

**ANNUAL FINANCIAL REPORT
TIPTON COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2007



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FOR THE YEAR ENDED JUNE 30, 2007

DEPARTMENT OF AUDIT
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Comptroller of the Treasury

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This financial report is available at www.comptroller.state.tn.us

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

Scope

We have audited the basic financial statements of Tipton 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 remaining fund information is unqualified.

Our audit resulted in six findings and recommendations, which we have reviewed with Tipton 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:

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ The sheriff, trustee, and register were paid in excess of the amount set by state statute when they left office.

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF PUBLIC WORKS

- ◆ Animal control operations have been improperly accounted for in the Highway/Public Works Fund since the 2002-03 fiscal year.

OFFICE OF DIRECTOR OF PUBLIC WORKS

- ◆ The office had deficiencies in computer system back-up procedures.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Federal Projects Fund had a cash overdraft of \$25,559 at June 30, 2007.
-

OTHER FINDINGS

- ◆ Public Library Fund expenditures exceeded appropriations approved by the County Commission.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.

INTRODUCTORY SECTION

Tipton County Officials

June 30, 2007

Officials

Jeff Huffman, County Executive
Leon Davenport, Director of Public Works
Tim Fite, Director of Schools
Kristie Maxwell, Trustee
Bill Stimpson, Assessor of Property
Pam Deen, County Clerk
Mike Forbess, Circuit, General Sessions, and Juvenile Courts Clerk
Judy Barkeley Billings, Clerk and Master
Claudia Peeler, Register
Jeffrey Chumley, Sheriff
Bruce Petty, Director of Accounts and Budget

Board of County Commissioners

Jeff Huffman, Chairman	Dale Smith
William Bibb, Jr., Chairman Pro-Tem	James Lamont Sneed
Quincy Barlow	Mike Sterling
Steve Bringle	Glenn Alan Turner
Tommy Dunavant	Harold Twisdale
Patsy Fee	Charles Walker
Johnnie Jones	Clifford Wilson
Jeff Mason	Robert Wilson
John McIntyre	Rusty Wooten
Jeff Scott	

Board of Education

Rodney Eubank, Chairman
Don Clark, Vice-Chairman
Janet Abel
William Brooks
Susan Griffin
Marty Haywood
Patricia Jackson
Jack Strong
Thomas Taylor

FINANCIAL SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
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INDEPENDENT AUDITOR'S REPORT

October 15, 2007

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

To the County Executive 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 Tipton County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Tipton County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Tipton County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Tipton County Public Library (a nonmajor special revenue fund), which represent 11.9 percent and 12.2 percent, respectively, of the assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion insofar as it relates to the amounts included for the Tipton County Public Library, is based on the report of the other auditors.

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 and the report of other auditors provide a reasonable basis for our opinions.

The financial statements of the Tipton County Emergency Communications District, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units referred to above do not include the amounts for the Tipton 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 Tipton County Emergency Communications District, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Tipton County, Tennessee, as of June 30, 2007, and the results of operations of the aggregate discretely presented component units for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, based on our audit and the report of other auditors, 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 remaining fund information of Tipton County, Tennessee, as of June 30, 2007, and the respective changes in financial position therefore 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 15, 2007, on our consideration of Tipton 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.

The management of Tipton 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 59 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 and the other auditors 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 Tipton 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 Tipton 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 Tipton County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us 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 by us 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

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Tipton County School Department
<u>ASSETS</u>		
Cash	\$ 140,646	\$ 0
Equity in Pooled Cash and Investments	21,492,898	13,200,677
Accounts Receivable	26,488	202
Due from Other Governments	397,599	1,063,835
Property Taxes Receivable	10,656,510	9,590,861
Allowance for Uncollectible Property Taxes	(370,625)	(333,563)
Deferred Charges - Debt Issuance Costs	136,536	0
Capital Assets Not Depreciated:		
Land	2,228,266	3,547,240
Construction in Progress	0	371,762
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	3,448,708	32,647,945
Infrastructure	5,844,000	0
Other Capital Assets	1,657,414	3,476,397
Total Assets	<u>\$ 45,658,440</u>	<u>\$ 63,565,356</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 1,664	\$ 0
Payroll Deductions Payable	21,509	2,231,806
Cash Overdraft	0	25,559
Due to State of Tennessee	39	0
Accrued Interest Payable	203,269	0
Other Current Liabilities	1,166	0
Deferred Revenue - Current Property Taxes	9,893,486	8,904,138
Noncurrent Liabilities:		
Due Within One Year	4,934,179	26,629
Due in More Than One Year	36,344,029	505,955
Total Liabilities	<u>\$ 51,399,341</u>	<u>\$ 11,694,087</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 9,580,417	\$ 0
Invested in Capital Assets	0	40,043,344
Restricted for:		
Capital Projects	132,793	1,686,006
Debt Service	11,934,372	0
Public Library	103,826	0

(Continued)

Exhibit A

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

	Primary Government <u>Governmental Activities</u>	Component Unit <u>Tipton County School Department</u>
<u>NET ASSETS (Cont.)</u>		
Solid Waste/Sanitation	\$ 527,183	\$ 0
Drug Control	90,667	0
Highway/Public Works	1,217,420	0
Industrial Development	159,748	0
Probation Officer	162,564	0
Local Health Department	110,300	0
Central Cafeteria	0	1,620,243
Other Purposes	93,046	223,211
Unrestricted	<u>(29,853,237)</u>	<u>8,298,465</u>
Total Net Assets	<u>\$ (5,740,901)</u>	<u>\$ 51,871,269</u>

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

Exhibit B

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

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
					Governmental Total Activities	Unit Tipton County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 2,046,520	\$ 515,053	\$ 43,255	\$ 330,270	\$ (1,157,942)	\$ 0
Finance	1,381,128	1,111,094	17,929	0	(252,105)	0
Administration of Justice	1,421,487	1,331,671	9,000	0	(80,816)	0
Public Safety	5,568,099	442,778	37,683	354,814	(4,732,824)	0
Public Health and Welfare	1,900,277	211,766	338,767	160,805	(1,188,939)	0
Social, Cultural, and Recreational Services	284,290	10,647	98,965	0	(174,678)	0
Agriculture and Natural Resources	185,904	12,205	0	0	(173,699)	0
Other Operations	2,170,815	10,898	0	0	(2,159,917)	0
Highways/Public Works	4,949,561	5,760	1,940,651	26,007	(2,977,143)	0
Interest on Long-term Debt	1,663,999	0	0	0	(1,663,999)	0
Other Debt Service	197,202	0	475,000	0	277,798	0
Total Primary Government	\$ 21,769,282	\$ 3,651,872	\$ 2,961,250	\$ 871,896	\$ (14,284,264)	\$ 0
Component Unit:						
Tipton County School Department	\$ 77,919,179	\$ 2,470,008	\$ 9,699,933	\$ 1,500,000	\$ 0	\$ (64,249,238)
Total Component Unit	\$ 77,919,179	\$ 2,470,008	\$ 9,699,933	\$ 1,500,000	\$ 0	\$ (64,249,238)

(Continued)

Exhibit B

Tipton 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 Government Total Governmental Activities	Component Unit Tipton County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 5,131,725	\$ 9,594,575
Property Taxes Levied for Debt Service					5,510,692	0
Local Option Sales Tax					390,320	3,505,966
Other Local Taxes					3,733,532	139,596
Grants and Contributions Not Restricted to Specific Programs					1,343,367	50,787,887
Unrestricted Investment Earnings					1,775,537	0
Miscellaneous					19,746	236,927
Total General Revenues					<u>\$ 17,904,919</u>	<u>\$ 64,264,951</u>
Change in Net Assets					\$ 3,620,655	\$ 15,713
Net Assets, July 1, 2006					(14,484,051)	36,569,876
Prior Period Adjustment					<u>5,122,495</u>	<u>15,285,680</u>
Net Assets, June 30, 2007					<u>\$ (5,740,901)</u>	<u>\$ 51,871,269</u>

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

Exhibit C-1

Tipton 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	\$ 0	\$ 0	\$ 0	\$ 140,646	\$ 140,646
Equity in Pooled Cash and Investments	7,791,487	1,002,330	11,948,438	750,643	21,492,898
Accounts Receivable	18,530	0	851	7,107	26,488
Due from Other Governments	92,762	304,837	0	0	397,599
Due from Other Funds	41,097	0	0	0	41,097
Property Taxes Receivable	5,644,638	568,347	4,443,525	0	10,656,510
Allowance for Uncollectible Property Taxes	(184,993)	(19,766)	(165,866)	0	(370,625)
Total Assets	\$ 13,403,521	\$ 1,855,748	\$ 16,226,948	\$ 898,396	\$ 32,384,613
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 1,664	\$ 1,664
Payroll Deductions Payable	21,509	0	0	0	21,509
Due to Other Funds	0	0	0	41,097	41,097
Due to State of Tennessee	39	0	0	0	39
Other Current Liabilities	0	0	0	1,166	1,166
Deferred Revenue - Current Property Taxes	5,276,526	527,653	4,089,307	0	9,893,486
Deferred Revenue - Delinquent Property Taxes	183,119	20,928	188,352	0	392,399
Other Deferred Revenues	32,300	152,400	0	14,026	198,726
Total Liabilities	\$ 5,513,493	\$ 700,981	\$ 4,277,659	\$ 57,953	\$ 10,550,086

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>LIABILITIES AND FUND BALANCES (Cont.)</u>					
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 798,851	\$ 204,869	\$ 0	\$ 0	\$ 1,003,720
Reserved for Drug Court	18,867	0	0	0	18,867
Reserved for Sexual Offender Registration	8,388	0	0	0	8,388
Reserved for Computer System - Register	45,497	0	0	0	45,497
Reserved for Automation Purposes - General Sessions Court	20,295	0	0	0	20,295
Reserved for Other General Purposes	432,611	0	0	0	432,611
Unreserved, Reported In:					
General Fund	6,565,519	0	0	0	6,565,519
Special Revenue Funds	0	949,898	0	707,650	1,657,548
Debt Service Funds	0	0	11,949,289	0	11,949,289
Capital Projects Funds	0	0	0	132,793	132,793
Total Fund Balances	<u>\$ 7,890,028</u>	<u>\$ 1,154,767</u>	<u>\$ 11,949,289</u>	<u>\$ 840,443</u>	<u>\$ 21,834,527</u>
Total Liabilities and Fund Balances	<u>\$ 13,403,521</u>	<u>\$ 1,855,748</u>	<u>\$ 16,226,948</u>	<u>\$ 898,396</u>	<u>\$ 32,384,613</u>

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

Exhibit C-2

Tipton 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)		\$ 21,834,527	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,228,266	
Add: infrastructure net of accumulated depreciation		5,844,000	
Add: buildings and improvements net of accumulated depreciation		3,448,708	
Add: other capital assets net of accumulated depreciation		<u>1,657,414</u>	13,178,388
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(1,158,350)	
Less: other loans payable		(19,451,024)	
Less: capitalized leases payable		(65,681)	
Less: bonds payable		(19,355,000)	
Add: deferred charges - debt issuance costs		136,536	
Less: compensated absences payable		(505,332)	
Less: landfill closure/postclosure care costs		(742,821)	
Less: accrued interest on bonds and notes		<u>(203,269)</u>	(41,344,941)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>591,125</u>
Net assets of governmental activities (Exhibit A)			<u>\$ (5,740,901)</u>

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

Exhibit C-3

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 7,694,782	\$ 2,100,932	\$ 5,556,697	\$ 6,858	\$ 15,359,269
Licenses and Permits	80,377	42,244	0	0	122,621
Fines, Forfeitures, and Penalties	351,385	0	0	50,448	401,833
Charges for Current Services	158,259	2,684	0	103,911	264,854
Other Local Revenues	78,961	2,018	1,775,324	82,470	1,938,773
Fees Received from County Officials	2,383,301	0	0	0	2,383,301
State of Tennessee	964,836	1,977,658	0	582,411	3,524,905
Federal Government	735,589	0	0	0	735,589
Other Governments and Citizens Groups	0	24,078	475,000	98,965	598,043
Total Revenues	\$ 12,447,490	\$ 4,149,614	\$ 7,807,021	\$ 925,063	\$ 25,329,188
<u>Expenditures</u>					
Current:					
General Government	\$ 1,970,702	\$ 0	\$ 0	\$ 0	\$ 1,970,702
Finance	1,376,011	0	0	0	1,376,011
Administration of Justice	1,360,763	0	0	2,187	1,362,950
Public Safety	5,575,926	0	0	50,998	5,626,924
Public Health and Welfare	636,286	159,526	0	15,953	811,765
Social, Cultural, and Recreational Services	106,950	0	0	164,102	271,052
Agricultural and Natural Resources	184,759	0	0	0	184,759
Other Operations	673,702	0	0	1,500,000	2,173,702
Highways	0	4,499,438	0	750,546	5,249,984
Debt Service:					
Principal on Debt	13,345	83,000	4,344,450	0	4,440,795
Interest on Debt	2,574	7,850	1,669,467	0	1,679,891
Other Debt Service	0	0	194,588	112,000	306,588
Total Expenditures	\$ 11,901,018	\$ 4,749,814	\$ 6,208,505	\$ 2,595,786	\$ 25,455,123
Excess (Deficiency) of Revenues Over Expenditures					
	\$ 546,472	\$ (600,200)	\$ 1,598,516	\$ (1,670,723)	\$ (125,935)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 87,150	\$ 1,000,000	\$ 0	\$ 0	\$ 1,087,150
Capital Leases Issued	27,701	0	0	0	27,701
Other Loans Issued	0	0	0	1,612,000	1,612,000
Insurance Recovery	11,357	0	0	0	11,357
Transfers In	0	64,340	0	72,500	136,840
Transfers Out	(72,500)	0	0	(64,340)	(136,840)
Total Other Financing Sources (Uses)	\$ 53,708	\$ 1,064,340	\$ 0	\$ 1,620,160	\$ 2,738,208
Net Change in Fund Balances					
	\$ 600,180	\$ 464,140	\$ 1,598,516	\$ (50,563)	\$ 2,612,273
Fund Balance, July 1, 2006	7,289,848	690,627	10,350,773	891,006	19,222,254
Fund Balance, June 30, 2007	\$ 7,890,028	\$ 1,154,767	\$ 11,949,289	\$ 840,443	\$ 21,834,527

