ 1,120,812</b>	<b>\$ 247,976</b>	<b>\$ 13,133,688</b>

Exhibit J-3

Marshall County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets  
Discretely Presented Marshall 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)		\$	3,594,298
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,312,249	
Add: construction in progress		6,952,912	
Add: buildings and improvements net of accumulated depreciation		36,734,049	
Add: other capital assets net of accumulated depreciation		<u>2,077,972</u>	48,077,182
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			483,208
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable			<u>(51,525)</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>52,103,163</u></u>

Exhibit J-4

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

	Major Funds		Nonmajor	Total
	General Purpose School	Education Capital Projects	Funds Other Govern-mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 10,948,464	\$ 0	\$ 0	\$ 10,948,464
Licenses and Permits	2,176	0	0	2,176
Charges for Current Services	95,739	0	1,220,646	1,316,385
Other Local Revenues	74,973	35,500	5,434	115,907
State of Tennessee	18,517,952	0	29,329	18,547,281
Federal Government	81,958	0	2,899,363	2,981,321
Other Governments and Citizens Groups	350,000	2,468,590	0	2,818,590
Total Revenues	<u>\$ 30,071,262</u>	<u>\$ 2,504,090</u>	<u>\$ 4,154,772</u>	<u>\$ 36,730,124</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 18,739,243	\$ 0	\$ 1,486,111	\$ 20,225,354
Support Services	10,812,628	0	572,685	11,385,313
Operation of Non-Instructional Services	0	0	2,384,826	2,384,826
Capital Outlay	160,794	0	0	160,794
Capital Projects	0	7,619,894	0	7,619,894
Total Expenditures	<u>\$ 29,712,665</u>	<u>\$ 7,619,894</u>	<u>\$ 4,443,622</u>	<u>\$ 41,776,181</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ 358,597</u>	<u>\$ (5,115,804)</u>	<u>\$ (288,850)</u>	<u>\$ (5,046,057)</u>
Net Change in Fund Balances	\$ 358,597	\$ (5,115,804)	\$ (288,850)	\$ (5,046,057)
Fund Balance, July 1, 2006	<u>1,900,379</u>	<u>6,203,150</u>	<u>536,826</u>	<u>8,640,355</u>
Fund Balance, June 30, 2007	<u>\$ 2,258,976</u>	<u>\$ 1,087,346</u>	<u>\$ 247,976</u>	<u>\$ 3,594,298</u>

Exhibit J-5

Marshall County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Marshall 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)		\$ (5,046,057)
(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	\$ 8,823,679	
Less: current year depreciation expense	<u>(1,634,944)</u>	7,188,735
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets		(1,133)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2006	\$ (456,515)	
Add: deferred delinquent property taxes and other deferred June 30, 2007	<u>483,208</u>	26,693
(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 compensated absences		<u>8,938</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 2,177,176</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,750	\$ 1,750
Equity in Pooled Cash and Investments	121,650	11,368	133,018
Accounts Receivable	0	107,758	107,758
Due from Other Funds	5,450	0	5,450
Total Assets	<u>\$ 127,100</u>	<u>\$ 120,876</u>	<u>\$ 247,976</u>
<u>FUND BALANCES</u>			
Reserved for Encumbrances	\$ 0	\$ 327	\$ 327
Reserved for Title I Grants to Local Education Agencies	6,462	0	6,462
Reserved for Special Education - Grants to States	117,765	0	117,765
Other Federal Reserves	2,873	0	2,873
Unreserved	0	120,549	120,549
Total Fund Balances	<u>\$ 127,100</u>	<u>\$ 120,876</u>	<u>\$ 247,976</u>

Exhibit J-7

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

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 1,220,646	\$ 1,220,646
Other Local Revenues	0	5,434	5,434
State of Tennessee	0	29,329	29,329
Federal Government	1,906,917	992,446	2,899,363
Total Revenues	<u>\$ 1,906,917</u>	<u>\$ 2,247,855</u>	<u>\$ 4,154,772</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,486,111	\$ 0	\$ 1,486,111
Support Services	572,685	0	572,685
Operation of Non-Instructional Services	0	2,384,826	2,384,826
Total Expenditures	<u>\$ 2,058,796</u>	<u>\$ 2,384,826</u>	<u>\$ 4,443,622</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (151,879)</u>	<u>\$ (136,971)</u>	<u>\$ (288,850)</u>
Net Change in Fund Balances	\$ (151,879)	\$ (136,971)	\$ (288,850)
Fund Balance, July 1, 2006	278,979	257,847	536,826
Fund Balance, June 30, 2007	<u>\$ 127,100</u>	<u>\$ 120,876</u>	<u>\$ 247,976</u>

Exhibit J-8

Marshall County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Marshall 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		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 10,948,464	\$ 0	\$ 0	\$ 10,948,464	\$ 10,507,000	\$ 10,507,000	\$ 441,464
Licenses and Permits	2,176	0	0	2,176	3,000	3,000	(824)
Charges for Current Services	95,739	0	0	95,739	60,750	60,750	34,989
Other Local Revenues	74,973	0	0	74,973	71,500	71,500	3,473
State of Tennessee	18,517,952	0	0	18,517,952	17,780,000	18,233,998	283,954
Federal Government	81,958	0	0	81,958	78,204	78,204	3,754
Other Governments and Citizens Groups	350,000	0	0	350,000	0	350,000	0
<b>Total Revenues</b>	<b>\$ 30,071,262</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 30,071,262</b>	<b>\$ 28,500,454</b>	<b>\$ 29,304,452</b>	<b>\$ 766,810</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 15,728,604	\$ (15,215)	\$ 74,741	\$ 15,788,130	\$ 15,722,767	\$ 16,080,233	\$ 292,103
Alternative Instruction Program	62,950	0	0	62,950	62,950	63,243	293
Special Education Program	1,807,924	0	0	1,807,924	1,857,288	1,864,903	56,979
Vocational Education Program	1,103,782	(4,671)	0	1,099,111	1,160,328	1,165,600	66,489
Adult Education Program	35,983	0	0	35,983	50,998	50,998	15,015
<u>Support Services</u>							
Attendance	111,821	0	8,690	120,511	156,304	156,451	35,940
Health Services	138,320	0	0	138,320	140,313	140,313	1,993
Other Student Support	663,286	(110)	10	663,186	677,338	706,766	43,580
Regular Instruction Program	990,873	0	8,205	999,078	967,562	1,012,369	13,291
Special Education Program	81,435	0	0	81,435	81,209	81,794	359
Vocational Education Program	90,114	0	0	90,114	91,976	92,269	2,155
Adult Programs	87,539	0	0	87,539	90,221	90,514	2,975
Board of Education	545,114	0	0	545,114	569,602	569,602	24,488
Director of Schools	132,788	0	0	132,788	134,981	135,274	2,486

(Continued)

Exhibit J-8

Marshall County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Marshall 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		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Office of the Principal	\$ 1,783,857	\$ (1,451)	\$ 1,215	\$ 1,783,621	\$ 1,784,119	\$ 1,787,927	\$ 4,306
Fiscal Services	207,395	0	0	207,395	217,457	219,457	12,062
Operation of Plant	2,747,179	0	0	2,747,179	2,711,445	2,761,445	14,266
Maintenance of Plant	1,111,829	(1,183)	16,110	1,126,756	1,074,954	1,133,954	7,198
Transportation	1,840,821	0	0	1,840,821	1,804,103	1,849,103	8,282
Central and Other	280,257	0	800	281,057	295,455	295,455	14,398
<u>Capital Outlay</u>							
Regular Capital Outlay	160,794	0	37,065	197,859	200,000	200,000	2,141
Total Expenditures	\$ 29,712,665	\$ (22,630)	\$ 146,836	\$ 29,836,871	\$ 29,851,370	\$ 30,457,670	\$ 620,799
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 358,597	\$ 22,630	\$ (146,836)	\$ 234,391	\$ (1,350,916)	\$ (1,153,218)	\$ 1,387,609
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 350,000	\$ 0	\$ 0
Transfers In	0	0	0	0	12,000	12,000	(12,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 362,000	\$ 12,000	\$ (12,000)
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2006	\$ 1,900,379	(22,630)	(146,836)	\$ 1,877,749	\$ (988,916)	\$ (1,141,218)	\$ (26,960)
Fund Balance, June 30, 2007	\$ 2,258,976	\$ 0	\$ (146,836)	\$ 2,112,140	\$ 915,793	\$ 763,491	\$ 1,348,649

Exhibit J-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,906,917	\$ 1,056,366	\$ 2,033,137	\$ (126,220)
Total Revenues	\$ 1,906,917	\$ 1,056,366	\$ 2,033,137	\$ (126,220)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 760,185	\$ 764,319	\$ 784,319	\$ 24,134
Special Education Program	717,926	160,431	831,237	113,311
Vocational Education Program	8,000	8,000	8,000	0
<u>Support Services</u>				
Other Student Support	104,133	87,159	110,484	6,351
Regular Instruction Program	136,254	184,393	164,393	28,139
Special Education Program	278,326	115,189	334,089	55,763
Vocational Education Program	3,978	3,978	3,978	0
Transportation	49,994	11,876	52,443	2,449
Total Expenditures	\$ 2,058,796	\$ 1,335,345	\$ 2,288,943	\$ 230,147
Excess (Deficiency) of Revenues Over Expenditures	\$ (151,879)	\$ (278,979)	\$ (255,806)	\$ 103,927
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 20,000	\$ (20,000)
Transfers Out	0	0	(43,173)	43,173
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ (23,173)	\$ 23,173
Net Change in Fund Balance	\$ (151,879)	\$ (278,979)	\$ (278,979)	\$ 127,100
Fund Balance, July 1, 2006	278,979	278,979	278,979	0
Fund Balance, June 30, 2007	\$ 127,100	\$ 0	\$ 0	\$ 127,100

Exhibit J-10

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,220,646	\$ 0	\$ 1,220,646	\$ 1,192,830	\$ 1,224,830	\$ (4,184)
Other Local Revenues	5,434	0	5,434	3,308	3,308	2,126
State of Tennessee	29,329	0	29,329	28,971	28,971	358
Federal Government	992,446	0	992,446	907,891	980,891	11,555
Total Revenues	<u>\$ 2,247,855</u>	<u>\$ 0</u>	<u>\$ 2,247,855</u>	<u>\$ 2,133,000</u>	<u>\$ 2,238,000</u>	<u>\$ 9,855</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 2,384,826	\$ 327	\$ 2,385,153	\$ 2,302,864	\$ 2,407,865	\$ 22,712
Total Expenditures	<u>\$ 2,384,826</u>	<u>\$ 327</u>	<u>\$ 2,385,153</u>	<u>\$ 2,302,864</u>	<u>\$ 2,407,865</u>	<u>\$ 22,712</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (136,971)</u>	<u>\$ (327)</u>	<u>\$ (137,298)</u>	<u>\$ (169,864)</u>	<u>\$ (169,865)</u>	<u>\$ 32,567</u>
Net Change in Fund Balance	\$ (136,971)	\$ (327)	\$ (137,298)	\$ (169,864)	\$ (169,865)	\$ 32,567
Fund Balance, July 1, 2006	257,847	0	257,847	269,956	269,956	(12,109)
Fund Balance, June 30, 2007	<u>\$ 120,876</u>	<u>\$ (327)</u>	<u>\$ 120,549</u>	<u>\$ 100,092</u>	<u>\$ 100,091</u>	<u>\$ 20,458</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit K-1