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

Exhibit C-4

Tipton 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)		\$ 2,612,273
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those 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	\$ 683,316	
Less: current year depreciation expense	<u>(1,241,308)</u>	(557,992)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2007	\$ 591,125	
Less: deferred delinquent property taxes and other deferred June 30, 2006	<u>(530,376)</u>	60,749
(3) The issuance of long-term debt (e.g. other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of 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 net effect of these differences in the treatment of long-term debt and related items.		
Less: note proceeds	\$ (1,087,150)	
Less: other loan proceeds	(1,612,000)	
Less: capital lease proceeds	(27,701)	
Add: change in deferred debt issuance costs	109,386	
Add: principal payment on bonds	2,610,000	
Add: principal payment on notes	1,030,450	
Add: principal payment on other loans	787,000	
Add: principal payment on capital leases	<u>13,345</u>	1,823,330
(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 governmental funds.		
Change in accrued interest payable	\$ 15,892	
Change in compensated absences	9,818	
Change in landfill closure/postclosure care costs	<u>(343,415)</u>	<u>(317,705)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 3,620,655</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,288,776
Due from Other Governments	<u>540,178</u>
Total Assets	<u>\$ 1,828,954</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 540,178
Due to Litigants, Heirs, and Others	<u>1,288,776</u>
Total Liabilities	<u>\$ 1,828,954</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Tipton 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 Tipton County:

A. Reporting Entity

Tipton County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Tipton County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

Administrative Office:

Tipton County Emergency Communications District
220 Highway 51 North, Suite 4
Covington, TN 38019

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 Tipton 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 Tipton County School Department component unit only reports governmental activities in the government-wide financial statements.

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

Tipton County issues all debt for the discretely presented Tipton County School Department. Net debt issues (\$1,500,000) were contributed by the county to the School Department during the year ended June 30, 2007.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds 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 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 Tipton 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. Funds are organized into three major categories: governmental, proprietary, and fiduciary. However, Tipton County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

Separate financial statements are provided for governmental funds 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. The fiduciary funds in total are reported in a single column.

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

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.

Tipton 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.

Additionally, Tipton County reports the following fund types:

Capital Projects Fund – The General Capital Projects Fund accounts for general capital projects of the county and for debt issued by Tipton County that is subsequently contributed to the discretely presented Tipton County School Department for construction and renovation projects.

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 Tipton 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 Tipton County School Department reports the following major governmental fund:

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

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

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.

Capital Projects Fund – The Education Capital Projects Fund is used to account for the receipt of debt issued by Tipton County and contributed to the School Department for building construction and renovations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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.

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

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

The county trustee maintains a cash and internal investment pool that is used by all funds, and the discretely presented Tipton County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Tipton County and the Tipton County School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the

balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.79 percent of total taxes levied.

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

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

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

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

3. 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 in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5, 10, or 12
Infrastructure:	
Roads	10 or 20
Bridges	5, 15, or 30

4. Compensated Absences

It is the county's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Tipton County does 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 and its discretely presented component units. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

5. Long-term Obligations

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

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

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

6. Net Assets and Fund Equity

In the government-wide 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, Tipton County had \$36,432,084 in outstanding debt for capital purposes for the discretely presented Tipton County School Department. The debt is a liability of Tipton County, but the capital assets acquired are reported in the financial statements of the Tipton County School Department. Therefore, Tipton 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.

7. Prior-period Adjustments

Capital assets were restated from the prior year in the primary government (\$5,122,495) and in the discretely presented Tipton County School Department (\$15,285,680). The prior-period adjustment in the primary government resulted from the recognition of infrastructure assets acquired between July 1, 1980, and June 30, 2002. The prior-period adjustment in the discretely presented School Department resulted from two buildings being omitted.

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 Tipton County School Department

Exhibit I-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 Tipton County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

The budgetary level of control is at the major category level established by the 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, Beer Board, County Mayor, Election Commission, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Cash Overdraft

The School Federal Projects Fund had a cash overdraft of \$25,559 at June 30, 2007. This cash overdraft resulted from issuing warrants that exceeded cash on deposit with the trustee. This cash overdraft was liquidated subsequent to June 30, 2007.

C. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations approved by the County Commission in the Public Library Fund by \$15,416. Such overexpenditures are a violation of state statute. These overexpenditures were funded by available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Tipton County and the Tipton County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash and investments reflected on the balance sheets or statements of net assets represent 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, Tipton 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 Tipton County and the discretely presented Tipton County School Department since both 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>\$ 21,396,127</u>
Total		<u><u>\$ 21,396,127</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. Tipton 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. Tipton County has no investment policy that would further limit its investment choices. As of June 30, 2007, Tipton County’s investment in the State Treasurer’s Investment Pool was unrated.

B. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-06	Prior Period Adjustment	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:					
Land	\$ 2,228,266	\$ 0	\$ 0	\$ 0	\$ 2,228,266
Construction in Progress	549,056	0	0	(549,056)	0
Total Capital Assets Not Depreciated	<u>\$ 2,777,322</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (549,056)</u>	<u>\$ 2,228,266</u>
Capital Assets Depreciated:					
Buildings and Improvements	\$ 5,692,168	\$ 0	\$ 0	\$ 0	\$ 5,692,168
Infrastructure	1,432,779	20,008,662	31,296	0	21,472,737
Other Capital Assets	5,360,202	0	1,201,076	(30,587)	6,530,691
Total Capital Assets Depreciated	<u>\$ 12,485,149</u>	<u>\$ 20,008,662</u>	<u>\$ 1,232,372</u>	<u>\$ (30,587)</u>	<u>\$ 33,695,596</u>
Less Accumulated Depreciation For:					
Buildings and Improvements	\$ 2,044,089	\$ 0	\$ 199,371	\$ 0	\$ 2,243,460
Infrastructure	84,949	14,886,167	657,621	0	15,628,737
Other Capital Assets	4,519,548	0	384,316	(30,587)	4,873,277
Total Accumulated Depreciation	<u>\$ 6,648,586</u>	<u>\$ 14,886,167</u>	<u>\$ 1,241,308</u>	<u>\$ (30,587)</u>	<u>\$ 22,745,474</u>
Total Capital Assets Depreciated, Net	<u>\$ 5,836,563</u>	<u>\$ 5,122,495</u>	<u>\$ (8,936)</u>	<u>\$ 0</u>	<u>\$ 10,950,122</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,613,885</u>	<u>\$ 5,122,495</u>	<u>\$ (8,936)</u>	<u>\$ (549,056)</u>	<u>\$ 13,178,388</u>

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

Governmental Activities:

General Government	\$ 118,556
Administration of Justice	52,586
Public Safety	207,479
Public Health and Welfare	9,733
Social, Cultural, and Recreational Services	29,089
Highways/Public Works	<u>823,865</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,241,308</u></u>

Discretely Presented Tipton County School Department

Governmental Activities:

	Balance 7-1-06	Prior Period Adjustment	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:					
Land	\$ 3,547,240	\$ 0	\$ 0	\$ 0	\$ 3,547,240
Construction in Progress	0	0	371,762	0	371,762
Total Capital Assets Not Depreciated	<u>\$ 3,547,240</u>	<u>\$ 0</u>	<u>\$ 371,762</u>	<u>\$ 0</u>	<u>\$ 3,919,002</u>
Capital Assets Depreciated:					
Buildings and Improvements	\$ 81,601,544	\$ 18,654,075	\$ 56,931	\$ 0	\$ 100,312,550
Other Capital Assets	7,637,158	0	804,346	(694,730)	7,746,774
Total Capital Assets Depreciated	<u>\$ 89,238,702</u>	<u>\$ 18,654,075</u>	<u>\$ 861,277</u>	<u>\$ (694,730)</u>	<u>\$ 108,059,324</u>
Less Accumulated Depreciated For:					
Buildings and Improvements	\$ 61,674,536	\$ 3,368,395	\$ 2,621,674	\$ 0	\$ 67,664,605
Other Capital Assets	4,409,793	0	555,314	(694,730)	4,270,377
Total Accumulated Depreciation	<u>\$ 66,084,329</u>	<u>\$ 3,368,395</u>	<u>\$ 3,176,988</u>	<u>\$ (694,730)</u>	<u>\$ 71,934,982</u>
Total Capital Assets Depreciated, Net	<u>\$ 23,154,373</u>	<u>\$ 15,285,680</u>	<u>\$ (2,315,711)</u>	<u>\$ 0</u>	<u>\$ 36,124,342</u>
Governmental Activities Capital Assets, Net	<u>\$ 26,701,613</u>	<u>15,285,680</u>	<u>\$ (1,943,949)</u>	<u>\$ 0</u>	<u>\$ 40,043,344</u>

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

Governmental Activities:

Instruction	\$ 2,254,180
Support Services	679,790
Operation of Non-Instructional Services	<u>243,018</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 3,176,988</u></u>

C. Construction Commitments

At June 30, 2007, the General Fund had uncompleted construction contracts of approximately \$341,130 for the construction of a sewer line extension project. Funding for these future expenditures is expected to be received from a community development block grant and local matching funds.

At June 30, 2007, the discretely presented school department's Education Capital Projects Fund had uncompleted construction contracts of \$425,196 for construction and renovation projects. Funding for these future expenditures is expected to be received from other loan proceeds.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	<u><u>\$ 41,097</u></u>

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:

Primary Government

Transfers Out	Transfers In	
	Highway/ Public Works Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 72,500
Nonmajor governmental funds	64,340	0
Total	\$ 64,340	\$ 72,500

Discretely Presented Tipton County School Department

Transfers Out	Transfers In
	General Purpose School Fund
Nonmajor governmental fund	\$ 130,376

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. Capital Leases

On June 23, 2007, Tipton County entered into a five-year lease-purchase agreement for two copy machines. The terms of the agreement require total lease payments of \$16,456 plus interest of 3.83 percent. Title to the copy machines transfers to Tipton County at the end of the lease period. The lease payments are made by the General Fund.

On December 19, 2006, Tipton County entered into a five-year lease-purchase agreement for a copy machine. The terms of the agreement require total lease payments of \$11,245 plus interest of 3.39 percent. Title to the copy machine transfers to Tipton County at the end of the lease period. The lease payments are made by the General Fund.

On June 12, 2006, Tipton County entered into a five-year lease-purchase agreement for two copy machines. The terms of the agreement require total lease payments of \$21,808 plus interest of 3.32 percent. Title to the copy machines transfers to Tipton County at the end of the lease period. The lease payments are made by the General Fund.

On December 14, 2004, Tipton County entered into a five-year lease-purchase agreement for six copy machines. The terms of the agreement require total lease payments of \$41,141 plus interest of 6.47 percent. Title to the copy machines transfers to Tipton County at the end of the lease period. The lease payments are made by the General Fund.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2007, were as follows:

Year Ending June 30	Governmental Funds
2008	\$ 20,461
2009	20,462
2010	14,832
2011	10,809
2012	4,544
Total Minimum Lease Payments	\$ 71,108
Amount Representing Interest	<u>(5,427)</u>
 Present Value of Minimum Lease Payments	 \$ <u>65,681</u>

F. 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 have been issued to refund other general obligation bonds. 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 20 years for bonds, up to seven years for notes, and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2007, will be retired from the General Debt Service Fund and the Highway/Public Works Fund.

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

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
General Obligation Bonds -	2.5 to 4.625 %	\$ 9,000,000	\$ 8,250,000
General Obligation Bonds - Refunding	2.5 to 5.35	25,685,000	11,105,000
Other Loans	variable	22,038,024	19,451,024
Capital Outlay Note	0 to 4.73	1,336,800	1,158,350
Capital Leases	3.32 to 6.47	90,650	65,681

During the 1998-99 year, Tipton County entered into two loan agreements with the Montgomery County Public Building Authority. Under these loan agreements, the authority loaned Tipton County \$10,897,089. These loans are repayable at a variable interest rate based on the weekly Bank of America Thursday National Non-AMT Index (BOA). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with these loans. At June 30, 2007, the variable interest rate was 3.73 percent based on the BOA rate and other fees amounted to approximately .43 percent of the outstanding loan principal.

During the 2002-03 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$5,100,000 available for loan to Tipton County on an as-needed basis for various capital projects. As of June 30, 2007, Tipton County had borrowed \$4,428,935. This loan is repayable at a variable interest rate based on the daily London Interbank Offer Rate (LIBOR). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2007, the variable interest rate was 3.95 percent based on the LIBOR rate and other fees amounted to approximately .38 percent of the outstanding loan principal.

During the 2004-05 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$5,100,000 to Tipton County for various capital projects. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2007, the variable interest rate was 3.95 percent based on the LIBOR rate and other fees amounted to approximately .38 percent of the outstanding loan principal.

During the 2005-06 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$16,000,000 available for loan to Tipton County on an as-needed basis for various capital projects. As of

June 30, 2007, Tipton County had borrowed \$1,612,000. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2007, the variable interest rate was 3.95 percent based on the LIBOR rate and other fees amounted to approximately .38 percent of the outstanding loan principal.

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

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2008	\$ 2,785,000	\$ 812,468	\$ 280,100	\$ 25,406
2009	2,445,000	708,260	203,450	35,006
2010	2,075,000	613,110	212,450	26,813
2011	1,780,000	532,260	220,450	18,233
2012	1,695,000	458,663	229,450	9,309
2013-2017	5,400,000	1,250,005	12,450	0
2018-2022	3,175,000	440,425	0	0
Total	\$ 19,355,000	\$ 4,815,191	\$ 1,158,350	\$ 114,767

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2008	\$ 1,810,000	\$ 857,841	\$ 78,712	\$ 2,746,553
2009	2,386,000	796,435	71,534	3,253,969
2010	2,518,000	714,726	62,168	3,294,894
2011	2,019,000	628,655	52,249	2,699,904
2012	1,353,935	407,968	44,227	1,806,130
2013-2017	5,853,000	1,350,283	146,116	7,349,399
2018-2022	3,511,089	289,438	29,833	3,830,360
Total	\$ 19,451,024	\$ 5,045,346	\$ 484,839	\$ 24,981,209

There is \$11,949,289 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$378, based on the 2000 federal census. Debt per capita, including bonds, notes, other loans, and capital leases, totaled \$781, based on the 2000 federal census.

Changes in Long-term Liabilities

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

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2006	\$ 21,965,000	\$ 1,101,650	\$ 18,626,024
Additions	0	1,087,150	1,612,000
Deductions	(2,610,000)	(1,030,450)	(787,000)
Balance, June 30, 2007	<u>\$ 19,355,000</u>	<u>\$ 1,158,350</u>	<u>\$ 19,451,024</u>
Balance Due Within One Year	<u>\$ 2,785,000</u>	<u>\$ 280,100</u>	<u>\$ 1,810,000</u>

	Capital Leases	Compensated Absences	Landfill Postclosure Care Costs
Balance, July 1, 2006	\$ 51,325	\$ 515,150	\$ 399,406
Additions	27,701	295,315	359,368
Deductions	(13,345)	(305,133)	(15,953)
Balance, June 30, 2007	<u>\$ 65,681</u>	<u>\$ 505,332</u>	<u>\$ 742,821</u>
Balance Due Within One Year	<u>\$ 17,912</u>	<u>\$ 25,267</u>	<u>\$ 15,900</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 41,278,208
Less: Balance Due Within One Year	<u>(4,934,179)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 36,344,029</u>

Compensated absences will be paid from the employing funds, primarily the General Fund and the Highway/Public Works Fund. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented Tipton County School Department

Changes in Long-term Liabilities

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

Governmental Activities:

	<u>Compensated Absences</u>
Balance, July 1, 2006	\$ 401,435
Additions	250,957
Deductions	<u>(119,808)</u>
Balance, June 30, 2007	<u>\$ 532,584</u>
Balance Due Within One Year	<u>\$ 26,629</u>

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

G. Short-term Debt

Tipton County issued a tax anticipation note in advance of property tax collections and deposited the proceeds in the Highway/Public Works Fund. This note was necessary because funds were not available to meet operating expenses coming due before current tax collections. Short-term debt activity for the year ended June 30, 2007, was as follows:

	<u>Balance 7-1-06</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance 6-30-07</u>
Tax Anticipation Note	\$ 0	\$ 500,000	\$ (500,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

Liability, Property, and Casualty

Tipton County is exposed to various risks related to general liability, property, and casualty losses. Tipton County carries commercial insurance for risks to property. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

The county participates in 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 pays annual premiums 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 in excess of \$100,000 for each insured event.

Workers' Compensation Insurance

Tipton County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of Section 29-20-401, Tennessee Code Annotated (TCA), by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays annual premiums to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

Employee Health Insurance

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

Discretely Presented Tipton County School Department

Liability, Property, and Casualty

The Tipton County School Department is exposed to various risks related to general liability, property, and casualty losses. Tipton County School Department carries commercial insurance for risks to property. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

The Tipton County School Department participates in 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 pays annual premiums 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 in excess of \$100,000 for each insured event.

Workers' Compensation Insurance

The Tipton County School Department does not provide workers' compensation insurance coverage for its employees.

Employee Health Insurance

The Tipton County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-302, Tennessee Code Annotated (TCA), all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

B. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney and the attorney for the Board of Education estimate that the potential claims against the county and board not covered by insurance resulting from such litigation would not materially affect the county's or board's financial statements.

C. Changes in Administration

On August 31, 2006, Laura Racine left the Office of Trustee and was succeeded by Kristi Maxwell, Peggy Spain left the Office of Register and was succeeded by Claudia Peeler, and Clyde Lewis, Jr., left the Office of Sheriff and was succeeded by Jeffrey Chumley.

D. Landfill Closure/Postclosure Care Costs

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Solid Waste Disposal Fund reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The county stopped accepting household waste at the landfill during the 1996-97 year and began transporting the household waste to a private landfill in an adjoining county. As a result, the Solid Waste Fund was closed at June 30, 1997, and effective July 1, 1997, the Solid Waste/Sanitation Fund (special revenue fund) began reporting all activities of Tipton County's solid waste activities.

An accrued liability of \$742,821 for landfill postclosure care costs at June 30, 2007, representing the remaining estimated costs for future postclosure care functions, is reported as a liability in the government-wide financial statements. Actual postclosure care cost may be higher due to inflation, changes in technology, or changes in regulations.

E. Retirement Commitments

Employees

Plan Description

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

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

Funding Policy

Tipton County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2007, was 9.84 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Tipton County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2007, Tipton County's annual pension cost of \$1,298,186 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2005, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Tipton County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was 17 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	\$1,298,186	100%	\$0
6-30-06	1,214,337	100	0
6-30-05	1,401,428	100	0

School Teachers

Plan Description

The Tipton 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 SETHEPP. 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.

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 Tipton 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 Tipton 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 \$2,253,071, \$1,884,196, and \$1,810,772, respectively, equal to the required contributions for each year.

F. Purchasing Laws

Office of County Executive

Purchasing procedures for the County Executive's Office are governed by provisions of Chapter 518, Private Acts of 1941, as amended. This act provides for the Purchasing Committee to make all purchases estimated to exceed \$5,000. Purchases estimated to be \$5,000 or less may be made by the county executive or other county officials. This act also requires that competitive bids be solicited by the Purchasing Committee through advertisement in a local newspaper on all purchases estimated to exceed \$5,000.

Office of Director of Public Works

Purchasing procedures for the Public Works Department are governed by provisions of Chapter 114, Private Acts of 1973, as amended, and the Uniform Road Law, Section 54-7-113, Tennessee Code Annotated. These statutes provide for the Public Works Committee to make all purchases, and

all purchases exceeding \$10,000 are to be made on a competitive basis solicited through public advertisement.

Office of Director of Schools

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

VI. OTHER NOTES – TIPTON COUNTY PUBLIC LIBRARY (SPECIAL REVENUE FUND)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Financial Reporting Entity

The Tipton County Public Library is governed by a board of directors appointed by the Mayor of Tipton County, Tennessee. Based on criteria set forth in Statement No. 14 of the Governmental Accounting Standards Board (GASB), there are no organizations requiring consideration for inclusion in the library's financial reporting entity.

Under criteria in GASB Statement No. 14, the library is determined to be a fund of Tipton County, Tennessee, and is included in the financial statements of Tipton County as a special revenue fund. The library has elected to present its financial statements as a department of Tipton County.

The library's operating budget is funded by contributions from the City of Covington, Tennessee, and operating transfers from Tipton County. In addition, the library is located in a building owned by the City of Covington. The library is not charged any rent for use of the building. Capital improvements are funded from federal and state grants, contributions from the City of Covington, and operating transfers from Tipton County.

2. Basis of Presentation

The accounting and reporting policies of the library conform to accounting principles generally accepted in the United States applicable to governmental units. Generally accepted accounting principles are defined as those principles prescribed by GASB.

The library also presents fund financial statements for all funds relevant to operations of the library.

The library's accounts are organized and operated on the basis of fund types. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The library's financial activities reported in the accompanying financial statements are classified into one fund type (Governmental):

General Fund - used to account for all resources.

3. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The statements of net assets and activities are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The library considers revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred.

Deferred revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the library before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met,

or when the library has a legal claim to the resources, the liability for deferred revenue is removed from the statement of net assets/balance sheet and revenue is recognized.

4. Budgets

The library does have a legal budget. Expenditures exceeded total appropriations approved by the County Commission in the Public Library Fund by \$15,416. Such overexpenditures are a violation of state statute. These overexpenditures were funded by available fund balance.

5. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the library's deposits may not be returned to it. Although the library has not formally adopted a policy regarding collateralization of deposits, the library follows collateralization requirements of state statutes.

6. Investments

Statutes authorize the library to invest in obligations of the U.S. Treasury, agencies, instrumentalities and obligations guaranteed as to principal and interest by the United States or any of its agencies, repurchase agreements, the Tennessee local government investment pool, certificates of deposit at state and federally chartered banks and savings and loan associations, money market funds approved by the state director of Local Finance, and Tipton County's bonds and notes. The library has not adopted a formal investment policy that limits its interest rate or credit risk.

7. Capital Assets

Capital assets, which include equipment, fixtures, and library collection, are reported in the statement of net assets. All capital assets are valued at historical cost. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Equipment	5-10
Library Collections	5

8. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, consist of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

B. DEPOSITS

The bank balances of deposits as of June 30, 2007, were entirely insured by federal depository insurance.

C. CAPITAL ASSETS

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

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Depreciated:				
Library Collection	\$ 140,291	\$ 14,755	\$ (14,782)	\$ 140,264
Equipment and Fixtures	59,344	1,096	0	60,440
Total Capital Assets Depreciated	<u>\$ 199,635</u>	<u>\$ 15,851</u>	<u>\$ (14,782)</u>	<u>\$ 200,704</u>
Less Accumulated Depreciation For:				
Library Collection	\$ 72,525	\$ 25,028	\$ (14,782)	\$ 82,771
Equipment and Fixtures	47,456	4,061	0	51,517
Total Accumulated Depreciation	<u>\$ 119,981</u>	<u>\$ 29,089</u>	<u>\$ (14,782)</u>	<u>\$ 134,288</u>
Total Capital Assets Depreciated, Net	<u>\$ 79,654</u>	<u>\$ (13,238)</u>	<u>\$ 0</u>	<u>\$ 66,416</u>
Governmental Activities Capital Assets, Net	<u>\$ 79,654</u>	<u>\$ (13,238)</u>	<u>\$ 0</u>	<u>\$ 66,416</u>

D. DEFERRED REVENUE

The deferred revenue balance of \$14,026 relates to grant monies that were received from the State of Tennessee and a private foundation prior to incurrence of qualifying expenditures.

E. RISK MANAGEMENT

The library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to

employees; and natural disasters. All insurable risks of loss are covered under commercial insurance policies. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There was no significant reduction in the amount of coverage provided during this year.

F. RETIREMENT PLAN

Plan Description

Employees of Tipton County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no member 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 Tipton County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to 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. Copies of footnotes in PDF format can be accessed at www.treasury.state.tn.us/tcrs/PS/.

Funding Policy

Tipton County requires employees to contribute five percent earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2007, was 9.51 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Tipton County is established and may be amended by the TCRS Board of Trustees.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	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	\$ 7,694,782	\$ 0	\$ 0	\$ 7,694,782	\$ 7,562,100	\$ 7,562,100	\$ 132,682
Licenses and Permits	80,377	0	0	80,377	75,000	75,000	5,377
Fines, Forfeitures, and Penalties	351,385	0	0	351,385	322,500	369,786	(18,401)
Charges for Current Services	158,259	0	0	158,259	177,450	177,450	(19,191)
Other Local Revenues	78,961	0	0	78,961	95,550	93,550	(14,589)
Fees Received from County Officials	2,383,301	0	0	2,383,301	2,266,600	2,266,600	116,701
State of Tennessee	964,836	0	0	964,836	929,653	929,653	35,183
Federal Government	735,589	0	0	735,589	758,500	1,276,501	(540,912)
Total Revenues	\$ 12,447,490	\$ 0	\$ 0	\$ 12,447,490	\$ 12,187,353	\$ 12,750,640	\$ (303,150)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 119,549	\$ 0	\$ 0	\$ 119,549	\$ 144,668	\$ 150,168	\$ 30,619
Beer Board	2,788	0	0	2,788	4,135	4,135	1,347
County Mayor/Executive	196,650	(58)	0	196,592	214,830	214,830	18,238
Election Commission	687,109	(312,000)	0	375,109	333,188	395,176	20,067
Register of Deeds	270,233	(938)	16	269,311	273,078	287,147	17,836
Planning	246,096	0	12	246,108	259,485	259,485	13,377
Building	299,061	0	328	299,389	317,785	322,727	23,338
Codes Compliance	10,613	0	0	10,613	14,840	14,840	4,227
Geographical Information Systems	85,826	0	0	85,826	90,538	90,538	4,712
County Buildings	52,777	0	0	52,777	70,960	70,960	18,183
<u>Finance</u>							
Accounting and Budgeting	206,072	(3,997)	0	202,075	205,772	206,832	4,757
Property Assessor's Office	388,734	0	60	388,794	436,747	436,747	47,953
Reappraisal Program	45,881	0	0	45,881	51,667	51,667	5,786
County Trustee's Office	286,073	0	0	286,073	295,706	304,759	18,686