Marshall County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, and Bonds  
Primary Government and Discretely Presented Marshall County Board of Public Utilities  
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
<b>PRIMARY GOVERNMENT</b>								
<b>NOTES PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
School Refunding	\$ 1,050,000	4.15 %	12-1-01	5-1-12	\$ 625,000	\$ 0	\$ 95,000	\$ 530,000
General Projects (52%), Education (25%), and Highway (23%)	2,700,000	3.36	12-1-02	12-14-14	2,110,000	0	205,000	1,905,000
Road Construction (Highway)	1,000,000	3.75	2-21-06	3-1-09	1,000,000	0	320,000	680,000
General Projects (28%), Education (48%), and Highway (24%)	1,275,000	3.9	3-10-06	3-1-18	1,275,000	0	85,000	1,190,000
Total Notes Payable					<u>\$ 5,010,000</u>	<u>\$ 0</u>	<u>\$ 705,000</u>	<u>\$ 4,305,000</u>
<b>OTHER LOANS PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
General Projects (81%), Schools (19%)	2,200,000	variable	4-17-1996	5-25-09	\$ 584,100	\$ 0	\$ 185,200	\$ 398,900
Schools	1,980,000	variable	11-25-1996	5-25-11	882,000	0	158,000	724,000
Courthouse Renovations	1,500,000	variable	1-22-1998	5-25-13	844,000	0	103,000	741,000
Schools, Highway, and EMS Projects	(1)	variable	6-16-05	5-25-33	433,000	794,900	44,000	1,183,900
Total Other Loans Payable					<u>\$ 2,743,100</u>	<u>\$ 794,900</u>	<u>\$ 490,200</u>	<u>\$ 3,047,800</u>
<b>BONDS PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
School Refunding	6,110,000	3.3 to 3.9	3-1-1999	3-1-09	\$ 1,615,000	\$ 0	\$ 740,000	\$ 875,000
School Bonds	8,300,000	4.75 to 5	12-1-00	12-1-20	350,000	0	110,000	240,000
School Bonds	5,900,000	4.4 to 4.5	1-1-01	12-1-20	5,370,000	0	125,000	5,245,000
School Bonds	2,430,000	3.25 to 4	9-1-01	9-1-13	2,015,000	0	115,000	1,900,000
General Obligation Bond	8,000,000	2 to 4.5	9-1-03	3-1-28	7,210,000	0	220,000	6,990,000
School Refunding	4,995,000	2.1 to 4.25	7-7-04	4-1-13	4,045,000	0	495,000	3,550,000
School Refunding	7,975,000	3.47	3-17-05	6-1-20	7,970,000	0	65,000	7,905,000
School Bonds	7,050,000	3.7	1-1-06	5-1-31	7,050,000	0	0	7,050,000
General Obligation Bond	5,000,000	3.63 to 4	6-1-07	6-1-31	0	5,000,000	125,000	4,875,000
Total Bonds Payable					<u>\$ 35,625,000</u>	<u>\$ 5,000,000</u>	<u>\$ 1,995,000</u>	<u>\$ 38,630,000</u>

(Continued)

Exhibit K-1

Marshall County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, and Bonds  
Primary Government and Discretely Presented Marshall County Board of Public Utilities (Cont.)

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
<u>DISCRETELY PRESENTED MARSHALL COUNTY BOARD OF PUBLIC UTILITIES</u>								
<u>WATER REVENUE AND TAX BONDS PAYABLE</u>								
FHA	\$ 625,000	5.00	% 5-1-1981	5-7-09	\$ 120,600	\$ 0	\$ 70,000	\$ 50,600
FHA	188,000	4.63	2-20-03	3-20-41	181,326	0	2,195	179,131
FHA	849,000	4.38	6-22-04	6-22-42	830,526	0	9,806	820,720
FHA	667,000	4.50	3-17-06	3-17-44	665,373	0	6,943	658,430
Total					<u>\$ 1,797,825</u>	<u>\$ 0</u>	<u>\$ 88,944</u>	<u>\$ 1,708,881</u>

(1) Total amount available for draws from the Montgomery County Public Building Authority is \$429,100 of an authorized \$2,000,000.

Exhibit K-2

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

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2008	\$ 2,255,000	\$ 1,455,702	\$ 3,710,702
2009	2,245,000	1,376,196	3,621,196
2010	2,275,000	1,289,940	3,564,940
2011	2,350,000	1,208,382	3,558,382
2012	2,445,000	1,121,626	3,566,626
2013	2,080,000	1,029,275	3,109,275
2014	2,000,000	948,900	2,948,900
2015	1,710,000	878,464	2,588,464
2016	1,780,000	812,850	2,592,850
2017	1,860,000	744,114	2,604,114
2018	1,930,000	672,205	2,602,205
2019	2,010,000	596,743	2,606,743
2020	2,100,000	518,028	2,618,028
2021	2,190,000	435,311	2,625,311
2022	905,000	375,680	1,280,680
2023	940,000	339,890	1,279,890
2024	985,000	302,318	1,287,318
2025	1,025,000	262,141	1,287,141
2026	1,065,000	220,316	1,285,316
2027	1,120,000	176,834	1,296,834
2028	1,170,000	131,130	1,301,130
2029	700,000	83,358	783,358
2030	730,000	56,960	786,960
2031	760,000	29,050	789,050
Total	\$ 38,630,000	\$ 15,065,413	\$ 53,695,413

Exhibit K-3

Marshall County, Tennessee  
Schedule of Bond and Interest Requirements by Year  
Discretely Presented Marshall County Board of Public Utilities

Year Ending June 30	(1) \$667,000 Issue Principal Requirements	(1) \$849,000 Issue Principal Requirements	(1) \$188,000 Issue Principal Requirements	\$625,000 Issue Principal Requirements	Total Principal Requirements
2008	\$ 7,263	\$ 10,240	\$ 2,300	\$ 50,600	\$ 70,403
2009	7,597	10,698	2,408	0	20,703
2010	7,946	11,175	2,522	0	21,643
2011	8,311	11,674	2,641	0	22,626
2012	8,693	12,195	2,766	0	23,654
2013	9,092	12,739	2,897	0	24,728
2014	9,510	13,308	3,033	0	25,851
2015	9,947	13,902	3,177	0	27,026
2016	10,403	17,523	3,327	0	31,253
2017	10,882	15,171	3,484	0	29,537
2018	11,381	15,848	3,649	0	30,878
2019	11,904	16,555	3,821	0	32,280
2020	12,451	17,294	4,002	0	33,747
2021	13,023	18,066	4,191	0	35,280
2022	13,621	18,873	4,389	0	36,883
2023	14,247	19,715	4,596	0	38,558
2024	14,902	20,595	4,813	0	40,310
2025	15,586	21,515	5,040	0	42,141
2026	16,302	22,475	5,279	0	44,056
2027	17,051	23,478	5,528	0	46,057
2028	17,835	24,526	5,789	0	48,150
2029	18,654	25,621	6,063	0	50,338
2030	19,511	26,764	6,349	0	52,624
2031	20,407	27,960	6,649	0	55,016
2032	21,345	29,208	6,963	0	57,516
2033	22,325	30,511	7,292	0	60,128
2034	23,351	31,873	7,636	0	62,860
2035	24,424	33,296	7,997	0	65,717
2036	25,546	34,782	8,375	0	68,703
2037	26,719	36,335	8,771	0	71,825
2038	27,947	37,957	9,185	0	75,089
2039	29,231	39,651	9,619	0	78,501
2040	30,573	41,421	10,073	0	82,067
2041	31,978	43,270	4,507	0	79,755
2042	33,447	34,506	0	0	67,953
2043	34,984	0	0	0	34,984
2044	20,041	0	0	0	20,041
Total	\$ 658,430	\$ 820,720	\$ 179,131	\$ 50,600	\$ 1,708,881

(Continued)

Exhibit K-3

Marshall County Board of Public Utilities  
Schedule of Bond and Interest Requirements by Year  
Discretely Presented Marshall County Board of Public Utilities (Cont.)

Year Ending June 30	(1) \$667,000 Issue Interest Requirements	(1) \$849,000 Issue Interest Requirements	(1) \$188,000 Issue Interest Requirements	\$625,000 Issue Interest Requirements	Total Interest Requirements
2008	\$ 29,481	\$ 35,703	\$ 8,236	\$ 5,000	\$ 78,420
2009	29,147	35,245	8,128	0	72,520
2010	28,798	34,767	8,014	0	71,579
2011	28,433	34,268	7,895	0	70,596
2012	28,051	33,747	7,770	0	69,568
2013	27,652	33,202	7,639	0	68,493
2014	27,234	32,634	7,503	0	67,371
2015	26,797	32,039	7,359	0	66,195
2016	26,340	31,418	7,209	0	64,967
2017	25,862	30,770	7,052	0	63,684
2018	25,362	30,092	6,887	0	62,341
2019	24,840	29,384	6,715	0	60,939
2020	24,293	28,645	6,534	0	59,472
2021	23,721	27,873	6,345	0	57,939
2022	23,122	27,066	6,147	0	56,335
2023	22,497	26,233	5,940	0	54,670
2024	21,842	25,344	5,723	0	52,909
2025	21,158	24,423	5,496	0	51,077
2026	20,442	23,462	5,257	0	49,161
2027	19,693	22,458	5,008	0	47,159
2028	18,909	21,410	4,747	0	45,066
2029	18,090	20,314	4,473	0	42,877
2030	17,233	19,170	4,187	0	40,590
2031	16,337	17,975	3,887	0	38,199
2032	15,399	16,726	3,573	0	35,698
2033	14,419	15,421	3,244	0	33,084
2034	13,393	14,059	2,900	0	30,352
2035	12,320	12,636	2,539	0	27,495
2036	11,198	11,149	2,161	0	24,508
2037	10,025	9,595	1,765	0	21,385
2038	8,797	7,972	1,351	0	18,120
2039	7,513	6,277	917	0	14,707
2040	6,170	4,506	463	0	11,139
2041	4,766	2,657	63	0	7,486
2042	3,297	737	0	0	4,034
2043	1,760	0	0	0	1,760
2044	294	0	0	0	294
Total	\$ 684,685	\$ 779,377	\$ 173,127	\$ 5,000	\$ 1,642,189

(1) Principal and interest are credited by FHA based on the day of the month they receive the payments; therefore, the requirements noted above may vary by nominal amounts.

Exhibit K-4

Marshall County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2007

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Community Development/Industrial Park	To fund completion of capital project	\$ 15,000
Special Purpose	Industrial/Economic Development	Provide funds for operations	<u>54,373</u>
Total Transfers			<u>\$ 69,373</u>

Exhibit K-5

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 64,759	\$ 50,000	Auto Owners Mutual Insurance Company
Highway Superintendent	Section 8-24-102, <u>TCA</u>	61,676	100,000	"
Director of Schools	State Board of Education and Marshall County Board of Education	95,457 (1)	(2)	
Trustee	Section 8-24-102, <u>TCA</u>	56,069	1,400,000	"
Assessor of Property	Section 8-24-102, <u>TCA</u>	56,069	50,000	"
County Clerk	Section 8-24-102, <u>TCA</u>	56,069	50,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	56,069	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u> , and Chancery Judge	57,775 (3)	50,000	"
Register	Section 8-24-102, <u>TCA</u>	56,069	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u>	61,676	25,000	"
Director of Accounts and Budgets	Chapter 17, Private Acts of 2005, and County Commission	59,887 (4)	700,000	"
<u>Other Bonds</u>				
County Employees			150,000	Local Government Property and Casualty Fund
Board of Education Employees			150,000	Tennessee School Boards Risk Management
<u>Marshall County Board of Public Utilities:</u>				
Directors			1,000,000	Local Government Property and Casualty Fund
Employees			150,000	"
Manager			200,000	Auto Owners Mutual Insurance Company

- (1) Includes longevity pay of \$1,000. The Board of Education also provides health, major medical, disability insurance, and a \$100,000 term life insurance policy.
- (2) Covered under the Board of Education's employee blanket bond.
- (3) Includes special commissioner fees of \$1,706.
- (4) Includes longevity pay of \$1,000.

Exhibit K-6

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

	Special Revenue Funds					Special Purpose
	General	Courthouse and Jail Maintenance	Juvenile Services	Solid Waste / Sanitation	Industrial / Economic Development	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 4,126,657	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	124,749	0	0	0	0	0
Trustee's Collections - Bankruptcy	1,644	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	35,760	0	0	0	0	0
Interest and Penalty	25,885	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	2,103	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	30,321	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	4,461	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	175,695	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0	133,127
Wheel Tax	61,666	0	0	0	0	0
Litigation Tax - General	114,470	0	0	0	0	0
Litigation Tax - Special Purpose	0	22,642	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Business Tax	139,937	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Adequate Facilities/Development Tax	25,259	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	33,072	0	0	0	0	0
Wholesale Beer Tax	86,591	0	0	0	0	0
Interstate Telecommunications Tax	2,316	0	0	0	0	0
Total Local Taxes	\$ 4,990,586	\$ 22,642	\$ 0	\$ 0	\$ 0	133,127
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 13,640	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>						
Beer Permits	1,805	0	0	0	0	0
Building Permits	157,589	0	0	0	0	0
Total Licenses and Permits	\$ 173,034	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Juvenile Services	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose
<b>Fines, Forfeitures, and Penalties</b>						
<u>Circuit Court</u>						
Fines	\$ 622	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	2,008	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0
Data Entry Fee - Circuit Court	1,975	0	0	0	0	0
Courtroom Security Fee	1,252	0	0	0	0	0
<u>Criminal Court</u>						
Fines	131	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	14,096	0	0	0	0	0
Officers Costs	33,243	0	0	0	0	0
Game and Fish Fines	484	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0
Interpreter Fees	760	0	0	0	0	0
DUI Treatment Fines	4,795	0	0	0	0	0
Data Entry Fee - General Sessions Court	6,291	0	0	0	0	0
Courtroom Security Fee	323	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	2,492	0	0	0	0	0
Officers Costs	22	0	0	0	0	0
Data Entry Fee - Juvenile Court	914	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	3,208	0	0	0	0	0
Data Entry Fee - Chancery Court	2,318	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	0	0	50,173	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Other Fines, Forfeitures, and Penalties	1,740	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 76,674	\$ 0	\$ 50,173	\$ 0	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	306,989	\$ 0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Juvenile Services	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose
<u>Charges for Current Services (Cont.)</u>						
<u>General Service Charges (Cont.)</u>						
Patient Charges	\$ 907,311	\$ 0	\$ 0	\$ 0	\$ 0	0
Zoning Studies	61,605	0	0	0	0	0
Work Release Charges for Board	13,068	0	0	0	0	0
Water Sales	45,563	0	0	0	0	0
<u>Fees</u>						
Copy Fees	11,476	0	0	0	0	0
Library Fees	5,506	0	0	0	0	0
Telephone Commissions	11,857	0	0	0	0	0
Vending Machine Collections	170	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	14,641	0	0	0	0	0
Data Processing Fee - Sheriff	4,172	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,800	0	0	0	0	0
Total Charges for Current Services	\$ 1,077,169	\$ 0	\$ 0	\$ 306,989	\$ 0	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 336,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	14,650	0	0	0	0	0
Sale of Materials and Supplies	1,554	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0
Sale of Maps	10,205	0	0	0	0	0
Sale of Recycled Materials	0	0	0	52,950	0	0
Miscellaneous Refunds	57,800	1,526	0	0	0	0
Expenditure Credits	118,003	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	10,689	0	0	0	0	0
Damages Recovered from Individuals	5,402	0	0	0	0	0
Contributions & Gifts	13,411	0	0	0	1,850	0
Performance Bond Forfeitures	0	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	4,071	0	0	95	0	0
Total Other Local Revenues	\$ 571,785	\$ 1,526	\$ 0	\$ 53,045	\$ 1,850	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Juvenile Services	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose
<u>Fees Received from County Officials</u>						
<u>Fees-In-Lieu of Salary</u>						
County Clerk	\$ 301,331	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	65,710	0	0	0	0	0
General Sessions Court Clerk	163,130	0	0	0	0	0
Clerk and Master	132,935	0	0	0	0	0
Juvenile Court Clerk	20,068	0	0	0	0	0
Register	188,006	0	0	0	0	0
Sheriff	12,641	0	0	0	0	0
Trustee	483,909	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,367,730	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	0	0	21,397	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	13,993	0	0	0	0	0
Other Health and Welfare Grants	165,855	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
Litter Program	0	0	0	30,241	0	0
<u>Other State Revenues</u>						
Income Tax	42,000	0	0	0	0	0
Beer Tax	18,753	0	0	0	0	0
Alcoholic Beverage Tax	38,886	0	0	0	0	0
State Revenue Sharing - T.V.A.	118,321	0	0	0	0	0
Contracted Prisoner Boarding	409,640	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Reappraisal Program Reimbursement	9,474	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0	0
Other State Grants	16,548	0	0	0	0	0
Other State Revenues	0	0	0	0	0	0
Total State of Tennessee	\$ 859,850	\$ 0	\$ 0	\$ 51,638	\$ 0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Juvenile Services	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 9,978	\$ 0	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	218,669	0	0	0	0	0
Other Federal through State	213,445	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Medicare	1,600	0	0	0	0	0
Total Federal Government	\$ 443,692	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 25,911	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	0	0	0	0	23,127	0
Contracted Services	7,767	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	169	0	0	0	0	0
<u>Other</u>						
Other	12,671	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 46,518	\$ 0	\$ 0	\$ 0	\$ 23,127	\$ 0
Total	\$ 9,607,038	\$ 24,168	\$ 50,173	\$ 411,672	\$ 24,977	\$ 133,127

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 0	\$ 304,069	\$ 738,451	\$ 0	\$ 5,169,177
Trustee's Collections - Prior Year	0	0	9,159	21,792	0	155,700
Trustee's Collections - Bankruptcy	0	0	120	283	0	2,047
Circuit/Clerk & Master Collections - Prior Years	0	0	2,635	6,399	0	44,794
Interest and Penalty	0	0	1,864	4,501	0	32,250
Payments in-Lieu-of Taxes - T.V.A.	0	0	155	376	0	2,634
Payments in-Lieu-of Taxes - Local Utilities	0	0	2,234	5,426	0	37,981
Payments in-Lieu-of Taxes - Other	0	0	329	798	0	5,588
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	1,842,248	0	2,017,943
Hotel/Motel Tax	0	0	0	0	0	133,127
Wheel Tax	0	0	184,999	986,663	0	1,233,328
Litigation Tax - General	0	0	0	0	0	114,470
Litigation Tax - Special Purpose	0	0	0	0	0	22,642
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	32,961	0	32,961
Business Tax	0	0	0	0	0	139,937
Mineral Severance Tax	0	0	238,433	0	0	238,433
Adequate Facilities/Development Tax	0	0	0	0	0	25,259
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	2,437	5,918	0	41,427
Wholesale Beer Tax	0	0	0	0	0	86,591
Interstate Telecommunications Tax	0	0	0	0	0	2,316
Total Local Taxes	\$ 0	\$ 0	\$ 746,434	\$ 3,645,816	\$ 0	\$ 9,538,605
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,640
<u>Permits</u>						
Beer Permits	0	0	0	0	0	1,805
Building Permits	0	0	0	0	0	157,589
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 173,034

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	
<b>Fines, Forfeitures, and Penalties</b>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	622
Officers Costs	0	0	0	0	0	2,008
Drug Control Fines	2,414	0	0	0	0	2,414
Data Entry Fee - Circuit Court	0	0	0	0	0	1,975
Courtroom Security Fee	0	0	0	0	0	1,252
<u>Criminal Court</u>						
Fines	0	0	0	0	0	131
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	14,096
Officers Costs	0	0	0	0	0	33,243
Game and Fish Fines	0	0	0	0	0	484
Drug Control Fines	851	0	0	0	0	851
Interpreter Fees	0	0	0	0	0	760
DUI Treatment Fines	0	0	0	0	0	4,795
Data Entry Fee - General Sessions Court	0	0	0	0	0	6,291
Courtroom Security Fee	0	0	0	0	0	323
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	2,492
Officers Costs	0	0	0	0	0	22
Data Entry Fee - Juvenile Court	0	0	0	0	0	914
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	3,208
Data Entry Fee - Chancery Court	0	0	0	0	0	2,318
<u>Other Courts - In-county</u>						
Fines	0	0	0	0	0	50,173
<u>Other Fines, Forfeitures, and Penalties</u>						
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	1,740
Total Fines, Forfeitures, and Penalties	\$ 3,265	\$ 0	\$ 0	\$ 0	\$ 0	130,112
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	306,989

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	
<u>Charges for Current Services (Cont.)</u>						
<u>General Service Charges (Cont.)</u>						
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	907,311
Zoning Studies	0	0	0	0	0	61,605
Work Release Charges for Board	0	0	0	0	0	13,068
Water Sales	0	0	0	0	0	45,563
<u>Fees</u>						
Copy Fees	0	0	0	0	0	11,476
Library Fees	0	0	0	0	0	5,506
Telephone Commissions	0	0	0	0	0	11,857
Vending Machine Collections	0	0	224	0	0	394
Special Commissioner Fees/Special Master Fees	0	1,706	0	0	0	1,706
Data Processing Fee - Register	0	0	0	0	0	14,641
Data Processing Fee - Sheriff	0	0	0	0	0	4,172
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	1,800
Total Charges for Current Services	\$ 0	\$ 1,706	\$ 224	\$ 0	\$ 0	1,386,088
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	600,184	\$ 0	936,184
Lease/Rentals	0	0	0	0	0	14,650
Sale of Materials and Supplies	0	0	0	0	0	1,554
Sale of Gasoline	0	0	22,050	0	0	22,050
Sale of Maps	0	0	0	0	0	10,205
Sale of Recycled Materials	0	0	0	0	0	52,950
Miscellaneous Refunds	0	0	17,044	0	0	76,370
Expenditure Credits	0	0	0	0	0	118,003
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	28,677	0	17,806	57,172
Damages Recovered from Individuals	0	0	0	0	0	5,402
Contributions & Gifts	250	0	0	0	0	15,511
Performance Bond Forfeitures	0	0	11,000	0	0	11,000
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	99	0	0	4,265
Total Other Local Revenues	\$ 250	\$ 0	\$ 78,870	\$ 600,184	\$ 17,806	1,325,316

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	
<u>Fees Received from County Officials</u>						
<u>Fees-In-Lieu of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 301,331
Circuit Court Clerk	0	0	0	0	0	65,710
General Sessions Court Clerk	0	0	0	0	0	163,130
Clerk and Master	0	0	0	0	0	132,935
Juvenile Court Clerk	0	0	0	0	0	20,068
Register	0	0	0	0	0	188,006
Sheriff	0	0	0	0	0	12,641
Trustee	0	0	0	0	0	483,909
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,367,730
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,000
Solid Waste Grants	0	0	0	0	0	21,397
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	13,993
Other Health and Welfare Grants	0	0	0	0	0	165,855
<u>Public Works Grants</u>						
Bridge Program	0	0	52,281	0	0	52,281
Litter Program	0	0	0	0	0	30,241
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	42,000
Beer Tax	0	0	0	0	0	18,753
Alcoholic Beverage Tax	0	0	0	0	0	38,886
State Revenue Sharing - T.V.A.	0	0	8,718	21,173	0	148,212
Contracted Prisoner Boarding	0	0	0	0	0	409,640
Gasoline and Motor Fuel Tax	0	0	1,621,328	0	0	1,621,328
Petroleum Special Tax	0	0	21,532	0	0	21,532
Reappraisal Program Reimbursement	0	0	0	0	0	9,474
Registrar's Salary Supplement	0	0	0	0	0	16,380
Other State Grants	0	0	0	0	0	16,548
Other State Revenues	0	0	23,726	0	0	23,726
Total State of Tennessee	\$ 0	\$ 0	\$ 1,727,585	\$ 21,173	\$ 0	\$ 2,660,246

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Total
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,978
Homeland Security Grants	0	0	0	0	0	218,669
Other Federal through State	0	0	0	0	0	213,445
<u>Direct Federal Revenue</u>						
Medicare	0	0	0	0	0	1,600
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	443,692
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	25,911
Contributions	0	0	0	0	0	23,127
Contracted Services	0	0	0	0	63,875	71,642
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	169
<u>Other</u>						
Other	0	0	0	0	0	12,671
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 63,875	\$ 133,520
Total	\$ 3,515	\$ 1,706	\$ 2,553,113	\$ 4,267,173	\$ 81,681	\$ 17,158,343