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	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>Finance (Cont.)</u>							
County Clerk's Office	\$ 449,251	\$ 0	\$ 220	\$ 449,471	\$ 470,023	\$ 470,023	\$ 20,552
<u>Administration of Justice</u>							
Circuit Court	451,776	(798)	300	451,278	472,919	472,919	21,641
Criminal Court	27,023	0	0	27,023	0	47,286	20,263
General Sessions Court	232,748	(205)	0	232,543	237,809	237,919	5,376
Chancery Court	298,674	(1,769)	387	297,292	312,574	313,396	16,104
Juvenile Court	202,924	0	0	202,924	218,312	218,312	15,388
Probate Court	68,926	(27)	0	68,899	73,095	73,095	4,196
Other Administration of Justice	78,692	0	0	78,692	97,780	97,780	19,088
<u>Public Safety</u>							
Sheriff's Department	2,799,201	(763)	23,403	2,821,841	2,887,950	2,948,335	126,494
Administration of the Sexual Offender Registry	675	0	0	675	1,000	1,000	325
Jail	1,830,208	(2,999)	2,737	1,829,946	1,896,333	2,087,048	257,102
Workhouse	198,599	(1,446)	0	197,153	206,777	209,277	12,124
Fire Prevention and Control	315,584	0	165	315,749	320,032	375,032	59,283
Civil Defense	268,101	0	430,000	698,101	660,100	698,101	0
Other Emergency Management	163,558	0	0	163,558	165,790	165,790	2,232
<u>Public Health and Welfare</u>							
Local Health Center	81,156	(17)	93	81,232	86,297	86,297	5,065
Ambulance/Emergency Medical Services	100,000	0	0	100,000	100,000	100,000	0
Dental Health Program	291,142	0	0	291,142	301,853	301,853	10,711
General Welfare Assistance	32,431	0	0	32,431	37,431	37,431	5,000
Sanitation Management	131,557	(96)	0	131,461	145,640	146,390	14,929
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	76,500	0	0	76,500	76,500	76,500	0
Libraries	18,950	0	0	18,950	88,100	20,950	2,000

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	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>Social, Cultural, and Recreational Services (Cont.)</u>							
Parks and Fair Boards	\$ 5,500	\$ 0	\$ 0	\$ 5,500	\$ 9,500	\$ 9,500	\$ 4,000
Other Social, Cultural, and Recreational	6,000	0	0	6,000	6,000	6,000	0
<u>Agriculture & Natural Resources</u>							
Agriculture Extension Service	96,351	0	0	96,351	105,672	114,725	18,374
Soil Conservation	88,408	0	0	88,408	89,925	89,925	1,517
<u>Other Operations</u>							
Tourism	50,000	0	0	50,000	50,000	50,000	0
Industrial Development	88,594	(450)	0	88,144	164,000	164,000	75,856
Other Economic and Community Development	138,286	(87,150)	341,130	392,266	20,000	500,000	107,734
Veterans' Services	13,002	0	0	13,002	13,131	13,131	129
Miscellaneous	383,820	0	0	383,820	440,735	434,835	51,015
<u>Principal on Debt</u>							
General Government	13,345	0	0	13,345	0	13,345	0
<u>Interest on Debt</u>							
General Government	2,574	0	0	2,574	0	3,151	577
Total Expenditures	\$ 11,901,018	\$ (412,713)	\$ 798,851	\$ 12,287,156	\$ 12,468,677	\$ 13,393,357	\$ 1,106,201
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 546,472	\$ 412,713	\$ (798,851)	\$ 160,334	\$ (281,324)	\$ (642,717)	\$ 803,051
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 87,150	\$ 0	\$ 0	\$ 87,150	\$ 0	\$ 0	\$ 87,150
Capital Leases Issued	27,701	0	0	27,701	0	24,027	3,674
Insurance Recovery	11,357	0	0	11,357	0	12,000	(643)
Transfers Out	(72,500)	0	0	(72,500)	0	(72,500)	0
Total Other Financing Sources (Uses)	\$ 53,708	\$ 0	\$ 0	\$ 53,708	\$ 0	\$ (36,473)	\$ 90,181

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 600,180	\$ 412,713	\$ (798,851)	\$ 214,042	\$ (281,324)	\$ (679,190)	\$ 893,232
Fund Balance, July 1, 2006	7,289,848	(412,713)	0	6,877,135	7,036,889	7,036,889	(159,754)
Fund Balance, June 30, 2007	\$ 7,890,028	\$ 0	\$ (798,851)	\$ 7,091,177	\$ 6,755,565	\$ 6,357,699	\$ 733,478

Exhibit E-2

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	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	\$ 2,100,932	\$ 0	\$ 0	\$ 2,100,932	\$ 2,059,320	\$ 2,059,320	\$ 41,612
Licenses and Permits	42,244	0	0	42,244	90,010	90,010	(47,766)
Charges for Current Services	2,684	0	0	2,684	2,000	2,000	684
Other Local Revenues	2,018	0	0	2,018	400	400	1,618
State of Tennessee	1,977,658	0	0	1,977,658	2,345,693	2,345,693	(368,035)
Other Governments and Citizens Groups	24,078	0	0	24,078	200	200	23,878
Total Revenues	\$ 4,149,614	\$ 0	\$ 0	\$ 4,149,614	\$ 4,497,623	\$ 4,497,623	\$ (348,009)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Rabies and Animal Control	\$ 159,526	\$ 0	\$ 0	\$ 159,526	\$ 157,609	\$ 159,526	\$ 0
<u>Highways</u>							
Administration	360,352	0	0	360,352	362,960	362,960	2,608
Highway and Bridge Maintenance	1,421,171	(5,131)	84,217	1,500,257	1,593,475	1,593,475	93,218
Operation and Maintenance of Equipment	515,627	(91)	38,724	554,260	574,976	574,976	20,716
Other Charges	174,753	0	0	174,753	203,500	203,500	28,747
Employee Benefits	636,185	0	28	636,213	654,547	654,546	18,333
Capital Outlay	1,391,350	0	81,900	1,473,250	1,412,350	1,509,514	36,264
<u>Principal on Debt</u>							
Highways and Streets	83,000	0	0	83,000	0	83,000	0
<u>Interest on Debt</u>							
Highways and Streets	7,850	0	0	7,850	0	7,850	0
Total Expenditures	\$ 4,749,814	\$ (5,222)	\$ 204,869	\$ 4,949,461	\$ 4,959,417	\$ 5,149,347	\$ 199,886
Excess (Deficiency) of Revenues Over Expenditures	\$ (600,200)	\$ 5,222	\$ (204,869)	\$ (799,847)	\$ (461,794)	\$ (651,724)	\$ (148,123)

(Continued)

Exhibit E-2

Tipton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works 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>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 1,000,000	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 0
Transfers In	64,340	0	0	64,340	64,340	64,340	0
Total Other Financing Sources (Uses)	\$ 1,064,340	\$ 0	\$ 0	\$ 1,064,340	\$ 1,064,340	\$ 1,064,340	\$ 0
Net Change in Fund Balance	\$ 464,140	\$ 5,222	\$ (204,869)	\$ 264,493	\$ 602,546	\$ 412,616	\$ (148,123)
Fund Balance, July 1, 2006	690,627	(5,222)	0	685,405	752,145	752,145	(66,740)
Fund Balance, June 30, 2007	\$ 1,154,767	\$ 0	\$ (204,869)	\$ 949,898	\$ 1,354,691	\$ 1,164,761	\$ (214,863)

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

Required Supplementary Information

Schedule of Funding Progress for Tipton 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	\$ 22,758	\$ 27,114	\$ 4,356	83.93 %	\$ 13,910	31.32 %
6-30-03	16,588	21,186	4,598	78.30	12,469	36.88
6-30-01	12,401	17,184	4,783	72.17	11,146	42.91

TIPTON 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 Tipton 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, Beer Board, County Executive, Election Commission, etc.). Management may make revisions within major categories, but only the Tipton 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.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Public Library Fund – The Public Library Fund is used to account for transactions of the Tipton County Public Library, which is jointly funded by Tipton County and the City of Covington.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Tipton County’s garbage collection operations.

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

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

Capital Projects Fund

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county and for debt issued by Tipton County that is subsequently contributed to the discretely presented Tipton County School Department for construction and renovation projects.

Exhibit F-1

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

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	Public Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	
<u>ASSETS</u>							
Cash	\$ 106,656	\$ 0	\$ 0	\$ 33,990	\$ 140,646	\$ 0	\$ 140,646
Equity in Pooled Cash and Investments	0	527,183	90,667	0	617,850	132,793	750,643
Accounts Receivable	0	0	0	7,107	7,107	0	7,107
Total Assets	\$ 106,656	\$ 527,183	\$ 90,667	\$ 41,097	\$ 765,603	\$ 132,793	\$ 898,396
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 1,664	\$ 0	\$ 0	\$ 0	\$ 1,664	\$ 0	\$ 1,664
Due to Other Funds	0	0	0	41,097	41,097	0	41,097
Other Current Liabilities	1,166	0	0	0	1,166	0	1,166
Other Deferred Revenues	14,026	0	0	0	14,026	0	14,026
Total Liabilities	\$ 16,856	\$ 0	\$ 0	\$ 41,097	\$ 57,953	\$ 0	\$ 57,953
<u>Fund Balances</u>							
Unreserved	\$ 89,800	\$ 527,183	\$ 90,667	\$ 0	\$ 707,650	\$ 132,793	\$ 840,443
Total Fund Balances	\$ 89,800	\$ 527,183	\$ 90,667	\$ 0	\$ 707,650	\$ 132,793	\$ 840,443
Total Liabilities and Fund Balances	\$ 106,656	\$ 527,183	\$ 90,667	\$ 41,097	\$ 765,603	\$ 132,793	\$ 898,396

Exhibit F-2

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

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	Public Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 6,858	\$ 0	\$ 0	\$ 6,858	\$ 0	\$ 6,858
Fines, Forfeitures, and Penalties	0	0	50,448	0	50,448	0	50,448
Charges for Current Services	0	101,724	0	2,187	103,911	0	103,911
Other Local Revenues	14,210	68,260	0	0	82,470	0	82,470
State of Tennessee	0	582,411	0	0	582,411	0	582,411
Other Governments and Citizens Groups	98,965	0	0	0	98,965	0	98,965
Total Revenues	\$ 113,175	\$ 759,253	\$ 50,448	\$ 2,187	\$ 925,063	\$ 0	\$ 925,063
<u>Expenditures</u>							
Current:							
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 2,187	\$ 2,187	\$ 0	\$ 2,187
Public Safety	0	0	50,998	0	50,998	0	50,998
Public Health and Welfare	0	15,953	0	0	15,953	0	15,953
Social, Cultural, and Recreational Services	164,102	0	0	0	164,102	0	164,102
Other Operations	0	0	0	0	0	1,500,000	1,500,000
Highways	0	750,546	0	0	750,546	0	750,546
Debt Service:							
Other Debt Service	0	0	0	0	0	112,000	112,000
Total Expenditures	\$ 164,102	\$ 766,499	\$ 50,998	\$ 2,187	\$ 983,786	\$ 1,612,000	\$ 2,595,786
Excess (Deficiency) of Revenues Over Expenditures							
	\$ (50,927)	\$ (7,246)	\$ (550)	\$ 0	\$ (58,723)	\$ (1,612,000)	\$ (1,670,723)
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,612,000	\$ 1,612,000
Transfers In	72,500	0	0	0	72,500	0	72,500
Transfers Out	0	(64,340)	0	0	(64,340)	0	(64,340)
Total Other Financing Sources (Uses)	\$ 72,500	\$ (64,340)	\$ 0	\$ 0	\$ 8,160	\$ 1,612,000	\$ 1,620,160
Net Change in Fund Balances							
	\$ 21,573	\$ (71,586)	\$ (550)	\$ 0	\$ (50,563)	\$ 0	\$ (50,563)
Fund Balance, July 1, 2006	68,227	598,769	91,217	0	758,213	132,793	891,006
Fund Balance, June 30, 2007	\$ 89,800	\$ 527,183	\$ 90,667	\$ 0	\$ 707,650	\$ 132,793	\$ 840,443

Exhibit F-3

Tipton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Public Library 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	\$ 0	\$ 5,500	\$ 5,500	\$ (5,500)
Other Local Revenues	14,210	0	0	14,210
Other Governments and Citizens Groups	98,965	71,000	71,000	27,965
Total Revenues	<u>\$ 113,175</u>	<u>\$ 76,500</u>	<u>\$ 76,500</u>	<u>\$ 36,675</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 164,102	\$ 148,686	\$ 148,686	\$ (15,416)
Total Expenditures	<u>\$ 164,102</u>	<u>\$ 148,686</u>	<u>\$ 148,686</u>	<u>\$ (15,416)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (50,927)</u>	<u>\$ (72,186)</u>	<u>\$ (72,186)</u>	<u>\$ 21,259</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 72,500	\$ 72,500	\$ 72,500	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 72,500</u>	<u>\$ 72,500</u>	<u>\$ 72,500</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 21,573	\$ 314	\$ 314	\$ 21,259
Fund Balance, July 1, 2006	<u>68,227</u>	<u>68,227</u>	<u>68,227</u>	<u>0</u>
Fund Balance, June 30, 2007	<u>\$ 89,800</u>	<u>\$ 68,541</u>	<u>\$ 68,541</u>	<u>\$ 21,259</u>

Exhibit F-4

Tipton 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>				
Local Taxes	\$ 6,858	\$ 9,435	\$ 9,435	\$ (2,577)
Charges for Current Services	101,724	80,000	80,000	21,724
Other Local Revenues	68,260	60,220	60,220	8,040
State of Tennessee	582,411	513,230	513,230	69,181
Total Revenues	<u>\$ 759,253</u>	<u>\$ 662,885</u>	<u>\$ 662,885</u>	<u>\$ 96,368</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Postclosure Care Costs	\$ 15,953	\$ 17,500	\$ 17,500	\$ 1,547
<u>Highways</u>				
Litter and Trash Collection	750,546	782,322	782,322	31,776
Total Expenditures	<u>\$ 766,499</u>	<u>\$ 799,822</u>	<u>\$ 799,822</u>	<u>\$ 33,323</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (7,246)</u>	<u>\$ (136,937)</u>	<u>\$ (136,937)</u>	<u>\$ 129,691</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (64,340)	\$ (64,340)	\$ (64,340)	\$ 0
Total Other Financing Sources (Uses)	<u>\$ (64,340)</u>	<u>\$ (64,340)</u>	<u>\$ (64,340)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (71,586)	\$ (201,277)	\$ (201,277)	\$ 129,691
Fund Balance, July 1, 2006	<u>598,769</u>	<u>611,175</u>	<u>611,175</u>	<u>(12,406)</u>
Fund Balance, June 30, 2007	<u>\$ 527,183</u>	<u>\$ 409,898</u>	<u>\$ 409,898</u>	<u>\$ 117,285</u>

Exhibit F-5

Tipton 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	\$ 50,448	\$ 39,000	\$ 39,000	\$ 11,448
Other Local Revenues	0	200	200	(200)
Total Revenues	<u>\$ 50,448</u>	<u>\$ 39,200</u>	<u>\$ 39,200</u>	<u>\$ 11,248</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 50,998	\$ 43,250	\$ 55,350	\$ 4,352
Total Expenditures	<u>\$ 50,998</u>	<u>\$ 43,250</u>	<u>\$ 55,350</u>	<u>\$ 4,352</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (550)</u>	<u>\$ (4,050)</u>	<u>\$ (16,150)</u>	<u>\$ 15,600</u>
Net Change in Fund Balance	\$ (550)	\$ (4,050)	\$ (16,150)	\$ 15,600
Fund Balance, July 1, 2006	91,217	61,617	61,617	29,600
Fund Balance, June 30, 2007	<u>\$ 90,667</u>	<u>\$ 57,567</u>	<u>\$ 45,467</u>	<u>\$ 45,200</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Tipton 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	\$ 5,556,697	\$ 5,341,166	\$ 5,341,166	\$ 215,531
Other Local Revenues	1,775,324	690,000	1,000,000	775,324
Other Governments and Citizens Groups	475,000	0	950,000	(475,000)
Total Revenues	<u>\$ 7,807,021</u>	<u>\$ 6,031,166</u>	<u>\$ 7,291,166</u>	<u>\$ 515,855</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 12,450	\$ 0	\$ 12,450	\$ 0
Education	4,332,000	4,332,000	4,332,000	0
<u>Interest on Debt</u>				
General Government	147,105	265,000	235,550	88,445
Highways and Streets	18,113	0	18,113	0
Education	1,504,249	1,618,612	1,551,471	47,222
<u>Other Debt Service</u>				
General Government	141,824	112,558	142,000	176
Education	52,764	60,000	109,028	56,264
Total Expenditures	<u>\$ 6,208,505</u>	<u>\$ 6,388,170</u>	<u>\$ 6,400,612</u>	<u>\$ 192,107</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,598,516</u>	<u>\$ (357,004)</u>	<u>\$ 890,554</u>	<u>\$ 707,962</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 475,000	\$ (475,000)	\$ 475,000
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 475,000</u>	<u>\$ (475,000)</u>	<u>\$ 475,000</u>
Net Change in Fund Balance	\$ 1,598,516	\$ 117,996	\$ 415,554	\$ 1,182,962
Fund Balance, July 1, 2006	10,350,773	9,865,381	9,865,381	485,392
Fund Balance, June 30, 2007	<u>\$ 11,949,289</u>	<u>\$ 9,983,377</u>	<u>\$ 10,280,935</u>	<u>\$ 1,668,354</u>

Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk; circuit, 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 H-1

Tipton County, Tennessee

Combining Statement of Fiduciary Assets and Liabilities

Fiduciary Funds

June 30, 2007

	<u>Agency Funds</u>		
	Cities -	Constitu-	
	Sales	tional	
	Tax	Officers -	
		Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,288,776	\$ 1,288,776
Due from Other Governments	540,178	0	540,178
Total Assets	<u>\$ 540,178</u>	<u>\$ 1,288,776</u>	<u>\$ 1,828,954</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 540,178	\$ 0	\$ 540,178
Due to Litigants, Heirs, and Others	0	1,288,776	1,288,776
Total Liabilities	<u>\$ 540,178</u>	<u>\$ 1,288,776</u>	<u>\$ 1,828,954</u>

Exhibit H-2

Tipton 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	\$ 3,055,072	\$ 3,055,072	\$ 0
Due from Other Governments	441,865	540,178	441,865	540,178
Total Assets	\$ 441,865	\$ 3,595,250	\$ 3,496,937	\$ 540,178
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 441,865	\$ 3,595,250	\$ 3,496,937	\$ 540,178
Total Liabilities	\$ 441,865	\$ 3,595,250	\$ 3,496,937	\$ 540,178
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,758,353	\$ 11,580,409	\$ 12,049,986	\$ 1,288,776
Accounts Receivable	3,371	0	3,371	0
Total Assets	\$ 1,761,724	\$ 11,580,409	\$ 12,053,357	\$ 1,288,776
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,761,724	\$ 11,580,409	\$ 12,053,357	\$ 1,288,776
Total Liabilities	\$ 1,761,724	\$ 11,580,409	\$ 12,053,357	\$ 1,288,776
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,055,072	\$ 3,055,072	\$ 0
Cash	1,758,353	11,580,409	12,049,986	1,288,776
Accounts Receivable	3,371	0	3,371	0
Due from Other Governments	441,865	540,178	441,865	540,178
Total Assets	\$ 2,203,589	\$ 15,175,659	\$ 15,550,294	\$ 1,828,954
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 441,865	\$ 3,595,250	\$ 3,496,937	\$ 540,178
Due to Litigants, Heirs, and Others	1,761,724	11,580,409	12,053,357	1,288,776
Total Liabilities	\$ 2,203,589	\$ 15,175,659	\$ 15,550,294	\$ 1,828,954

Tipton County School Department

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

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

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

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

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

Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions		
Governmental Activities:					
Instruction	\$ 50,176,894	\$ 558,935	\$ 4,931,894	\$ 1,500,000	\$ (43,186,065)
Support Services	20,476,660	109,028	1,511,204	0	(18,856,428)
Operation of Non-Instructional Services	6,790,625	1,802,045	3,256,835	0	(1,731,745)
Other Debt Service	475,000	0	0	0	(475,000)
Total Governmental Activities	\$ 77,919,179	\$ 2,470,008	\$ 9,699,933	\$ 1,500,000	\$ (64,249,238)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 9,594,575
Local Option Sales Tax					3,505,966
Other Local Taxes					139,596
Grants and Contributions Not Restricted to Specific Programs					50,787,887
Miscellaneous					236,927
Total General Revenues					\$ 64,264,951
Change in Net Assets					\$ 15,713
Net Assets, July 1, 2006					36,569,876
Prior Period Adjustment					15,285,680
Net Assets, June 30, 2007					\$ 51,871,269

Exhibit I-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 9,894,428	\$ 3,306,249	\$ 13,200,677
Accounts Receivable	202	0	202
Due from Other Governments	919,764	144,071	1,063,835
Property Taxes Receivable	9,590,861	0	9,590,861
Allowance for Uncollectible Property Taxes	(333,563)	0	(333,563)
Total Assets	<u>\$ 20,071,692</u>	<u>\$ 3,450,320</u>	<u>\$ 23,522,012</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Payroll Deductions Payable	\$ 2,231,806	\$ 0	\$ 2,231,806
Cash Overdraft	0	25,559	25,559
Deferred Revenue - Current Property Taxes	8,904,138	0	8,904,138
Deferred Revenue - Delinquent Property Taxes	353,160	0	353,160
Other Deferred Revenues	290,500	0	290,500
Total Liabilities	<u>\$ 11,779,604</u>	<u>\$ 25,559</u>	<u>\$ 11,805,163</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 455,227	\$ 425,196	\$ 880,423
Other Local Education Reserves	60,361	0	60,361
Reserved for Career Ladder - Extended Contract	28,718	0	28,718
Reserved for Career Ladder Program	15,620	0	15,620
Reserved for Title I Grants to Local Education Agencies	0	15,485	15,485
Reserved for Innovative Education Program Strategies	0	100,776	100,776
Other Federal Reserves	0	2,251	2,251
Unreserved, Reported In:			
General Fund	7,732,162	0	7,732,162
Special Revenue Funds	0	1,620,243	1,620,243
Capital Projects Funds	0	1,260,810	1,260,810
Total Fund Balances	<u>\$ 8,292,088</u>	<u>\$ 3,424,761</u>	<u>\$ 11,716,849</u>
Total Liabilities and Fund Balances	<u>\$ 20,071,692</u>	<u>\$ 3,450,320</u>	<u>\$ 23,522,012</u>

Exhibit I-3

Tipton County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Tipton 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 I-2)		\$ 11,716,849
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	3,547,240	
Add: construction in progress	\$ 371,762	
Add: buildings and improvements net of accumulated depreciation	32,647,945	
Add: other capital assets net of accumulated depreciation	<u>3,476,397</u>	40,043,344
(2) 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		(532,584)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>643,660</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 51,871,269</u>

Exhibit I-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 13,696,198	\$ 0	\$ 13,696,198
Licenses and Permits	5,972	0	5,972
Fines, Forfeitures, and Penalties	3,034	0	3,034
Charges for Current Services	656,944	1,802,045	2,458,989
Other Local Revenues	243,689	9,446	253,135
State of Tennessee	51,194,261	0	51,194,261
Federal Government	284,720	8,217,484	8,502,204
Other Governments and Citizens Groups	0	1,500,000	1,500,000
Total Revenues	<u>\$ 66,084,818</u>	<u>\$ 11,528,975</u>	<u>\$ 77,613,793</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 42,993,856	\$ 4,743,438	\$ 47,737,294
Support Services	19,468,290	492,936	19,961,226
Operation of Non-Instructional Services	1,426,742	4,610,597	6,037,339
Capital Outlay	997,438	0	997,438
Debt Service:			
Other Debt Service	475,000	0	475,000
Capital Projects	0	416,357	416,357
Total Expenditures	<u>\$ 65,361,326</u>	<u>\$ 10,263,328</u>	<u>\$ 75,624,654</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 723,492</u>	<u>\$ 1,265,647</u>	<u>\$ 1,989,139</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 9,089	\$ 0	\$ 9,089
Transfers In	130,376	0	130,376
Transfers Out	0	(130,376)	(130,376)
Total Other Financing Sources (Uses)	<u>\$ 139,465</u>	<u>\$ (130,376)</u>	<u>\$ 9,089</u>
Net Change in Fund Balances	\$ 862,957	\$ 1,135,271	\$ 1,998,228
Fund Balance, July 1, 2006	<u>7,429,131</u>	<u>2,289,490</u>	<u>9,718,621</u>
Fund Balance, June 30, 2007	<u>\$ 8,292,088</u>	<u>\$ 3,424,761</u>	<u>\$ 11,716,849</u>

Exhibit I-5

Tipton County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Tipton 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 I-4)		\$ 1,998,228
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 1,233,039	
Less: current year depreciation expense	<u>(3,176,988)</u>	(1,943,949)
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2007	\$ 643,660	
Less: deferred delinquent property taxes and other deferred June 30, 2006	<u>(551,077)</u>	92,583
<p>(3) 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 governmental funds.</p>		
Change in compensated absences		<u>(131,149)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 15,713</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>School</u> <u>Federal</u> <u>Projects</u>	<u>Central</u> <u>Cafeteria</u>	<u>Total</u>	<u>Education</u> <u>Capital</u> <u>Projects</u>	
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 0	\$ 1,620,243	\$ 1,620,243	\$ 1,686,006	\$ 3,306,249
Due from Other Governments	144,071	0	144,071	0	144,071
Total Assets	\$ 144,071	\$ 1,620,243	\$ 1,764,314	\$ 1,686,006	\$ 3,450,320
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Cash Overdraft	\$ 25,559	\$ 0	\$ 25,559	\$ 0	\$ 25,559
Total Liabilities	\$ 25,559	\$ 0	\$ 25,559	\$ 0	\$ 25,559
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 425,196	\$ 425,196
Reserved for Title I Grants to Local Education Agencies	15,485	0	15,485	0	15,485
Reserved for Innovative Education Program Strategies	100,776	0	100,776	0	100,776
Other Federal Reserves	2,251	0	2,251	0	2,251
Unreserved	0	1,620,243	1,620,243	1,260,810	2,881,053
Total Fund Balances	\$ 118,512	\$ 1,620,243	\$ 1,738,755	\$ 1,686,006	\$ 3,424,761
Total Liabilities and Fund Balances	\$ 144,071	\$ 1,620,243	\$ 1,764,314	\$ 1,686,006	\$ 3,450,320

Exhibit I-7

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

	<u>Special Revenue Funds</u>			<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u>
	<u>School</u> <u>Federal</u> <u>Projects</u>	<u>Central</u> <u>Cafeteria</u>	<u>Total</u>	<u>Education</u> <u>Capital</u> <u>Projects</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 1,802,045	\$ 1,802,045	\$ 0	\$ 1,802,045
Other Local Revenues	0	9,246	9,246	200	9,446
Federal Government	5,261,497	2,955,987	8,217,484	0	8,217,484
Other Governments and Citizens Groups	0	0	0	1,500,000	1,500,000
Total Revenues	<u>\$ 5,261,497</u>	<u>\$ 4,767,278</u>	<u>\$ 10,028,775</u>	<u>\$ 1,500,200</u>	<u>\$ 11,528,975</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 4,743,438	\$ 0	\$ 4,743,438	\$ 0	\$ 4,743,438
Support Services	492,936	0	492,936	0	492,936
Operation of Non-Instructional Services	0	4,610,597	4,610,597	0	4,610,597
Capital Projects	0	0	0	416,357	416,357
Total Expenditures	<u>\$ 5,236,374</u>	<u>\$ 4,610,597</u>	<u>\$ 9,846,971</u>	<u>\$ 416,357</u>	<u>\$ 10,263,328</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>\$ 25,123</u>	<u>\$ 156,681</u>	<u>\$ 181,804</u>	<u>\$ 1,083,843</u>	<u>\$ 1,265,647</u>
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (130,376)	\$ 0	\$ (130,376)	\$ 0	\$ (130,376)
Total Other Financing Sources (Uses)	<u>\$ (130,376)</u>	<u>\$ 0</u>	<u>\$ (130,376)</u>	<u>\$ 0</u>	<u>\$ (130,376)</u>
Net Change in Fund Balances					
Fund Balance, July 1, 2006	\$ 223,765	\$ 1,463,562	\$ 1,687,327	\$ 602,163	\$ 2,289,490
Fund Balance, June 30, 2007	<u>\$ 118,512</u>	<u>\$ 1,620,243</u>	<u>\$ 1,738,755</u>	<u>\$ 1,686,006</u>	<u>\$ 3,424,761</u>