## Exhibit K-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 8,470,492	\$ 0	\$ 0	\$ 0	\$ 8,470,492
Trustee's Collections - Prior Year	255,140	0	0	0	255,140
Trustee's Collections - Bankruptcy	3,637	0	0	0	3,637
Circuit/Clerk & Master Collections - Prior Years	84,773	0	0	0	84,773
Interest and Penalty	53,411	0	0	0	53,411
Payments in-Lieu-of Taxes - T.V.A.	4,316	0	0	0	4,316
Payments in-Lieu-of Taxes - Local Utilities	62,078	0	0	0	62,078
Payments in-Lieu-of Taxes - Other	8,593	0	0	0	8,593
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,933,631	0	0	0	1,933,631
<u>Statutory Local Taxes</u>					
Bank Excise Tax	67,885	0	0	0	67,885
Interstate Telecommunications Tax	4,508	0	0	0	4,508
Total Local Taxes	\$ 10,948,464	\$ 0	\$ 0	\$ 0	\$ 10,948,464
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,176	\$ 0	\$ 0	\$ 0	\$ 2,176
Total Licenses and Permits	\$ 2,176	\$ 0	\$ 0	\$ 0	\$ 2,176
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 713,154	\$ 0	\$ 713,154
Lunch Payments - Adults	0	0	64,434	0	64,434
Income from Breakfast	0	0	36,535	0	36,535
A la carte Sales	0	0	406,523	0	406,523
Receipts from Individual Schools	92,955	0	0	0	92,955
TBI Criminal Background Fees	2,784	0	0	0	2,784
Total Charges for Current Services	\$ 95,739	\$ 0	\$ 1,220,646	\$ 0	\$ 1,316,385
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 5,434	\$ 35,500	\$ 40,934
Sale of Materials and Supplies	1,505	0	0	0	1,505
Miscellaneous Refunds	48,887	0	0	0	48,887
<u>Nonrecurring Items</u>					
Sale of Equipment	11,578	0	0	0	11,578
Damages Recovered from Individuals	1,966	0	0	0	1,966
<u>Other Local Revenues</u>					
Other Local Revenues	11,037	0	0	0	11,037
Total Other Local Revenues	\$ 74,973	\$ 0	\$ 5,434	\$ 35,500	\$ 115,907
<u>State of Tennessee</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 17,655,492	\$ 0	\$ 0	\$ 0	\$ 17,655,492
School Food Service	0	0	29,329	0	29,329
Driver Education	10,984	0	0	0	10,984
Other State Education Funds	168,251	0	0	0	168,251
Career Ladder Program	272,619	0	0	0	272,619
Career Ladder - Extended Contract	90,014	0	0	0	90,014
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	242,869	0	0	0	242,869
Other State Revenues	77,723	0	0	0	77,723
Total State of Tennessee	\$ 18,517,952	\$ 0	\$ 29,329	\$ 0	\$ 18,547,281

(Continued)

Exhibit K-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 795,480	\$ 0	\$ 795,480
Breakfast	0	0	196,957	0	196,957
USDA - Other	0	0	9	0	9
Adult Education State Grant Program	59,796	0	0	0	59,796
Vocational Education - Basic Grants to States	0	79,566	0	0	79,566
Title I Grants to Local Education Agencies	0	666,958	0	0	666,958
Innovative Education Program Strategies	0	3,306	0	0	3,306
Special Education - Grants to States	0	906,919	0	0	906,919
Special Education Preschool Grants	0	28,536	0	0	28,536
Eisenhower Professional Development State Grants	0	192,557	0	0	192,557
Other Federal through State	22,162	29,075	0	0	51,237
Total Federal Government	\$ 81,958	\$ 1,906,917	\$ 992,446	\$ 0	\$ 2,981,321
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 350,000	\$ 0	\$ 0	\$ 2,468,590	\$ 2,818,590
Total Other Governments and Citizens Groups	\$ 350,000	\$ 0	\$ 0	\$ 2,468,590	\$ 2,818,590
Total	\$ 30,071,262	\$ 1,906,917	\$ 2,247,855	\$ 2,504,090	\$ 36,730,124

Exhibit K-8

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

General Fund

General Government

County Commission

Other Per Diem & Fees	\$	12,000	
Social Security		745	
Extension Service Medicare		174	
Audit Services		16,598	
Communication		1,403	
Contracts with Private Agencies		2,749	
Dues and Memberships		3,531	
Legal Notices, Recording, and Court Costs		1,659	
Royalties		20	
Travel		1,266	
Liability Insurance		23,415	
Vehicle and Equipment Insurance		1,396	
Workers' Compensation Insurance		50	
Liability Claims		2,535	
Total County Commission			\$ 67,541

Board of Equalization

Board and Committee Members Fees	\$	1,970	
Social Security		124	
Extension Service Medicare		29	
Workers' Compensation Insurance		17	
Total Board of Equalization			2,140

Beer Board

Board and Committee Members Fees	\$	200	
Social Security		12	
Extension Service Medicare		3	
Workers' Compensation Insurance		4	
Total Beer Board			219

Budget and Finance Committee

Board and Committee Members Fees	\$	1,950	
Social Security		121	
Extension Service Medicare		28	
Workers' Compensation Insurance		18	
Total Budget and Finance Committee			2,117

Other Boards and Committees

Board and Committee Members Fees	\$	9,350	
Social Security		579	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Other Boards and Committees (Cont.)

Extension Service Medicare	\$	136	
Workers' Compensation Insurance		42	
Total Other Boards and Committees			\$ 10,107

County Mayor/Executive

County Official/Administrative Officer	\$	64,759	
Secretary(ies)		26,845	
Longevity Pay		800	
Social Security		5,688	
Extension Service Medicare		1,330	
State Retirement		7,906	
Employee and Dependent Insurance		9,048	
Communication		3,162	
Dues and Memberships		1,350	
Postal Charges		462	
Travel		1,230	
Office Supplies		1,098	
Liability Insurance		442	
Premiums on Corporate Surety Bonds		396	
Workers' Compensation Insurance		406	
Office Equipment		90	
Total County Mayor/Executive			125,012

County Attorney

Social Security	\$	310	
Extension Service Medicare		72	
State Retirement		427	
Consultants		5,000	
Dues and Memberships		100	
Legal Services		11,766	
Travel		483	
Liability Insurance		221	
Workers' Compensation Insurance		66	
Total County Attorney			18,445

Election Commission

Supervisor/Director	\$	50,462	
Deputy(ies)		22,441	
Part-time Personnel		1,579	
Election Commission		1,760	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Election Workers	\$	18,610	
In-Service Training		1,680	
Social Security		4,080	
Extension Service Medicare		954	
State Retirement		6,238	
Employee and Dependent Insurance		14,151	
Communication		2,433	
Data Processing Services		3,923	
Dues and Memberships		360	
Legal Notices, Recording, and Court Costs		3,135	
Maintenance & Repair Services - Equipment		4,350	
Maintenance & Repair Services - Office Equipment		845	
Postal Charges		2,109	
Printing, Stationery, and Forms		4,473	
Travel		3,448	
Office Supplies		3,202	
Liability Insurance		1,767	
Workers' Compensation Insurance		364	
Other Charges		203	
Office Equipment		1,295	
Other Equipment		372	
Total Election Commission			\$ 154,234

Register of Deeds

County Official/Administrative Officer	\$	56,069
Deputy(ies)		69,906
Longevity Pay		800
In-Service Training		1,938
Social Security		6,970
Extension Service Medicare		1,630
State Retirement		10,864
Employee and Dependent Insurance		24,656
Communication		2,273
Contracts with Government Agencies		50
Data Processing Services		15,593
Dues and Memberships		579
Maintenance & Repair Services - Office Equipment		783
Postal Charges		1,196
Office Supplies		3,597
Liability Insurance		883

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Premiums on Corporate Surety Bonds	\$	220	
Workers' Compensation Insurance		558	
Office Equipment		4,600	
Total Register of Deeds			\$ 203,165

Planning

Contracts with Government Agencies	\$	8,500	
Total Planning			8,500

Building

Investigator(s)	\$	43,992	
Secretary(ies)		24,170	
Longevity Pay		500	
In-Service Training		398	
Social Security		3,900	
Extension Service Medicare		912	
State Retirement		5,900	
Employee and Dependent Insurance		11,713	
Communication		1,602	
Dues and Memberships		210	
Legal Services		90	
Legal Notices, Recording, and Court Costs		18	
Maintenance & Repair Services - Office Equipment		350	
Maintenance & Repair Services - Vehicles		895	
Pest Control		20	
Postal Charges		451	
Printing, Stationery, and Forms		694	
Travel		64	
Gasoline		2,367	
Office Supplies		328	
Liability Insurance		331	
Vehicle and Equipment Insurance		522	
Workers' Compensation Insurance		4,486	
Office Equipment		475	
Total Building			104,388

Codes Compliance

Investigator(s)	\$	39,728	
In-Service Training		795	
Social Security		2,472	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

Extension Service Medicare	\$	578	
State Retirement		3,415	
Employee and Dependent Insurance		4,516	
Communication		1,509	
Dues and Memberships		175	
Legal Services		9,760	
Legal Notices, Recording, and Court Costs		297	
Maintenance & Repair Services - Office Equipment		102	
Maintenance & Repair Services - Vehicles		436	
Postal Charges		493	
Travel		694	
Gasoline		1,340	
Office Supplies		857	
Liability Insurance		221	
Vehicle and Equipment Insurance		454	
Workers' Compensation Insurance		4,004	
Office Equipment		21	
Total Codes Compliance			\$ 71,867

County Buildings

Contracts with Private Agencies	\$	156,750	
Janitorial Services		64,415	
Maintenance & Repair Services - Vehicles		188	
Pest Control		1,350	
Disposal Fees		2,300	
Custodial Supplies		3,418	
Electricity		82,291	
Gasoline		333	
Natural Gas		30,039	
Water and Sewer		3,673	
Vehicle and Equipment Insurance		839	
Total County Buildings			345,596

Finance

Accounting and Budgeting

Supervisor/Director	\$	58,887	
Accountants/Bookkeepers		145,904	
Temporary Personnel		8,980	
Longevity Pay		2,650	
In-Service Training		700	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Social Security	\$	12,496	
Extension Service Medicare		2,923	
State Retirement		17,660	
Employee and Dependent Insurance		33,340	
Communication		1,622	
Contracts with Private Agencies		6,750	
Evaluation and Testing		118	
Maintenance & Repair Services - Office Equipment		5,362	
Postal Charges		5,032	
Travel		55	
Office Supplies		5,235	
Liability Insurance		1,546	
Premiums on Corporate Surety Bonds		3,785	
Workers' Compensation Insurance		912	
Office Equipment		500	
Total Accounting and Budgeting			\$ 314,457

Property Assessor's Office

County Official/Administrative Officer	\$	56,069
Deputy(ies)		71,945
Secretary(ies)		22,726
Longevity Pay		1,500
In-Service Training		585
Social Security		9,048
Extension Service Medicare		2,116
State Retirement		13,054
Employee and Dependent Insurance		17,352
Advertising		55
Communication		2,561
Data Processing Services		8,530
Dues and Memberships		1,462
Maintenance & Repair Services - Office Equipment		793
Postal Charges		1,837
Rentals		274
Travel		2,022
Office Supplies		2,681
Other Supplies and Materials		3,737
Liability Insurance		994
Premiums on Corporate Surety Bonds		68
Workers' Compensation Insurance		2,412

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Office Equipment	\$ 645	
Total Property Assessor's Office		\$ 222,466

Reappraisal Program

Assistant(s)	\$ 21,737	
Deputy(ies)	15,796	
Secretary(ies)	20,353	
Temporary Personnel	7,124	
Social Security	3,719	
Extension Service Medicare	870	
State Retirement	4,975	
Employee and Dependent Insurance	8,509	
Advertising	125	
Communication	997	
Data Processing Services	3,958	
Evaluation and Testing	59	
Maintenance & Repair Services - Vehicles	475	
Postal Charges	4,005	
Travel	411	
Gasoline	1,785	
Liability Insurance	994	
Vehicle and Equipment Insurance	425	
Workers' Compensation Insurance	3,957	
Motor Vehicles	24,511	
Office Equipment	877	
Total Reappraisal Program		125,662

County Trustee's Office

County Official/Administrative Officer	\$ 56,069
Deputy(ies)	47,001
Longevity Pay	350
In-Service Training	764
Social Security	6,171
Extension Service Medicare	1,439
State Retirement	8,858
Employee and Dependent Insurance	16,355
Communication	2,571
Contracts with Private Agencies	3,624
Dues and Memberships	494
Legal Services	1,229

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Legal Notices, Recording, and Court Costs	\$	26	
Maintenance & Repair Services - Office Equipment		2,128	
Postal Charges		3,924	
Office Supplies		2,110	
Liability Insurance		883	
Premiums on Corporate Surety Bonds		7,433	
Workers' Compensation Insurance		464	
Office Equipment		99	
Total County Trustee's Office			\$ 161,992

County Clerk's Office

County Official/Administrative Officer	\$	56,069	
Deputy(ies)		130,401	
Part-time Personnel		1,216	
Longevity Pay		1,550	
In-Service Training		755	
Social Security		10,928	
Extension Service Medicare		2,556	
State Retirement		16,216	
Employee and Dependent Insurance		30,638	
Communication		3,009	
Contracts with Private Agencies		7,658	
Dues and Memberships		469	
Evaluation and Testing		59	
Maintenance & Repair Services - Office Equipment		9,571	
Postal Charges		10,954	
Office Supplies		8,155	
Liability Insurance		1,546	
Premiums on Corporate Surety Bonds		396	
Workers' Compensation Insurance		817	
Office Equipment		175	
Total County Clerk's Office			293,138

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	56,069	
Deputy(ies)		143,466	
Attendants		7,200	
Longevity Pay		1,650	
Jury and Witness Fees		24,063	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

In-Service Training	\$	874	
Other Per Diem & Fees		80	
Social Security		12,097	
Extension Service Medicare		2,829	
State Retirement		16,440	
Employee and Dependent Insurance		28,004	
Communication		4,976	
Data Processing Services		8,577	
Dues and Memberships		494	
Evaluation and Testing		118	
Maintenance & Repair Services - Office Equipment		1,549	
Postal Charges		4,018	
Other Contracted Services		2,018	
Office Supplies		8,326	
Liability Insurance		1,546	
Premiums on Corporate Surety Bonds		657	
Workers' Compensation Insurance		906	
Office Equipment		2,787	
Total Circuit Court			\$ 328,744

General Sessions Court

Judge(s)	\$	87,777	
Part-time Personnel		10,462	
Other Salaries & Wages		13,934	
Social Security		6,955	
Extension Service Medicare		1,627	
State Retirement		7,496	
Communication		2,077	
Dues and Memberships		241	
Travel		405	
Liability Insurance		442	
Workers' Compensation Insurance		887	
Total General Sessions Court			132,303

Chancery Court

County Official/Administrative Officer	\$	56,069	
Deputy(ies)		69,782	
Salary Supplements		234	
Longevity Pay		850	
In-Service Training		1,453	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Social Security	\$	7,382	
Extension Service Medicare		1,726	
State Retirement		10,876	
Employee and Dependent Insurance		21,740	
Unemployment Compensation		5,521	
Communication		2,774	
Contracts with Private Agencies		6,845	
Dues and Memberships		479	
Legal Services		375	
Maintenance & Repair Services - Office Equipment		647	
Postal Charges		3,157	
Office Supplies		3,837	
Liability Insurance		994	
Premiums on Corporate Surety Bonds		224	
Workers' Compensation Insurance		995	
Office Equipment		8,172	
Total Chancery Court			\$ 204,132

Juvenile Court

Probation Officer(s)	\$	33,543	
Youth Service Officer(s)		33,543	
Guidance Personnel		39,858	
Longevity Pay		750	
In-Service Training		846	
Social Security		6,631	
Extension Service Medicare		1,551	
State Retirement		9,251	
Employee and Dependent Insurance		13,513	
Communication		2,741	
Maintenance & Repair Services - Office Equipment		875	
Postal Charges		746	
Travel		2,000	
Office Supplies		1,016	
Liability Insurance		663	
Workers' Compensation Insurance		472	
Other Charges		3,755	
Office Equipment		9,660	
Total Juvenile Court			161,414

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	61,676	
Assistant(s)		45,536	
Deputy(ies)		559,318	
Accountants/Bookkeepers		27,123	
Salary Supplements		24,894	
Dispatchers/Radio Operators		104,157	
Longevity Pay		7,150	
Overtime Pay		69,255	
Social Security		54,186	
Extension Service Medicare		12,672	
State Retirement		68,281	
Employee and Dependent Insurance		125,024	
Unemployment Compensation		200	
Communication		8,519	
Contracts with Private Agencies		3,144	
Data Processing Services		10,630	
Dues and Memberships		1,770	
Evaluation and Testing		770	
Maintenance & Repair Services - Equipment		978	
Maintenance & Repair Services - Office Equipment		481	
Maintenance & Repair Services - Vehicles		25,139	
Pest Control		300	
Postal Charges		1,833	
Transportation - Other than Students		3,064	
Tuition		2,000	
Disposal Fees		544	
Gasoline		53,558	
Law Enforcement Supplies		5,875	
Office Supplies		4,366	
Tires and Tubes		3,442	
Uniforms		6,497	
Utilities		27,919	
Liability Insurance		46,664	
Premiums on Corporate Surety Bonds		2,425	
Vehicle and Equipment Insurance		15,909	
Workers' Compensation Insurance		26,043	
Other Charges		7,137	
Motor Vehicles		99,534	
Office Equipment		177	
Total Sheriff's Department	\$		1,518,190

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

Supervisor/Director	\$	33,611	
Salary Supplements		13,133	
Guards		367,263	
Clerical Personnel		23,982	
Cafeteria Personnel		20,675	
Longevity Pay		2,750	
Overtime Pay		67,262	
In-Service Training		229	
Social Security		32,076	
Extension Service Medicare		7,502	
State Retirement		37,812	
Employee and Dependent Insurance		88,728	
Unemployment Compensation		3,850	
Communication		629	
Contracts with Private Agencies		4,732	
Data Processing Services		9,839	
Evaluation and Testing		861	
Maintenance & Repair Services - Equipment		2,379	
Maintenance & Repair Services - Office Equipment		160	
Medical and Dental Services		167,443	
Pest Control		900	
Postal Charges		1,158	
Disposal Fees		1,633	
Food Supplies		122,651	
Uniforms		932	
Utilities		106,082	
Other Supplies and Materials		56,861	
Liability Insurance		34,366	
Vehicle and Equipment Insurance		425	
Workers' Compensation Insurance		21,670	
Total Jail			\$ 1,231,594

Civil Defense

Supervisor/Director	\$	35,589
Truck Drivers		18,008
Secretary(ies)		24,170
Part-time Personnel		10,903
Longevity Pay		1,150
In-Service Training		280
Social Security		5,444

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Extension Service Medicare	\$	1,273	
State Retirement		5,234	
Employee and Dependent Insurance		10,787	
Communication		1,653	
Contracts with Government Agencies		2,219	
Dues and Memberships		35	
Evaluation and Testing		356	
Maintenance & Repair Services - Equipment		49	
Maintenance & Repair Services - Office Equipment		893	
Maintenance & Repair Services - Vehicles		33,474	
Postal Charges		421	
Travel		161	
Other Contracted Services		31,500	
Diesel Fuel		11,046	
Gasoline		3,621	
Office Supplies		844	
Utilities		22,232	
Other Supplies and Materials		179,748	
Excess Risk Insurance		7,889	
Liability Insurance		3,453	
Vehicle and Equipment Insurance		20,536	
Workers' Compensation Insurance		7,761	
Other Charges		5,162	
Other Equipment		254	
Total Civil Defense			\$ 446,145

County Coroner/Medical Examiner

Assistant(s)	\$	651	
Supervisor/Director		5,000	
Social Security		343	
Extension Service Medicare		80	
State Retirement		58	
Other Contracted Services		42,744	
Liability Insurance		1,104	
Workers' Compensation Insurance		2,038	
Total County Coroner/Medical Examiner			52,018

Other Public Safety

Communication	\$	648	
Total Other Public Safety			648

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Communication	\$	6,391	
Janitorial Services		17,158	
Maintenance & Repair Services - Office Equipment		125	
Pest Control		360	
Disposal Fees		832	
Drugs and Medical Supplies		64	
Office Supplies		948	
Utilities		11,373	
Liability Insurance		891	
Other Charges		1,685	
Building Improvements		21,902	
Furniture and Fixtures		5,224	
Other Equipment		831	
Total Local Health Center			\$ 67,784

Rabies and Animal Control

Assistant(s)	\$	20,416	
Overtime Pay		2,211	
Social Security		1,445	
Extension Service Medicare		338	
State Retirement		1,932	
Employee and Dependent Insurance		4,467	
Communication		518	
Contracts with Government Agencies		4,754	
Maintenance & Repair Services - Vehicles		10	
Gasoline		1,993	
Uniforms		546	
Other Supplies and Materials		20	
Liability Insurance		221	
Vehicle and Equipment Insurance		456	
Workers' Compensation Insurance		2,229	
Total Rabies and Animal Control			41,556

Ambulance/Emergency Medical Services

Supervisor/Director	\$	45,552	
Medical Personnel		10,000	
Paraprofessionals		1,318,277	
Longevity Pay		8,000	
In-Service Training		8,119	
Social Security		80,889	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Extension Service Medicare	\$	18,918	
State Retirement		100,453	
Employee and Dependent Insurance		166,778	
Communication		7,428	
Dues and Memberships		370	
Evaluation and Testing		1,132	
Licenses		1,800	
Maintenance & Repair Services - Equipment		3,455	
Maintenance & Repair Services - Office Equipment		685	
Maintenance & Repair Services - Vehicles		35,322	
Pest Control		680	
Postal Charges		524	
Travel		836	
Disposal Fees		409	
Diesel Fuel		36,393	
Gasoline		11,469	
Office Supplies		2,543	
Tires and Tubes		1,534	
Uniforms		7,943	
Utilities		20,737	
Other Supplies and Materials		49,702	
Liability Insurance		12,145	
Vehicle and Equipment Insurance		9,523	
Workers' Compensation Insurance		136,867	
Motor Vehicles		79,437	
Office Equipment		1,287	
Other Equipment		1,277	
Total Ambulance/Emergency Medical Services			\$ 2,180,484

Maternal and Child Health Services

Contracts with Government Agencies	\$	4,500	
Contracts with Other Public Agencies		3,349	
Total Maternal and Child Health Services			7,849

Other Local Health Services

Paraprofessionals	\$	52,217	
Secretary(ies)		53,442	
Longevity Pay		250	
Social Security		6,463	
Extension Service Medicare		1,512	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

State Retirement	\$	7,174	
Employee and Dependent Insurance		19,475	
Evaluation and Testing		178	
Travel		3,637	
Liability Insurance		1,546	
Workers' Compensation Insurance		2,064	
Other Charges		1,032	
Total Other Local Health Services			\$ 148,990

Regional Mental Health Center

Contracts with Government Agencies	\$	24,000	
Contributions		3,700	
Total Regional Mental Health Center			27,700

Appropriation to State

Contracts with Government Agencies	\$	20,100	
Total Appropriation to State			20,100

Other Public Health and Welfare

Contracts with Private Agencies	\$	13,162	
Contributions		40,000	
Total Other Public Health and Welfare			53,162

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	85,945	
Total Senior Citizens Assistance			85,945

Libraries

Librarians	\$	144,508	
Longevity Pay		650	
In-Service Training		175	
Social Security		8,985	
Extension Service Medicare		2,101	
State Retirement		10,774	
Employee and Dependent Insurance		9,989	
Communication		3,949	
Contracts with Private Agencies		1,645	
Data Processing Services		1,163	
Dues and Memberships		155	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Evaluation and Testing	\$	59	
Janitorial Services		3,900	
Legal Notices, Recording, and Court Costs		27	
Maintenance & Repair Services - Equipment		265	
Maintenance & Repair Services - Office Equipment		422	
Pest Control		550	
Postal Charges		723	
Travel		437	
Custodial Supplies		250	
Library Books/Media		14,182	
Office Supplies		2,222	
Periodicals		523	
Utilities		15,631	
Other Supplies and Materials		1,605	
Liability Insurance		6,280	
Workers' Compensation Insurance		632	
Other Charges		1,032	
Office Equipment		14,650	
Total Libraries			\$ 247,484

Agriculture & Natural Resources

Agriculture Extension Service

Assistant(s)	\$	9,158	
Supervisor/Director		13,539	
Secretary(ies)		5,758	
Educational Assistants		6,998	
Social Security		1,693	
Extension Service Medicare		193	
State Retirement		4,000	
Communication		4,267	
Dues and Memberships		50	
Janitorial Services		11,525	
Maintenance & Repair Services - Office Equipment		475	
Travel		800	
Custodial Supplies		560	
Office Supplies		23	
Utilities		10,000	
Other Supplies and Materials		1,500	
Office Equipment		2,200	
Total Agriculture Extension Service			72,739

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Agriculture & Natural Resources (Cont.)