Exhibit I-8

Tipton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Tipton 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	\$ 13,696,198	\$ 0	\$ 0	\$ 13,696,198	\$ 12,730,000	\$ 12,950,000	\$ 746,198
Licenses and Permits	5,972	0	0	5,972	7,000	7,000	(1,028)
Fines, Forfeitures, and Penalties	3,034	0	0	3,034	10,000	5,000	(1,966)
Charges for Current Services	656,944	0	0	656,944	690,000	640,000	16,944
Other Local Revenues	243,689	0	0	243,689	125,000	225,000	18,689
State of Tennessee	51,194,261	0	0	51,194,261	50,087,998	51,123,001	71,260
Federal Government	284,720	0	0	284,720	300,000	300,000	(15,280)
Total Revenues	\$ 66,084,818	\$ 0	\$ 0	\$ 66,084,818	\$ 63,949,998	\$ 65,250,001	\$ 834,817
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 33,388,793	\$ (239,825)	\$ 161,644	\$ 33,310,612	\$ 32,424,999	\$ 33,350,001	\$ 39,389
Alternative Instruction Program	580,912	0	150	581,062	488,000	593,000	11,938
Special Education Program	6,757,441	0	0	6,757,441	6,642,000	6,771,000	13,559
Vocational Education Program	2,169,416	0	0	2,169,416	2,116,000	2,171,000	1,584
Adult Education Program	97,294	0	0	97,294	100,000	100,000	2,706
<u>Support Services</u>							
Health Services	548,945	0	0	548,945	561,000	561,000	12,055
Other Student Support	1,493,394	(128)	4,379	1,497,645	1,350,000	1,499,000	1,355
Regular Instruction Program	1,637,099	0	0	1,637,099	1,631,000	1,662,000	24,901
Special Education Program	228,741	0	0	228,741	229,000	229,000	259
Vocational Education Program	109,904	0	0	109,904	110,000	110,000	96
Adult Programs	71,595	0	0	71,595	73,000	73,000	1,405
Board of Education	671,228	0	0	671,228	726,000	726,000	54,772
Director of Schools	236,646	0	0	236,646	248,000	248,000	11,354
Office of the Principal	4,758,321	0	0	4,758,321	4,735,000	4,762,000	3,679

(Continued)

Exhibit I-8

Tipton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Tipton 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>							
Fiscal Services	\$ 437,746	\$ (5,232)	\$ 0	\$ 432,514	\$ 451,000	\$ 451,000	\$ 18,486
Operation of Plant	3,518,964	0	0	3,518,964	3,955,000	3,695,000	176,036
Maintenance of Plant	1,060,206	(20,280)	40,900	1,080,826	1,093,000	1,093,000	12,174
Transportation	4,695,501	(21,540)	5,248	4,679,209	4,786,000	4,786,000	106,791
<u>Operation of Non-Instructional Services</u>							
Food Service	147,732	0	0	147,732	177,000	160,000	12,268
Community Services	508,542	0	0	508,542	580,000	530,000	21,458
Early Childhood Education	770,468	(27,486)	0	742,982	549,000	755,000	12,018
<u>Capital Outlay</u>							
Regular Capital Outlay	997,438	(769,282)	242,906	471,062	500,000	500,000	28,938
<u>Interest on Debt</u>							
Education	0	0	0	0	475,000	0	0
<u>Other Debt Service</u>							
Education	475,000	0	0	475,000	0	475,000	0
Total Expenditures	\$ 65,361,326	\$ (1,083,773)	\$ 455,227	\$ 64,732,780	\$ 63,999,999	\$ 65,300,001	\$ 567,221
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 723,492	\$ 1,083,773	\$ (455,227)	\$ 1,352,038	\$ (50,001)	\$ (50,000)	\$ 1,402,038
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 9,089	\$ 0	\$ 0	\$ 9,089	\$ 0	\$ 0	\$ 9,089
Transfers In	130,376	0	0	130,376	50,000	50,000	80,376
Total Other Financing Sources (Uses)	\$ 139,465	\$ 0	\$ 0	\$ 139,465	\$ 50,000	\$ 50,000	\$ 89,465

(Continued)

Exhibit I-8

Tipton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Tipton 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	
Net Change in Fund Balance	\$ 862,957	\$ 1,083,773	\$ (455,227)	\$ 1,491,503	\$ (1)	\$ 0	\$ 1,491,503
Fund Balance, July 1, 2006	7,429,131	(1,083,773)	0	6,345,358	4,470,960	4,470,960	1,874,398
Fund Balance, June 30, 2007	\$ 8,292,088	\$ 0	\$ (455,227)	\$ 7,836,861	\$ 4,470,959	\$ 4,470,960	\$ 3,365,901

Exhibit I-9

Tipton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Tipton 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>				
State of Tennessee	\$ 0	\$ 51,900	\$ 0	\$ 0
Federal Government	5,261,497	5,936,906	5,988,806	(727,309)
Total Revenues	\$ 5,261,497	\$ 5,988,806	\$ 5,988,806	\$ (727,309)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,156,884	\$ 2,507,305	\$ 2,472,028	\$ 315,144
Special Education Program	2,445,265	2,480,751	2,445,265	0
Vocational Education Program	141,289	141,020	141,289	0
<u>Support Services</u>				
Other Student Support	73,371	78,716	73,371	0
Regular Instruction Program	373,834	781,270	886,214	512,380
Special Education Program	0	(3,541)	0	0
Vocational Education Program	5,731	6,000	5,731	0
Transportation	40,000	0	40,000	0
Total Expenditures	\$ 5,236,374	\$ 5,991,521	\$ 6,063,898	\$ 827,524
Excess (Deficiency) of Revenues Over Expenditures	\$ 25,123	\$ (2,715)	\$ (75,092)	\$ 100,215
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (130,376)	\$ (221,049)	\$ (224,672)	\$ 94,296
Total Other Financing Sources (Uses)	\$ (130,376)	\$ (221,049)	\$ (224,672)	\$ 94,296
Net Change in Fund Balance	\$ (105,253)	\$ (223,764)	\$ (299,764)	\$ 194,511
Fund Balance, July 1, 2006	223,765	277,179	299,764	(75,999)
Fund Balance, June 30, 2007	\$ 118,512	\$ 53,415	\$ 0	\$ 118,512

Exhibit I-10

Tipton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Tipton County School Department
Central Cafeteria 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	\$ 1,802,045	\$ 1,609,842	\$ 2,025,000	\$ (222,955)
Other Local Revenues	9,246	25,000	25,000	(15,754)
Federal Government	2,955,987	2,620,000	2,700,000	255,987
Total Revenues	<u>\$ 4,767,278</u>	<u>\$ 4,254,842</u>	<u>\$ 4,750,000</u>	<u>\$ 17,278</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 4,610,597	\$ 4,600,000	\$ 4,750,000	\$ 139,403
Total Expenditures	<u>\$ 4,610,597</u>	<u>\$ 4,600,000</u>	<u>\$ 4,750,000</u>	<u>\$ 139,403</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 156,681</u>	<u>\$ (345,158)</u>	<u>\$ 0</u>	<u>\$ 156,681</u>
Net Change in Fund Balance	\$ 156,681	\$ (345,158)	\$ 0	\$ 156,681
Fund Balance, July 1, 2006	<u>1,463,562</u>	<u>1,004,842</u>	<u>0</u>	<u>1,463,562</u>
Fund Balance, June 30, 2007	<u>\$ 1,620,243</u>	<u>\$ 659,684</u>	<u>\$ 0</u>	<u>\$ 1,620,243</u>

Exhibit I-11

Tipton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Tipton County School Department
Education Capital Projects 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>						
Other Local Revenues	\$ 200	\$ 0	\$ 200	\$ 0	\$ 0	\$ 200
Other Governments and Citizens Groups	1,500,000	0	1,500,000	0	1,500,000	0
Total Revenues	<u>\$ 1,500,200</u>	<u>\$ 0</u>	<u>\$ 1,500,200</u>	<u>\$ 0</u>	<u>\$ 1,500,000</u>	<u>\$ 200</u>
<u>Expenditures</u>						
<u>Capital Projects</u>						
Education Capital Projects	\$ 416,357	\$ 425,196	\$ 841,553	\$ 213,274	\$ 1,500,000	\$ 658,447
Total Expenditures	<u>\$ 416,357</u>	<u>\$ 425,196</u>	<u>\$ 841,553</u>	<u>\$ 213,274</u>	<u>\$ 1,500,000</u>	<u>\$ 658,447</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,083,843</u>	<u>\$ (425,196)</u>	<u>\$ 658,647</u>	<u>\$ (213,274)</u>	<u>\$ 0</u>	<u>\$ 658,647</u>
Net Change in Fund Balance	\$ 1,083,843	\$ (425,196)	\$ 658,647	\$ (213,274)	\$ 0	\$ 658,647
Fund Balance, July 1, 2006	602,163	0	602,163	213,274	213,274	388,889
Fund Balance, June 30, 2007	<u>\$ 1,686,006</u>	<u>\$ (425,196)</u>	<u>\$ 1,260,810</u>	<u>\$ 0</u>	<u>\$ 213,274</u>	<u>\$ 1,047,536</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Tipton County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds
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
<u>NOTES PAYABLE</u>								
<u>Payable through Highway/Public Works Fund</u>								
Capital Outlay Note - Series 2005	\$ 249,650	4.73%	12-7-05	5-1-08	\$ 166,650	\$ 0	\$ 83,000	\$ 83,650
<u>Payable through General Debt Service Fund</u>								
School Refunding Capital Outlay Notes	3,730,000	2.50	9-1-02	4-1-07	935,000	0	935,000	0
Highway Capital Outlay Notes - Series 2006	1,000,000	4.29	11-29-06	11-1-11	0	1,000,000	0	1,000,000
Energy Efficiency (ECD) Capital Outlay Notes	87,150	0.00	7-10-06	6-30-13	0	87,150	12,450	74,700
Total Notes Payable					<u>\$ 1,101,650</u>	<u>\$ 1,087,150</u>	<u>\$ 1,030,450</u>	<u>\$ 1,158,350</u>
<u>CAPITAL LEASES PAYABLE</u>								
<u>Payable through General Fund</u>								
Copy Machines	41,141	6.47	12-14-04	11-14-09	\$ 29,517	\$ 0	\$ 7,977	\$ 21,540
Copy Machines	21,808	3.32	6-12-06	7-28-11	21,808	0	4,077	17,731
Copy Machine	11,245	3.39	12-19-06	12-19-11	0	11,245	1,041	10,204
Copy Machines	16,456	3.83	6-23-07	5-23-12	0	16,456	249	16,207
Total Capital Leases Payable					<u>\$ 51,325</u>	<u>\$ 27,701</u>	<u>\$ 13,345</u>	<u>\$ 65,681</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Construction	5,000,000	Variable	9-8-1998	5-25-14	\$ 4,300,000	\$ 0	\$ 500,000	\$ 3,800,000
School Construction	5,897,089	Variable	5-17-1999	5-25-19	5,847,089	0	50,000	5,797,089
Various Purposes	(1)	Variable	8-30-02	5-25-12	3,828,935	0	0	3,828,935
School Construction	5,100,000	Variable	7-21-04	5-25-22	4,650,000	0	237,000	4,413,000
School Construction	(2)	Variable	4-30-07	5-25-11	0	1,612,000	0	1,612,000
Total Other Loans Payable					<u>\$ 18,626,024</u>	<u>\$ 1,612,000</u>	<u>\$ 787,000</u>	<u>\$ 19,451,024</u>

(Continued)

Exhibit J-1

Tipton County, Tennessee

Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds (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>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Refunding Bonds	\$ 5,005,000	5 to 5.35 %	3-1-1997	4-1-14	\$ 4,760,000	\$ 0	\$ 40,000	\$ 4,720,000
School Refunding Bonds	8,295,000	4 to 4.7	8-1-1998	4-1-15	2,730,000	0	600,000	2,130,000
School Refunding Bonds	3,425,000	4.65 to 5.25	6-1-00	6-1-09	1,305,000	0	425,000	880,000
School Refunding Bonds	8,960,000	2.5 to 3.35	9-1-02	4-1-11	4,670,000	0	1,295,000	3,375,000
Elementary School Bonds	9,000,000	2.5 to 4.625	9-1-02	4-1-22	8,500,000	0	250,000	8,250,000
Total Bonds Payable					<u>\$ 21,965,000</u>	<u>\$ 0</u>	<u>\$ 2,610,000</u>	<u>\$ 19,355,000</u>

(1) Total amount available under this Montgomery County Public Authority Loan Agreement is \$5,100,000, of which \$671,065 remains available for draws as of June 30, 2007.

(2) Total amount available under this Montgomery County Public Authority Loan Agreement is \$16,000,000, of which \$14,388,000 remains available for draws as of June 30, 2007.

Exhibit J-2

Tipton County, Tennessee
Schedule of Bond and Interest Requirements By Year

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2008	\$ 2,785,000	\$ 812,468	\$ 3,597,468
2009	2,445,000	708,260	3,153,260
2010	2,075,000	613,110	2,688,110
2011	1,780,000	532,260	2,312,260
2012	1,695,000	458,663	2,153,663
2013	1,720,000	381,875	2,101,875
2014	1,755,000	302,255	2,057,255
2015	850,000	219,425	1,069,425
2016	525,000	183,725	708,725
2017	550,000	162,725	712,725
2018	575,000	140,175	715,175
2019	600,000	116,025	716,025
2020	650,000	90,225	740,225
2021	650,000	61,625	711,625
2022	700,000	32,375	732,375
Total	<u>\$ 19,355,000</u>	<u>\$ 4,815,191</u>	<u>\$ 24,170,191</u>

Exhibit J-3

Tipton County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Tipton County School Department
For the Year Ended June 30, 2007

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>Primary Government</u>			
General	Public Library	To provide funds for operations	\$ 72,500
Solid Waste/Sanitation	Highway/Public Works	To provide funds for the retirement of debt	<u>64,340</u>
Total Transfers Primary Government			<u>\$ 136,840</u>
<u>Discretely Presented Tipton County School Department</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 130,376</u>
Total Transfers Discretely Presented Tipton County School Department			<u>\$ 130,376</u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, <u>TCA</u>	\$ 95,000	\$ 50,000	Hartford Fire Insurance Company
Director of Public Works	Section 8-24-102, <u>TCA</u>	87,219	100,000	"
Director of Schools	and Public Works Committee State Board of Education and Tipton County Board of Education	109,934 (1)	100,000	"
Trustee:				
Laura Max Racine (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	13,407	1,424,800	"
Kristie Maxwell (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	58,095	2,053,000	"
Assessor of Property	Section 8-24-102, <u>TCA</u>	69,714	10,000	Ohio Casualty Insurance Company
Budget and Accounts Director	County Commission	55,225 (2)	10,000	Hartford Fire Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	69,714	50,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	69,714	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u> and Chancery Court Judge	71,901 (3)	75,000	"
Register:				
Peggy Spain (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	13,407	25,000	"
Claudia Peeler (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	58,095	25,000	"
Sheriff:				
Clyde Lewis (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	15,266 (4)	50,000	"
Jeffrey Chumley (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	64,423 (4)	50,000	"
Employees Bonds:				
General Fund Employees and Deputies			150,000	Local Government Property and Casualty Fund
Public Works Administration			150,000	"
Sanitation			150,000	"
Animal Control			150,000	"
Education Central Office Bookkeeping Staff			150,000	"
Education Administrative Staff in each School			150,000	"

- (1) Includes chief executive officer training supplement of \$1,000.
- (2) Includes \$5,122 paid as compensation for fire department accountant and \$1,250 paid for longevity.
- (3) Includes special commissioner/special master fees of \$2,187.
- (4) Includes law enforcement training supplement of \$519.

Exhibit J-5

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

	Special Revenue Funds						Debt Service Fund	Total
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 4,679,296	\$ 0	\$ 0	\$ 0	\$ 0	\$ 534,711	\$ 4,813,003	\$ 10,027,010
Trustee's Collections - Prior Year	140,915	0	4,057	0	0	13,058	148,335	306,365
Trustee's Collections - Bankruptcy	2,888	0	157	0	0	183	2,970	6,198
Circuit/Clerk & Master Collections - Prior Years	74,872	0	1,745	0	0	6,791	77,009	160,417
Interest and Penalty	32,207	0	655	0	0	3,015	33,127	69,004
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	1,486	1,486
Payments in-Lieu-of Taxes - Other	284,482	0	0	0	0	32,512	292,611	609,605
<u>County Local Option Taxes</u>								
Local Option Sales Tax	388,320	0	0	0	0	0	0	388,320
Hotel/Motel Tax	77,168	0	0	0	0	0	0	77,168
Wheel Tax	1,503,208	0	0	0	0	1,503,207	0	3,006,415
Litigation Tax - General	200,109	0	0	0	0	0	0	200,109
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	61,654	61,654
Business Tax	67,346	0	244	0	0	7,455	69,270	144,315
<u>Statutory Local Taxes</u>								
Bank Excise Tax	0	0	0	0	0	0	57,232	57,232
Wholesale Beer Tax	239,586	0	0	0	0	0	0	239,586
Interstate Telecommunications Tax	4,385	0	0	0	0	0	0	4,385
Total Local Taxes	\$ 7,694,782	\$ 0	\$ 6,858	\$ 0	\$ 0	\$ 2,100,932	\$ 5,556,697	\$ 15,359,269
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42,244	\$ 0	\$ 42,244
Cable TV Franchise	30,570	0	0	0	0	0	0	30,570
<u>Permits</u>								
Building Permits	49,807	0	0	0	0	0	0	49,807
Total Licenses and Permits	\$ 80,377	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42,244	\$ 0	\$ 122,621
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 8,374	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,374
Officers Costs	16,674	0	0	0	0	0	0	16,674

(Continued)

Exhibit J-5

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

	Special Revenue Funds						Debt Service Fund	Total
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>Circuit Court (Cont.)</u>								
Drug Control Fines	\$ 3,973	\$ 0	\$ 0	\$ 1,756	\$ 0	\$ 0	\$ 0	5,729
Drug Court Fees	678	0	0	0	0	0	0	678
DUI Treatment Fines	2,257	0	0	0	0	0	0	2,257
Data Entry Fee - Circuit Court	460	0	0	0	0	0	0	460
<u>Criminal Court</u>								
Fines	20,923	0	0	0	0	0	0	20,923
<u>General Sessions Court</u>								
Fines	48,400	0	0	0	0	0	0	48,400
Officers Costs	83,335	0	0	0	0	0	0	83,335
Game and Fish Fines	263	0	0	0	0	0	0	263
Drug Control Fines	24,898	0	0	24,244	0	0	0	49,142
Drug Court Fees	18,219	0	0	0	0	0	0	18,219
Jail Fees	89,626	0	0	0	0	0	0	89,626
DUI Treatment Fines	11,211	0	0	0	0	0	0	11,211
Data Entry Fee - General Sessions Court	9,099	0	0	0	0	0	0	9,099
Courtroom Security Fee	854	0	0	0	0	0	0	854
<u>Juvenile Court</u>								
Fines	2,854	0	0	0	0	0	0	2,854
Officers Costs	3,068	0	0	0	0	0	0	3,068
Data Entry Fee - Juvenile Court	285	0	0	0	0	0	0	285
<u>Chancery Court</u>								
Officers Costs	2,824	0	0	0	0	0	0	2,824
Data Entry Fee - Chancery Court	3,110	0	0	0	0	0	0	3,110
<u>Other Courts - In-county</u>								
Drug Control Fines	0	0	0	1,065	0	0	0	1,065
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	23,383	0	0	0	23,383
Total Fines, Forfeitures, and Penalties	\$ 351,385	\$ 0	\$ 0	\$ 50,448	\$ 0	\$ 0	\$ 0	401,833
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Tipping Fees	\$ 0	\$ 0	\$ 30,197	\$ 0	\$ 0	\$ 0	\$ 0	30,197

(Continued)

Exhibit J-5

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

	Special Revenue Funds						Debt Service Fund	Total
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
<u>Charges for Current Services (Cont.)</u>								
<u>General Service Charges (Cont.)</u>								
Solid Waste Disposal Fees	\$ 0	\$ 0	\$ 1,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,300
Other General Service Charges	85,648	0	0	0	0	0	0	85,648
<u>Fees</u>								
Copy Fees	358	0	0	0	0	0	0	358
Telephone Commissions	35,961	0	0	0	0	0	0	35,961
Vending Machine Collections	183	0	0	0	0	2,684	0	2,867
Special Commissioner Fees/Special Master Fees	0	0	0	0	2,187	0	0	2,187
Data Processing Fee - Register	29,054	0	0	0	0	0	0	29,054
Data Processing Fee - Sheriff	2,025	0	0	0	0	0	0	2,025
Sexual Offender Registration Fees - Sheriff	5,030	0	0	0	0	0	0	5,030
<u>Other Charges for Services</u>								
Other Charges for Services	0	0	70,227	0	0	0	0	70,227
Total Charges for Current Services	\$ 158,259	\$ 0	\$ 101,724	\$ 0	\$ 2,187	\$ 2,684	\$ 0	\$ 264,854
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 0	\$ 213	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,775,324	\$ 1,775,537
Lease/Rentals	25,211	0	0	0	0	0	0	25,211
Sale of Materials and Supplies	621	10,647	0	0	0	0	0	11,268
Sale of Gasoline	10,898	0	0	0	0	0	0	10,898
Sale of Maps	2,715	0	0	0	0	0	0	2,715
Sale of Recycled Materials	0	0	67,798	0	0	0	0	67,798
Miscellaneous Refunds	13,864	3,350	462	0	0	1,418	0	19,094
<u>Nonrecurring Items</u>								
Damages Recovered from Individuals	652	0	0	0	0	0	0	652
Contributions & Gifts	25,000	0	0	0	0	600	0	25,600
Total Other Local Revenues	\$ 78,961	\$ 14,210	\$ 68,260	\$ 0	\$ 0	\$ 2,018	\$ 1,775,324	\$ 1,938,773
<u>Fees Received from County Officials</u>								
<u>Fees-In-Lieu of Salary</u>								
County Clerk	\$ 451,946	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 451,946

(Continued)

Exhibit J-5

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

	Special Revenue Funds						Debt Service Fund	Total
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
<u>Fees Received from County Officials (Cont.)</u>								
<u>Fees-In-Lieu of Salary (Cont.)</u>								
Circuit Court Clerk	\$ 177,154	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	177,154
General Sessions Court Clerk	349,964	0	0	0	0	0	0	349,964
Clerk and Master	258,311	0	0	0	0	0	0	258,311
Juvenile Court Clerk	67,957	0	0	0	0	0	0	67,957
Register	401,280	0	0	0	0	0	0	401,280
Sheriff	17,899	0	0	0	0	0	0	17,899
Trustee	658,790	0	0	0	0	0	0	658,790
Total Fees Received from County Officials	\$ 2,383,301	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,383,301
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,000
State Reappraisal Grant	17,929	0	0	0	0	0	0	17,929
Solid Waste Grants	0	0	29,174	0	0	0	0	29,174
Other General Government Grants	1,875	0	0	0	0	0	0	1,875
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	17,636	0	0	0	0	0	0	17,636
<u>Health and Welfare Grants</u>								
Health Department Programs	275,684	0	0	0	0	0	0	275,684
Other Health and Welfare Grants	110,300	0	0	0	0	0	0	110,300
<u>Public Works Grants</u>								
State Aid Program	0	0	0	0	0	26,007	0	26,007
Litter Program	33,909	0	0	0	0	0	0	33,909
<u>Other State Revenues</u>								
Income Tax	41,471	0	0	0	0	0	0	41,471
Beer Tax	18,753	0	0	0	0	0	0	18,753
Alcoholic Beverage Tax	63,943	0	0	0	0	0	0	63,943
Mixed Drink Tax	614	0	0	0	0	0	0	614
State Revenue Sharing - T.V.A.	0	0	553,237	0	0	0	0	553,237
Board of Jurors	20,047	0	0	0	0	0	0	20,047
Contracted Prisoner Boarding	337,295	0	0	0	0	0	0	337,295
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,910,407	0	1,910,407

(Continued)

Exhibit J-5

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

	Special Revenue Funds						Debt Service Fund	Total
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service	
<u>State of Tennessee (Cont.)</u>								
<u>Other State Revenues (Cont.)</u>								
Petroleum Special Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 41,244	\$ 0	\$ 41,244
Registrar's Salary Supplement	16,380	0	0	0	0	0	0	16,380
Total State of Tennessee	\$ 964,836	\$ 0	\$ 582,411	\$ 0	\$ 0	\$ 1,977,658	\$ 0	\$ 3,524,905
<u>Federal Government</u>								
<u>Federal Through State</u>								
Community Development	\$ 50,505	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,505
Homeland Security Grants	354,814	0	0	0	0	0	0	354,814
Other Federal through State	330,270	0	0	0	0	0	0	330,270
Total Federal Government	\$ 735,589	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 735,589
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,002	\$ 0	\$ 21,002
Contributions	0	98,350	0	0	0	0	475,000	573,350
Contracted Services	0	0	0	0	0	3,076	0	3,076
<u>Citizens Groups</u>								
Donations	0	615	0	0	0	0	0	615
Total Other Governments and Citizens Groups	\$ 0	\$ 98,965	\$ 0	\$ 0	\$ 0	\$ 24,078	\$ 475,000	\$ 598,043
Total	\$ 12,447,490	\$ 113,175	\$ 759,253	\$ 50,448	\$ 2,187	\$ 4,149,614	\$ 7,807,021	\$ 25,329,188

Exhibit J-6

Tipton County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Tipton 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	\$ 9,024,333	\$ 0	\$ 0	\$ 0	\$ 9,024,333
Trustee's Collections - Prior Year	292,470	0	0	0	292,470
Trustee's Collections - Bankruptcy	5,734	0	0	0	5,734
Circuit/Clerk & Master Collections - Prior Years	144,396	0	0	0	144,396
Interest and Penalty	61,559	0	0	0	61,559
Payments in-Lieu-of Taxes - Other	548,644	0	0	0	548,644
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,479,966	0	0	0	3,479,966
Business Tax	129,882	0	0	0	129,882
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	9,214	0	0	0	9,214
Total Local Taxes	\$ 13,696,198	\$ 0	\$ 0	\$ 0	\$ 13,696,198
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 4,949	\$ 0	\$ 0	\$ 0	\$ 4,949
<u>Permits</u>					
Other Permits	1,023	0	0	0	1,023
Total Licenses and Permits	\$ 5,972	\$ 0	\$ 0	\$ 0	\$ 5,972
<u>Fines, Forfeitures, and Penalties</u>					
<u>Juvenile Court</u>					
Fines	\$ 3,034	\$ 0	\$ 0	\$ 0	\$ 3,034
Total Fines, Forfeitures, and Penalties	\$ 3,034	\$ 0	\$ 0	\$ 0	\$ 3,034
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Summer School	\$ 9,150	\$ 0	\$ 0	\$ 0	\$ 9,150
Tuition - Other	538,766	0	0	0	538,766
Lunch Payments - Children	0	0	1,261,146	0	1,261,146
Lunch Payments - Adults	0	0	136,646	0	136,646
Income from Breakfast	0	0	119,052	0	119,052
A la carte Sales	0	0	280,914	0	280,914
Receipts from Individual Schools	109,028	0	0	0	109,028
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	4,287	0	4,287
Total Charges for Current Services	\$ 656,944	\$ 0	\$ 1,802,045	\$ 0	\$ 2,458,989
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 9,246	\$ 0	\$ 9,246
Miscellaneous Refunds	221,377	0	0	200	221,577
<u>Nonrecurring Items</u>					
Sale of Equipment	15,350	0	0	0	15,350
Damages Recovered from Individuals	6,962	0	0	0	6,962
Total Other Local Revenues	\$ 243,689	\$ 0	\$ 9,246	\$ 200	\$ 253,135