Forest Service

Contributions	\$ 2,000	
Total Forest Service		\$ 2,000

Soil Conservation

Assistant(s)	\$ 26,845	
Longevity Pay	300	
Social Security	1,646	
Extension Service Medicare	385	
State Retirement	2,331	
Employee and Dependent Insurance	4,480	
Liability Insurance	221	
Workers' Compensation Insurance	120	
Total Soil Conservation		36,328

Other Operations

Housing and Urban Development

Contributions	\$ 2,285	
Other Contracted Services	119,172	
Total Housing and Urban Development		121,457

Veterans' Services

Assistant(s)	\$ 7,387	
Supervisor/Director	11,577	
Social Security	1,184	
Extension Service Medicare	277	
Communication	1,339	
Dues and Memberships	25	
Maintenance & Repair Services - Office Equipment	402	
Postal Charges	471	
Transportation - Other than Students	2,796	
Travel	480	
Office Supplies	409	
Liability Insurance	442	
Vehicle and Equipment Insurance	502	
Workers' Compensation Insurance	117	
Office Equipment	2,311	
Total Veterans' Services		29,719

Employee Benefits

Employee and Dependent Insurance	\$ 2,154	
Total Employee Benefits		2,154

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Bank Charges	\$	961	
Contributions		1,000	
Fiscal Agent Charges		25	
Trustee's Commission		115,234	
Other Charges		3,350	
Total Miscellaneous		<u>3,350</u>	\$ <u>120,570</u>

Total General Fund \$ 9,572,255

Courthouse & Jail Maintenance Fund

General Government

County Buildings

Maintenance & Repair Services - Buildings	\$	39,101	
Trustee's Commission		229	
Total County Buildings		<u>229</u>	\$ <u>39,330</u>

Total Courthouse & Jail Maintenance Fund 39,330

Juvenile Services Fund

Administration of Justice

Juvenile Court

Probation Officer(s)	\$	30,000	
Other Fringe Benefits		30,000	
Penalties		2,223	
Trustee's Commission		490	
Other Charges		2,822	
Total Juvenile Court		<u>2,822</u>	\$ <u>65,535</u>

Total Juvenile Services Fund 65,535

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Education Media Personnel	\$	43,368	
Equipment Operators - Light		20,268	
Guards		14,542	
Secretary(ies)		11,770	
Part-time Personnel		10,703	
Longevity Pay		400	
Board and Committee Members Fees		425	

(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)  
Public Health and Welfare (Cont.)  
Sanitation Management (Cont.)

In-Service Training	\$	1,740	
Social Security		6,133	
Extension Service Medicare		1,434	
State Retirement		5,608	
Employee and Dependent Insurance		11,816	
Advertising		2,500	
Communication		2,440	
Contracts with Public Carriers		16,856	
Dues and Memberships		757	
Evaluation and Testing		198	
Janitorial Services		781	
Legal Services		10,250	
Maintenance & Repair Services - Buildings		1,385	
Maintenance & Repair Services - Equipment		4,039	
Maintenance & Repair Services - Office Equipment		507	
Maintenance & Repair Services - Vehicles		19,350	
Pest Control		20	
Postal Charges		476	
Printing, Stationery, and Forms		9,621	
Rentals		600	
Travel		4,078	
Remittance of Revenue Collected		153,494	
Disposal Fees		16,766	
Diesel Fuel		5,218	
Electricity		578	
Garage Supplies		1,791	
Gasoline		3,822	
Office Supplies		511	
Uniforms		450	
Water and Sewer		486	
Other Supplies and Materials		1,643	
Liability Insurance		3,318	
Trustee's Commission		3,296	
Vehicle and Equipment Insurance		1,930	
Workers' Compensation Insurance		5,244	
Other Charges		3,195	
Office Equipment		475	
Other Equipment		20,202	
Other Capital Outlay		11,149	
Total Sanitation Management			\$ 435,633

(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup

Contracts with Private Agencies	\$ 11,034	
Total Waste Pickup		\$ 11,034

Total Solid Waste/Sanitation Fund \$ 446,667

Industrial/Economic Development Fund

Other Operations

Other Economic and Community Development

Supervisor/Director	\$ 37,001	
Part-time Personnel	1,810	
In-Service Training	1,990	
Social Security	2,435	
Extension Service Medicare	569	
State Retirement	3,179	
Employee and Dependent Insurance	4,508	
Advertising	9,507	
Communication	1,630	
Data Processing Services	1,171	
Dues and Memberships	2,016	
Evaluation and Testing	59	
Maintenance & Repair Services - Office Equipment	251	
Maintenance & Repair Services - Vehicles	59	
Postal Charges	1,074	
Travel	3,197	
Gasoline	707	
Office Supplies	721	
Periodicals	40	
Other Supplies and Materials	50	
Liability Insurance	221	
Vehicle and Equipment Insurance	436	
Workers' Compensation Insurance	162	
Other Charges	5,345	
Office Equipment	95	
Total Other Economic and Community Development		\$ 78,233

Total Industrial/Economic Development Fund 78,233

(Continued)

Exhibit K-8

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

Special Purpose Fund

Other Operations

Other Economic and Community Development

Contracts with Private Agencies	\$	16,250	
Contributions		6,299	
Other Supplies and Materials		17	
Trustee's Commission		1,314	
Total Other Economic and Community Development			\$ 23,880

Total Special Purpose Fund \$ 23,880

Drug Control Fund

Public Safety

Drug Enforcement

Other Supplies and Materials	\$	5,388	
Trustee's Commission		39	
Vehicle and Equipment Insurance		454	
Total Drug Enforcement			\$ 5,881

Total Drug Control Fund 5,881

Other Special Revenue Fund

Public Safety

Other Emergency Management

Other Supplies and Materials	\$	1,218	
Total Other Emergency Management			\$ 1,218

Total Other Special Revenue Fund 1,218

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	1,706	
Total Chancery Court			\$ 1,706

Total Constitutional Officers - Fees Fund 1,706

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	61,676	
Assistant(s)		31,423	
Accountants/Bookkeepers		31,423	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Salary Supplements	\$	5,800	
Longevity Pay		2,000	
Overtime Pay		3,432	
Board and Committee Members Fees		475	
Social Security		8,247	
Extension Service Medicare		1,929	
State Retirement		11,115	
Dues and Memberships		3,431	
Legal Services		120	
Legal Notices, Recording, and Court Costs		132	
Maintenance & Repair Services - Equipment		324	
Maintenance & Repair Services - Office Equipment		500	
Postal Charges		948	
Travel		1,313	
Office Supplies		1,659	
Other Charges		1,523	
Office Equipment		4,900	
Total Administration			\$ 172,370

Highway and Bridge Maintenance

Foremen	\$	63,542	
Equipment Operators		363,377	
Truck Drivers		161,025	
Laborers		75,886	
Longevity Pay		8,750	
Overtime Pay		16,545	
Social Security		41,224	
Extension Service Medicare		9,641	
State Retirement		56,779	
Engineering Services		1,067	
Asphalt		344,358	
Crushed Stone		180,084	
Fertilizer, Lime, and Seed		9,114	
General Construction Materials		5,369	
Pipe		39,750	
Road Signs		16,305	
Total Highway and Bridge Maintenance			1,392,816

Operation and Maintenance of Equipment

Foremen	\$	41,309	
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(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Mechanic(s)	\$	93,974	
Longevity Pay		2,200	
Overtime Pay		317	
Social Security		8,189	
Extension Service Medicare		1,915	
State Retirement		11,795	
Laundry Service		10,775	
Diesel Fuel		95,858	
Equipment and Machinery Parts		219,791	
Garage Supplies		20,375	
Gasoline		51,338	
Lubricants		7,843	
Tires and Tubes		48,291	
Other Supplies and Materials		16,214	
Total Operation and Maintenance of Equipment			\$ 630,184

Other Charges

Communication	\$	5,298	
Electricity		8,992	
Water and Sewer		1,581	
Liability Insurance		9,823	
Premiums on Corporate Surety Bonds		792	
Trustee's Commission		27,180	
Vehicle and Equipment Insurance		15,397	
Total Other Charges			69,063

Employee Benefits

Employee and Dependent Insurance	\$	150,898	
Workers' Compensation Insurance		74,006	
Total Employee Benefits			224,904

Capital Outlay

Bridge Construction	\$	70,588	
Highway Equipment		142,764	
Motor Vehicles		49,560	
Plant Operation Equipment		4,215	
State Aid Projects		82,172	
Total Capital Outlay			<u>349,299</u>

Total Highway/Public Works Fund \$ 2,838,636

(Continued)

Exhibit K-8

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	220,000	
Principal on Notes		132,292	
Principal on Other Loans		284,249	
Total General Government			\$ 636,541

Highways and Streets

Principal on Bonds	\$	105,000	
Principal on Notes		385,904	
Principal on Other Loans		3,452	
Total Highways and Streets			494,356

Education

Principal on Bonds	\$	1,670,000	
Principal on Notes		186,804	
Principal on Other Loans		202,499	
Total Education			2,059,303

Interest on Debt

General Government

Interest on Bonds	\$	292,183	
Interest on Notes		49,256	
Interest on Other Loans		90,340	
Total General Government			431,779

Highways and Streets

Interest on Bonds	\$	4,450	
Interest on Notes		65,134	
Interest on Other Loans		2,936	
Total Highways and Streets			72,520

Education

Interest on Bonds	\$	1,080,914	
Interest on Notes		66,023	
Interest on Other Loans		42,018	
Total Education			1,188,955

Other Debt Service

General Government

Contracts with Private Agencies	\$	3,504	
Trustee's Commission		50,136	
Total General Government			53,640

(Continued)

Exhibit K-8

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

General Debt Service Fund (Cont.)

Other Debt Service (Cont.)

Highways and Streets

Contracts with Private Agencies	\$ 522	
Total Highways and Streets		\$ 522

Education

Contracts with Private Agencies	\$ 4,295	
Total Education		4,295

Total General Debt Service Fund		\$ 4,941,911
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General Capital Projects Fund

Capital Projects

Administration of Justice Projects

Underwriter's Discount	\$ 19,035	
Other Debt Issuance Charges	11,872	
Total Administration of Justice Projects		\$ 30,907

Total General Capital Projects Fund		30,907
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Community Development/Industrial Park Fund

Capital Projects

Public Health and Welfare Projects

Architects	\$ 8,550	
Building Construction	997,290	
Total Public Health and Welfare Projects		\$ 1,005,840

Total Community Development/Industrial Park Fund		1,005,840
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Highway Capital Projects Fund

Capital Projects

Highway & Street Capital Projects

Underwriter's Discount	\$ 7,059	
Other Debt Issuance Charges	4,402	
Highway Construction	201,727	
Total Highway & Street Capital Projects		\$ 213,188

Total Highway Capital Projects Fund		213,188
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(Continued)

Exhibit K-8

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

<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Contributions	\$ 2,468,590	
Underwriter's Discount	53,219	
Other Debt Issuance Charges	33,191	
Total Education Capital Projects	<u>                    </u>	\$ 2,555,000
Total Education Capital Projects Fund		\$ 2,555,000
 <u>Other Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Contributions	\$ 350,000	
Total Education Capital Projects	<u>                    </u>	\$ 350,000
Total Other Capital Projects Fund		<u>350,000</u>
Total Governmental Funds - Primary Government		<u>\$ 22,170,187</u>

Exhibit K-9

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	10,688,398	
Career Ladder Program		154,750	
Career Ladder Extended Contracts		76,158	
Homebound Teachers		255	
Educational Assistants		618,875	
Certified Substitute Teachers		38,404	
Non-certified Substitute Teachers		137,792	
Social Security		680,525	
State Retirement		714,553	
Medical Insurance		1,792,582	
Dental Insurance		7,549	
Unemployment Compensation		10,455	
Employer Medicare		160,282	
Maintenance & Repair Services - Equipment		36,082	
Travel		6,574	
Other Contracted Services		29,592	
Instructional Supplies and Materials		190,459	
Textbooks		257,273	
Other Charges		75,736	
Regular Instruction Equipment		52,310	
Total Regular Instruction Program			\$ 15,728,604

Alternative Instruction Program

Teachers	\$	49,177	
Career Ladder Program		3,000	
Social Security		3,075	
State Retirement		3,198	
Medical Insurance		3,513	
Dental Insurance		41	
Unemployment Compensation		27	
Employer Medicare		719	
Instructional Supplies and Materials		200	
Total Alternative Instruction Program			62,950

Special Education Program

Teachers	\$	930,433
Career Ladder Program		22,975
Homebound Teachers		42,047
Educational Assistants		237,455

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Speech Pathologist	\$	130,282	
Certified Substitute Teachers		962	
Non-certified Substitute Teachers		4,701	
Social Security		79,350	
State Retirement		88,358	
Medical Insurance		219,702	
Dental Insurance		873	
Unemployment Compensation		1,184	
Employer Medicare		18,575	
Contracts with Other Public Agencies		1,078	
Contracts with Private Agencies		17,009	
Maintenance & Repair Services - Equipment		1,117	
Other Contracted Services		8,354	
Instructional Supplies and Materials		3,469	
Total Special Education Program	\$		1,807,924

Vocational Education Program

Teachers	\$	806,033	
Career Ladder Program		10,975	
Certified Substitute Teachers		1,568	
Non-certified Substitute Teachers		8,550	
Social Security		47,547	
State Retirement		50,102	
Medical Insurance		134,603	
Dental Insurance		617	
Unemployment Compensation		600	
Employer Medicare		11,134	
Instructional Supplies and Materials		28,313	
Textbooks		2,240	
Other Charges		1,500	
Total Vocational Education Program			1,103,782

Adult Education Program

Teachers	\$	28,215	
Social Security		1,749	
State Retirement		384	
Unemployment Compensation		55	
Employer Medicare		409	
Instructional Supplies and Materials		5,171	
Total Adult Education Program			35,983

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services

Attendance

Supervisor/Director	\$	71,982	
Social Workers		20,160	
Other Salaries & Wages		350	
Social Security		3,208	
State Retirement		2,801	
Medical Insurance		7,648	
Dental Insurance		36	
Unemployment Compensation		86	
Employer Medicare		1,291	
Communication		692	
Travel		2,078	
Other Supplies and Materials		1,489	
Total Attendance			\$ 111,821

Health Services

Medical Personnel	\$	99,762	
Other Salaries & Wages		3,200	
Social Security		5,992	
State Retirement		8,520	
Medical Insurance		16,559	
Dental Insurance		137	
Unemployment Compensation		153	
Employer Medicare		1,401	
Other Supplies and Materials		2,596	
Total Health Services			138,320

Other Student Support

Career Ladder Program	\$	7,000	
Guidance Personnel		399,794	
Attendants		19,354	
Other Salaries & Wages		1,188	
Social Security		23,486	
State Retirement		25,616	
Medical Insurance		83,911	
Dental Insurance		281	
Unemployment Compensation		373	
Employer Medicare		5,724	
Evaluation and Testing		24,416	
Other Contracted Services		59,858	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Supplies and Materials	\$ 3,762	
Other Charges	8,523	
Total Other Student Support		\$ 663,286

Regular Instruction Program

Supervisor/Director	\$ 232,010	
Career Ladder Program	17,000	
Librarians	405,177	
Education Media Personnel	78,796	
Instructional Computer Personnel	30,173	
Other Salaries & Wages	1,685	
Social Security	45,190	
State Retirement	47,569	
Medical Insurance	79,873	
Dental Insurance	322	
Unemployment Compensation	463	
Employer Medicare	10,569	
Communication	762	
Travel	6,906	
Other Contracted Services	1,377	
Library Books/Media	22,087	
Other Supplies and Materials	6,228	
In Service/Staff Development	3,067	
Other Charges	1,619	
Total Regular Instruction Program		990,873

Special Education Program

Supervisor/Director	\$ 257	
Career Ladder Program	2,000	
Psychological Personnel	53,677	
Social Security	3,170	
State Retirement	3,429	
Medical Insurance	9,757	
Dental Insurance	46	
Unemployment Compensation	36	
Employer Medicare	741	
Communication	1,435	
Travel	3,992	
In Service/Staff Development	913	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Other Charges	\$ 1,982	
Total Special Education Program		\$ 81,435

Vocational Education Program

Supervisor/Director	\$ 65,117	
Career Ladder Program	1,000	
Secretary(ies)	4,952	
Social Security	4,560	
State Retirement	4,600	
Medical Insurance	4,306	
Dental Insurance	5	
Unemployment Compensation	29	
Employer Medicare	1,066	
Communication	1,455	
Travel	396	
Other Contracted Services	2,628	
Total Vocational Education Program		90,114

Adult Programs

Supervisor/Director	\$ 47,440	
Career Ladder Program	1,000	
Other Salaries & Wages	15,917	
Social Security	3,802	
State Retirement	4,194	
Medical Insurance	9,757	
Unemployment Compensation	62	
Employer Medicare	889	
Communication	1,049	
Travel	485	
In Service/Staff Development	2,944	
Total Adult Programs		87,539

Board of Education

Board and Committee Members Fees	\$ 6,800
Social Security	422
Employer Medicare	99
Communication	25
Dues and Memberships	6,092
Legal Services	539

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Travel	\$	532	
Other Contracted Services		2,500	
Liability Insurance		33,282	
Trustee's Commission		250,640	
Workers' Compensation Insurance		236,721	
In Service/Staff Development		250	
Criminal Investigation of Applicants - TBI		3,696	
Other Charges		3,516	
Total Board of Education			\$ 545,114

Director of Schools

County Official/Administrative Officer	\$	95,457	
Social Security		5,867	
State Retirement		5,852	
Life Insurance		948	
Medical Insurance		11,724	
Dental Insurance		46	
Unemployment Compensation		28	
Employer Medicare		1,372	
Communication		4,991	
Dues and Memberships		1,649	
Travel		3,180	
Office Supplies		127	
Other Charges		1,442	
Administration Equipment		105	
Total Director of Schools			132,788

Office of the Principal

Principals	\$	648,054	
Career Ladder Program		17,000	
Assistant Principals		262,971	
Secretary(ies)		189,231	
Clerical Personnel		186,968	
Social Security		77,573	
State Retirement		88,864	
Medical Insurance		140,305	
Dental Insurance		613	
Unemployment Compensation		852	
Employer Medicare		18,142	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Communication	\$	1,760	
Dues and Memberships		4,275	
Other Contracted Services		4,750	
Office Supplies		6,455	
Other Charges		118,368	
Administration Equipment		17,676	
Total Office of the Principal			\$ 1,783,857

Fiscal Services

Supervisor/Director	\$	47,150	
Internal Audit Personnel		12,819	
Accountants/Bookkeepers		82,104	
Social Security		8,426	
State Retirement		10,954	
Medical Insurance		18,063	
Dental Insurance		46	
Unemployment Compensation		189	
Employer Medicare		1,971	
Travel		1,774	
Other Contracted Services		13,286	
Data Processing Supplies		1,381	
Office Supplies		1,280	
Administration Equipment		7,952	
Total Fiscal Services			207,395

Operation of Plant

Supervisor/Director	\$	48,142	
Secretary(ies)		31,236	
Custodial Personnel		731,022	
Social Security		47,127	
State Retirement		57,603	
Medical Insurance		149,877	
Dental Insurance		479	
Unemployment Compensation		1,267	
Employer Medicare		11,022	
Disposal Fees		49,183	
Custodial Supplies		198,180	
Electricity		1,002,477	
Natural Gas		147,869	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Water and Sewer	\$	136,465	
Other Supplies and Materials		724	
Boiler Insurance		5,195	
Building and Contents Insurance		100,905	
Plant Operation Equipment		28,406	
Total Operation of Plant			\$ 2,747,179

Maintenance of Plant

Maintenance Personnel	\$	361,416	
Other Salaries & Wages		774	
Social Security		20,990	
State Retirement		30,374	
Medical Insurance		59,639	
Dental Insurance		366	
Unemployment Compensation		328	
Employer Medicare		4,909	
Communication		3,276	
Maintenance & Repair Services - Buildings		256,317	
Maintenance & Repair Services - Equipment		250,756	
Other Contracted Services		78,260	
Other Supplies and Materials		9,424	
Other Charges		2,040	
Maintenance Equipment		32,960	
Total Maintenance of Plant			1,111,829

Transportation

Supervisor/Director	\$	47,888	
Mechanic(s)		106,567	
Bus Drivers		493,290	
Clerical Personnel		21,769	
Other Salaries & Wages		18,373	
Social Security		37,510	
State Retirement		55,048	
Medical Insurance		256,206	
Dental Insurance		798	
Unemployment Compensation		1,500	
Employer Medicare		8,773	
Communication		1,973	
Medical and Dental Services		5,567	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Travel	\$	481	
Gasoline		219,665	
Tires and Tubes		32,530	
Vehicle Parts		91,156	
Other Supplies and Materials		597	
Vehicle and Equipment Insurance		29,223	
Other Charges		8,504	
Transportation Equipment		403,403	
Total Transportation			\$ 1,840,821

Central and Other

Clerical Personnel	\$	97,882	
Social Security		5,878	
State Retirement		8,359	
Life Insurance		13,671	
Medical Insurance		80,459	
Dental Insurance		46	
Unemployment Compensation		84	
Employer Medicare		1,375	
Other Fringe Benefits		53,104	
Postal Charges		4,543	
Travel		758	
Office Supplies		4,471	
Other Supplies and Materials		1,002	
Other Charges		8,625	
Total Central and Other			280,257

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$	160,794	
Total Regular Capital Outlay			160,794

Total General Purpose School Fund \$ 29,712,665

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	476,741	
Educational Assistants		66,563	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Certified Substitute Teachers	\$	1,800	
Non-certified Substitute Teachers		3,200	
Social Security		30,194	
State Retirement		34,537	
Medical Insurance		100,030	
Dental Insurance		438	
Unemployment Compensation		672	
Employer Medicare		7,367	
Other Contracted Services		10,000	
Instructional Supplies and Materials		21,783	
Other Charges		6,860	
Total Regular Instruction Program			\$ 760,185

Special Education Program

Teachers	\$	116,039	
Educational Assistants		220,805	
Speech Pathologist		32,757	
Certified Substitute Teachers		56	
Non-certified Substitute Teachers		555	
Social Security		21,221	
State Retirement		27,247	
Medical Insurance		100,830	
Dental Insurance		528	
Unemployment Compensation		831	
Employer Medicare		5,162	
Contracts with Private Agencies		27,322	
Other Contracted Services		5,582	
Instructional Supplies and Materials		131,683	
Textbooks		2,208	
Other Charges		25,100	
Total Special Education Program			717,926

Vocational Education Program

Travel	\$	8,000	
Total Vocational Education Program			8,000

Support Services

Other Student Support

Attendants	\$	24,401	
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(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Social Security	\$	1,335	
State Retirement		884	
Medical Insurance		9,444	
Dental Insurance		57	
Unemployment Compensation		100	
Employer Medicare		324	
Other Supplies and Materials		50,000	
Other Equipment		17,588	
Total Other Student Support			\$ 104,133

Regular Instruction Program

Supervisor/Director	\$	64,915	
Secretary(ies)		23,127	
Social Security		5,309	
State Retirement		5,264	
Medical Insurance		9,328	
Dental Insurance		59	
Unemployment Compensation		84	
Employer Medicare		1,235	
Communication		2,145	
Travel		1,566	
Instructional Supplies and Materials		1,490	
In Service/Staff Development		20,577	
Other Charges		1,155	
Total Regular Instruction Program			136,254

Special Education Program

Supervisor/Director	\$	66,041	
Assessment Personnel		17,021	
Secretary(ies)		29,590	
Clerical Personnel		52,954	
Social Security		10,726	
State Retirement		11,995	
Medical Insurance		26,494	
Dental Insurance		541	
Unemployment Compensation		329	
Employer Medicare		2,062	
Travel		4,810	
Other Supplies and Materials		51,490	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

In Service/Staff Development	\$	3,763	
Other Charges		510	
Total Special Education Program			\$ 278,326

Vocational Education Program

Supervisor/Director	\$	3,978	
Total Vocational Education Program			3,978

Transportation

Bus Drivers	\$	36,480	
Social Security		2,178	
State Retirement		3,138	
Medical Insurance		7,533	
Dental Insurance		26	
Unemployment Compensation		112	
Employer Medicare		527	
Total Transportation			49,994

Total School Federal Projects Fund \$ 2,058,796

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	46,216	
Clerical Personnel		27,756	
Cafeteria Personnel		825,498	
Social Security		49,302	
State Retirement		61,976	
Medical Insurance		296,153	
Dental Insurance		1,400	
Unemployment Compensation		2,059	
Employer Medicare		11,536	
Other Fringe Benefits		412	
Communication		4,966	
Transportation - Other than Students		4,921	
Travel		2,083	
Other Contracted Services		24,109	
Food Supplies		888,343	
Office Supplies		9,133	

(Continued)

Exhibit K-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Uniforms	\$	1,548	
Other Supplies and Materials		73,572	
In Service/Staff Development		4,186	
Food Service Equipment		49,657	
Total Food Service		<u>49,657</u>	\$ <u>2,384,826</u>

Total Central Cafeteria Fund \$ 2,384,826

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$	48,034	
Contracts with Private Agencies		412,459	
Building Construction		6,308,051	
Land		851,350	
Total Education Capital Projects		<u>851,350</u>	\$ <u>7,619,894</u>

Total Education Capital Projects Fund 7,619,894

Total Governmental Funds - Marshall County School Department \$ 41,776,181

Exhibit K-10

Marshall 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
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 1,567,649
Total Cash Receipts	<u>\$ 1,567,649</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,551,972
Trustee's Commission	15,677
Total Cash Disbursements	<u>\$ 1,567,649</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2006	<u>0</u>
 Cash Balance, June 30, 2007	 <u><u>\$ 0</u></u>

Exhibit K-11

Marshall County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Discretely Presented Marshall County Board of Public Utilities  
For the Year Ended June 30, 2007

Revenues

Operating Revenues

Charges for Current Services

General Service Charges

Water Sales	\$ 1,325,118
Forfeited Discounts	27,945
Water Tap Sales	180,027
Service Charges	47,129
Total Charges for Current Services	<u>\$ 1,580,219</u>

Other Local Revenues

Recurring Items

Miscellaneous Refunds	\$ 2,542
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Nonrecurring Items

Sale of Equipment	50
Damages Recovered from Individuals	646
Other Local Revenues	275
Total Other Local Revenues	<u>\$ 3,513</u>
Total Operating Revenues	<u>\$ 1,583,732</u>

Nonoperating Revenues

Investment Income	\$ 142,179
Contribution from Primary Government (Adequate Facilities Tax)	300,000
Total Nonoperating Revenues	<u>\$ 442,179</u>

Total Revenues	<u>\$ 2,025,911</u>
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Expenses

Operating Expenses

Other Economic and Community Development

Assistants	\$ 35,027
Supervisor/Director	49,005
Accountants/Bookkeepers	108,308
Equipment Operators	29,432
Laborers	145,884
Longevity Pay	2,250
Overtime Pay	23,719
Board and Committee Members Fees	3,150
In-Service Training	4,285
Social Security	23,389
Extension Service Medicare	5,470
State Retirement	33,135
Employee and Dependent Insurance	67,595
Audit Services	3,328
Communication	6,866
Contracts with Government Agencies	462,231
Dues and Memberships	1,502

(Continued)

Exhibit K-11

Marshall County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Discretely Presented Marshall County Board of Public Utilities (Cont.)

Expenses (Cont.)

Operating Expenses (Cont.)

Other Economic and Community Development (Cont.)

Engineering Services	\$ 6,940
Evaluation and Testing	2,108
Legal Services	9,387
Legal Notices, Recording and Court Costs	511
Licenses	800
Maintenance & Repair Services - Equipment	3,606
Maintenance & Repair Services - Office Equipment	2,056
Maintenance & Repair Services - Vehicles	10,962
Pest Control	300
Postal Charges	8,928
Rentals	107
Travel	7,447
Contracts for Development Costs	4
Custodial Supplies	865
Fertilizer, Lime and Seed	855
Gasoline	38,502
General Construction Materials	63,355
Instructional Supplies and Materials	290
Office Supplies	4,823
Small Tools	2,018
Tires and Tubes	3,171
Uniforms	3,025
Utilities	25,035
Liability Insurance	9,299
Premiums on Corporate Surety Bonds	1,411
Trustee's Commission	19,675
Vehicle and Equipment Insurance	6,138
Workman's Compensation Insurance	16,042
Depreciation	640,757
Fines, Assessments, and Penalties	2,583
Total Other Economic and Community Development	<u>\$ 1,895,576</u>
Total Operating Expenses	<u>\$ 1,895,576</u>

Nonoperating Expenses

General Government Debt Service

Interest Expense	\$ 78,391
Total Nonoperating Expenses	<u>\$ 78,391</u>

Total Expenses	<u>\$ 1,973,967</u>
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Exhibit K-12

Marshall County, Tennessee  
Schedule of Utility Rates and Water Usage  
Discretely Presented Marshall County Board of Public Utilities  
June 30, 2007

Utility Rates in Effect

Dry Tap	\$	12.85	per month
First 1,000 gallons		12.85	minimum
Next 5,000 gallons		7.52	per 1,000 gallons
Next 15,000 gallons		6.22	per 1,000 gallons
All over 21,000 gallons		4.48	per 1,000 gallons
Horton Park		3.74	per 1,000 gallons
Cornersville		4.15	per 1,000 gallons

Gallons of Water	Year Ended June 30	
	2007	2006
Purchased	226,108,800	220,571,400
Metered	(186,272,984)	(168,533,325)
Total Leaks and Unidentified Loss	<u>39,835,816</u>	<u>52,038,075</u>
Percentage of Metered Sales to Amounts Purchased	82.4%	76.4%
Average Number of Customers	2,790	2,571

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## **SINGLE AUDIT SECTION**

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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

October 24, 2007

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marshall County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Marshall County's basic financial statements and have issued our report thereon dated October 24, 2007. Our report was qualified due to not including the financial statements of the Marshall 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 Marshall 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 Marshall County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Marshall 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 item 07.02 described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting.

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 Marshall 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 do not believe that the significant deficiency described above is a material weakness.

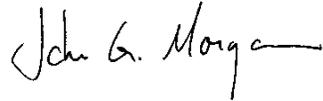
#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marshall 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 one instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and is described in the accompanying Schedule of Findings and Questioned Costs as item 07.01.

We consider item 07.03 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 the management of Marshall County in separate communications.

This report is intended solely for the information and use of management, the county mayor, director of schools, highway superintendent, manager of the Marshall County Board of Public Utilities, County Commission, Board of Education, Board of Public Utilities, others within Marshall County, and 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,

A handwritten signature in black ink that reads "John G. Morgan" with a long horizontal flourish extending to the right.

John G. Morgan  
Comptroller of the Treasury

JGM/yu



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

October 24, 2007

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Marshall 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. Marshall 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 Marshall County's management. Our responsibility is to express an opinion on Marshall 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 Marshall 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 Marshall County's compliance with those requirements.

In our opinion, Marshall 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 Marshall 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 Marshall 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 Marshall 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marshall County as of and for the year ended June 30, 2007, and have issued our report thereon dated October 24, 2007. Our report was qualified due to not including the financial statements of the Marshall 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 Marshall 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.

This report is intended solely for the information and use of management, the county mayor, director of schools, highway superintendent, manager of the Marshall County Board of Public Utilities, County Commission, Board of Education, Board of Public Utilities, others within Marshall County, and 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,

A handwritten signature in black ink that reads "John G. Morgan" with a long horizontal flourish extending to the right.

John G. Morgan  
Comptroller of the Treasury

JGM/yu

Marshall 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 Agriculture:			
Food Distribution - Noncash Assistance	10.550	(2)	\$ 87,777
Passed-through State Department of Education:			
Nutrition Cluster:			
School Breakfast Program	10.553	(2)	196,957
National School Lunch Program	10.555	(2)	795,480
Summer Food Service Program For Children	10.559	(2)	9
Total U.S. Department of Agriculture			\$ 1,080,223
U.S. Department of Housing and Urban Development:			
Direct Program:			
Shelter Plus	14.238	N/A	\$ 9,978
Passed-through State Housing Development Agency:			
HOME Investment Partnerships Program	14.239	HM-03-50	109,595
Total U.S. Department of Housing and Urban Development			\$ 119,573
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	Z-07-033760-00	\$ 59,796
Hurricane Education Recovery	84.938	N/A	14,033
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	691,692
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,054,605
Special Education - Preschool Grants	84.173	N/A	28,185
Vocational Education - Basic Grants to States	84.048	N/A	79,566
Safe and Drug-Free Schools And Communities - State Grants	84.186	(2)	14,419
State Grants for Innovative Programs	84.298	N/A	3,307
Education Technology State Grants	84.318	(2)	1,307
English Language Acquisition Grants	84.365	N/A	14,857
Improving Teacher Quality State Grants	84.367	N/A	170,857
Total U.S. Department of Education			\$ 2,132,624
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
Temporary Assistance for Needy Families	93.558	Z-07-034241-00	\$ 8,129
Total U.S. Department of Health and Human Services			\$ 8,129
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
State Domestic Preparedness Equipment Support Program	97.004	Z-04-022471-01	\$ 10,222
Emergency Management Assistance	97.042	Z-06-032857-00	18,659
Homeland Security Grant Program	97.067	Z-05-025186-00	169,598
Total U.S. Department of Homeland Security			\$ 198,479
Total Expenditures of Federal Awards			\$ 3,539,028

(Continued)

Marshall 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>Contract Number</u>	
<u>State Grants</u>			
Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 9,474
Adult Education - State Department of Education	N/A	Z-07-033760-00	19,932
Safe Schools Act - State Department of Education	N/A	(2)	26,499
Job Opportunities and Basic Skills Training - State Department of Education	N/A	Z-07-034241-00	15,094
Juvenile Justice - State Commission on Children and Youth	N/A	Z-07-036559-00	10,000
Litter Grant - State Department of Transportation	N/A	Z-07-033827-00	30,241
Gates Library Computer Grants - Tennessee Secretary of State	N/A	(2)	14,413
Nursing Grant - State Department of Health	N/A	Z-07-031547-00	156,425
Vote Wise Training Grant - Tennessee Secretary of State	N/A	(2)	2,135
Optional Waste Tire Grant - State Department of Environment & Conservation	N/A	Z-03-011341-00	21,397
Total State Grants			<u>\$ 305,610</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.  
(2) Information not available.

Marshall 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 Marshall County, Tennessee, for the year ended June 30, 2006, which have not been corrected.

**OFFICE OF COUNTY MAYOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.02	13	Competitive bids were not solicited for certain purchases

**OTHER FINDINGS**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.04	13	Duties were not adequately segregated in the Offices of Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff
06.05	14	A central system of purchasing had not been adopted

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**MARSHALL COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2007**

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**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, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Marshall 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, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559) 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. Marshall 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. Officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

### OFFICE OF COUNTY MAYOR

FINDING 07.01      **COMPETITIVE BIDS WERE NOT SOLICITED FOR CLEANING SERVICES FOR COUNTY BUILDINGS**  
(Noncompliance Under Government Auditing Standards)

Competitive bids were not solicited for cleaning services for county buildings (\$99,546). Sections 5-14-201 through 5-14-206, Tennessee Code Annotated, provide for all purchases exceeding \$5,000 (\$10,000 effective May 10, 2007) to be made after public advertisement and solicitation of competitive bids.

### RECOMMENDATION

The county should solicit competitive bids for purchases exceeding \$10,000 as required by state statute.

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### OTHER FINDINGS AND RECOMMENDATIONS

FINDING 07.02      **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF TRUSTEE; COUNTY CLERK; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; REGISTER; AND SHERIFF**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees of the Offices of Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff. Employees responsible for maintaining the accounting records were also involved in receipting, depositing, and/or disbursing funds.

### RECOMMENDATION

To strengthen internal controls over operations, these offices should segregate duties adequately among employees.

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FINDING 07.03      **A CENTRAL SYSTEM OF PURCHASING HAD NOT BEEN ADOPTED**  
(Internal Control – Control Deficiency Under Government Auditing Standards)

County officials had not adopted a central system of purchasing. Establishing a central system would significantly improve internal controls over the purchasing process.

RECOMMENDATION

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

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

There were no findings and questioned costs for federal awards.

**MARSHALL 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.