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 48,612,649	\$ 0	\$ 0	\$ 0	\$ 48,612,649
School Food Service	63,086	0	0	0	63,086
Driver Education	26,300	0	0	0	26,300
Other State Education Funds	467,677	0	0	0	467,677
Career Ladder Program	505,525	0	0	0	505,525
Career Ladder - Extended Contract	205,126	0	0	0	205,126
Other Vocational	150	0	0	0	150
<u>Other State Revenues</u>					
Mixed Drink Tax	6,751	0	0	0	6,751
Other State Grants	1,306,997	0	0	0	1,306,997
Total State of Tennessee	\$ 51,194,261	\$ 0	\$ 0	\$ 0	\$ 51,194,261
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,028,691	\$ 0	\$ 2,028,691
Breakfast	0	0	710,680	0	710,680
USDA - Other	0	0	216,616	0	216,616
Adult Education State Grant Program	146,621	0	0	0	146,621
Vocational Education - Basic Grants to States	0	183,817	0	0	183,817
Title I Grants to Local Education Agencies	0	1,597,408	0	0	1,597,408
Innovative Education Program Strategies	0	17,486	0	0	17,486
Special Education - Grants to States	44,261	2,394,423	0	0	2,438,684
Special Education Preschool Grants	0	114,356	0	0	114,356
Education for Homeless Children and Youth	0	4,106	0	0	4,106
Eisenhower Professional Development State Grants	0	576,350	0	0	576,350
Other Federal through State	93,838	373,551	0	0	467,389
Total Federal Government	\$ 284,720	\$ 5,261,497	\$ 2,955,987	\$ 0	\$ 8,502,204
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 1,500,000	\$ 1,500,000
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 1,500,000	\$ 1,500,000
Total	\$ 66,084,818	\$ 5,261,497	\$ 4,767,278	\$ 1,500,200	\$ 77,613,793

Exhibit J-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	53,690	
Social Security		5,626	
State Retirement		2,007	
Audit Services		11,728	
Consultants		349	
Dues and Memberships		7,910	
Legal Services		24,432	
Legal Notices, Recording, and Court Costs		4,749	
Travel		6,165	
Liability Insurance		2,893	
Total County Commission			\$ 119,549

Beer Board

Board and Committee Members Fees	\$	2,550	
Social Security		194	
State Retirement		44	
Total Beer Board			2,788

County Mayor/Executive

County Official/Administrative Officer	\$	95,000	
Secretary(ies)		30,260	
Part-time Personnel		10,768	
Longevity Pay		1,250	
Social Security		10,125	
State Retirement		12,910	
Employee and Dependent Insurance		14,160	
Unemployment Compensation		124	
Communication		2,284	
Printing, Stationery, and Forms		1,673	
Travel		3,347	
Other Contracted Services		1,356	
Office Supplies		2,536	
Utilities		3,952	
Other Supplies and Materials		817	
Building and Contents Insurance		528	
Liability Insurance		809	
Premiums on Corporate Surety Bonds		408	
Vehicle and Equipment Insurance		383	
Workers' Compensation Insurance		248	
Other Charges		3,712	
Total County Mayor/Executive			196,650

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	61,067	
Secretary(ies)		30,259	
Clerical Personnel		26,000	
Part-time Personnel		9,559	
Longevity Pay		3,250	
Overtime Pay		6,673	
Election Commission		15,000	
Election Workers		61,854	
Social Security		13,123	
State Retirement		12,188	
Employee and Dependent Insurance		18,659	
Unemployment Compensation		451	
Communication		2,049	
Dues and Memberships		1,125	
Janitorial Services		6,300	
Legal Notices, Recording, and Court Costs		6,887	
Maintenance & Repair Services - Buildings		1,259	
Maintenance & Repair Services - Equipment		7,994	
Postal Charges		9,652	
Printing, Stationery, and Forms		8,203	
Rentals		1,396	
Travel		5,625	
Office Supplies		8,513	
Utilities		8,278	
Building and Contents Insurance		462	
Liability Insurance		1,121	
Workers' Compensation Insurance		736	
Other Charges		40,213	
Data Processing Equipment		5,006	
Office Equipment		314,207	
Total Election Commission			\$ 687,109

Register of Deeds

County Official/Administrative Officer	\$	71,502
Clerical Personnel		85,997
Longevity Pay		2,100
Social Security		11,878
State Retirement		14,396
Employee and Dependent Insurance		22,424
Unemployment Compensation		285

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Communication	\$	1,504	
Travel		1,643	
Duplicating Supplies		2,054	
Office Supplies		8,259	
Utilities		5,767	
Building and Contents Insurance		771	
Liability Insurance		1,074	
Premiums on Corporate Surety Bonds		204	
Workers' Compensation Insurance		976	
Data Processing Equipment		28,154	
Office Equipment		11,245	
Total Register of Deeds			\$ 270,233

Planning

Supervisor/Director	\$	52,300	
Secretary(ies)		4,265	
Clerical Personnel		30,259	
Longevity Pay		1,200	
Other Salaries & Wages		68,362	
Board and Committee Members Fees		5,125	
Social Security		12,066	
State Retirement		15,270	
Employee and Dependent Insurance		13,046	
Unemployment Compensation		288	
Communication		2,376	
Maintenance & Repair Services - Buildings		7	
Maintenance & Repair Services - Vehicles		3,132	
Travel		1,560	
Tuition		1,274	
Gasoline		4,372	
Office Supplies		2,092	
Utilities		3,103	
Building and Contents Insurance		874	
Liability Insurance		943	
Vehicle and Equipment Insurance		882	
Workers' Compensation Insurance		924	
Data Processing Equipment		1,764	
Motor Vehicles		20,612	
Total Planning			246,096

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Building

Custodial Personnel	\$	50,603	
Maintenance Personnel		64,335	
Longevity Pay		1,400	
Social Security		8,739	
State Retirement		11,310	
Employee and Dependent Insurance		33,488	
Unemployment Compensation		278	
Communication		2,519	
Contracts with Private Agencies		13,720	
Maintenance & Repair Services - Buildings		4,945	
Maintenance & Repair Services - Vehicles		9,153	
Custodial Supplies		7,696	
Gasoline		8,167	
Small Tools		3,349	
Utilities		13,855	
Building and Contents Insurance		1,166	
Liability Insurance		473	
Vehicle and Equipment Insurance		2,312	
Workers' Compensation Insurance		8,510	
Building Improvements		32,271	
Maintenance Equipment		7,772	
Motor Vehicles		13,000	
Total Building			\$ 299,061

Codes Compliance

Secretary(ies)	\$	4,510	
Other Salaries & Wages		4,512	
Social Security		684	
State Retirement		889	
Unemployment Compensation		4	
Office Supplies		14	
Total Codes Compliance			10,613

Geographical Information Systems

Supervisor/Director	\$	43,680	
Clerical Personnel		5,280	
Social Security		3,536	
State Retirement		4,298	
Employee and Dependent Insurance		9,812	
Unemployment Compensation		70	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Geographical Information Systems (Cont.)

Communication	\$	318	
Maintenance & Repair Services - Office Equipment		7,330	
Travel		2,385	
Office Supplies		3,538	
Liability Insurance		203	
Workers' Compensation Insurance		349	
Data Processing Equipment		<u>5,027</u>	
Total Geographical Information Systems	\$		85,826

County Buildings

Communication	\$	895	
Contracts with Private Agencies		3,564	
Janitorial Services		18,843	
Maintenance & Repair Services - Buildings		14,038	
Custodial Supplies		4,986	
Utilities		1,002	
Liability Insurance		124	
Building Improvements		8,737	
Furniture and Fixtures		<u>588</u>	
Total County Buildings			52,777

Finance

Accounting and Budgeting

Supervisor/Director	\$	48,853	
Secretary(ies)		30,260	
Clerical Personnel		30,259	
Longevity Pay		2,850	
Social Security		8,339	
State Retirement		10,762	
Employee and Dependent Insurance		12,661	
Unemployment Compensation		240	
Communication		1,886	
Maintenance & Repair Services - Office Equipment		6,701	
Postal Charges		26,800	
Travel		2,518	
Office Supplies		3,820	
Utilities		3,861	
Building and Contents Insurance		498	
Liability Insurance		794	
Premiums on Corporate Surety Bonds		291	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Workers' Compensation Insurance	\$	720	
Data Processing Equipment		12,942	
Office Equipment		1,017	
Total Accounting and Budgeting			\$ 206,072

Property Assessor's Office

County Official/Administrative Officer	\$	69,714	
Secretary(ies)		107,451	
Clerical Personnel		32,828	
Longevity Pay		3,150	
Other Salaries & Wages		800	
Social Security		15,851	
State Retirement		20,793	
Employee and Dependent Insurance		41,324	
Unemployment Compensation		309	
Communication		3,269	
Contracts with Private Agencies		36,565	
Data Processing Services		15,707	
Dues and Memberships		1,715	
Maintenance & Repair Services - Office Equipment		3,950	
Transportation - Other than Students		4,200	
Travel		3,356	
Tuition		30	
Duplicating Supplies		683	
Office Supplies		1,981	
Utilities		7,416	
Building and Contents Insurance		995	
Liability Insurance		1,728	
Workers' Compensation Insurance		10,260	
Data Processing Equipment		3,590	
Office Equipment		1,069	
Total Property Assessor's Office			388,734

Reappraisal Program

Longevity Pay	\$	550
Other Salaries & Wages		32,400
Social Security		2,496
State Retirement		102
Unemployment Compensation		150
Data Processing Services		5,002

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Maintenance & Repair Services - Vehicles	\$	1,599	
Postal Charges		1,095	
Travel		49	
Gasoline		1,757	
Liability Insurance		86	
Vehicle and Equipment Insurance		379	
Workers' Compensation Insurance		216	
Total Reappraisal Program			\$ 45,881

County Trustee's Office

County Official/Administrative Officer	\$	71,502	
Clerical Personnel		116,538	
Longevity Pay		1,350	
In-Service Training		405	
Social Security		13,989	
State Retirement		18,362	
Employee and Dependent Insurance		21,946	
Unemployment Compensation		294	
Advertising		273	
Communication		1,473	
Dues and Memberships		250	
Maintenance & Repair Services - Office Equipment		5,160	
Travel		2,927	
Duplicating Supplies		456	
Office Supplies		5,214	
Utilities		5,926	
Building and Contents Insurance		807	
Liability Insurance		1,100	
Premiums on Corporate Surety Bonds		7,759	
Workers' Compensation Insurance		1,140	
Data Processing Equipment		149	
Office Equipment		9,053	
Total County Trustee's Office			286,073

County Clerk's Office

County Official/Administrative Officer	\$	69,714
Clerical Personnel		222,441
Longevity Pay		3,000
Social Security		21,457
State Retirement		28,748

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Employee and Dependent Insurance	\$	46,408	
Unemployment Compensation		550	
Communication		2,723	
Dues and Memberships		450	
Maintenance & Repair Services - Office Equipment		10,893	
Postal Charges		19,897	
Printing, Stationery, and Forms		1,641	
Travel		3,686	
Duplicating Supplies		864	
Office Supplies		7,815	
Utilities		3,058	
Building and Contents Insurance		788	
Liability Insurance		1,832	
Premiums on Corporate Surety Bonds		408	
Workers' Compensation Insurance		1,764	
Furniture and Fixtures		1,114	
Total County Clerk's Office			\$ 449,251

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	69,714
Clerical Personnel		206,812
Longevity Pay		4,800
Other Salaries & Wages		468
Jury and Witness Fees		30,708
Social Security		20,620
State Retirement		27,210
Employee and Dependent Insurance		36,457
Unemployment Compensation		490
Communication		3,621
Dues and Memberships		395
Maintenance & Repair Services - Office Equipment		10,962
Postal Charges		13,992
Travel		2,930
Office Supplies		14,685
Utilities		1,371
Building and Contents Insurance		1,194
Liability Insurance		1,902
Premiums on Corporate Surety Bonds		408
Workers' Compensation Insurance		1,700

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Data Processing Equipment	\$	729	
Office Equipment		608	
Total Circuit Court			\$ 451,776

Criminal Court

Supervisor/Director	\$	18,461	
Social Security		1,379	
State Retirement		454	
Employee and Dependent Insurance		2,732	
Unemployment Compensation		105	
Communication		269	
Travel		254	
Office Supplies		1,005	
Office Equipment		2,364	
Total Criminal Court			27,023

General Sessions Court

Judge(s)	\$	136,650	
Assistant(s)		40,500	
Longevity Pay		700	
Social Security		11,577	
State Retirement		17,432	
Employee and Dependent Insurance		13,675	
Unemployment Compensation		70	
Communication		3,774	
Dues and Memberships		875	
Travel		1,438	
Office Supplies		445	
Utilities		1,386	
Building and Contents Insurance		1,230	
Liability Insurance		873	
Workers' Compensation Insurance		972	
Data Processing Equipment		1,151	
Total General Sessions Court			232,748

Chancery Court

County Official/Administrative Officer	\$	69,714	
Clerical Personnel		124,266	
Longevity Pay		1,850	
Social Security		14,138	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

State Retirement	\$	18,489	
Employee and Dependent Insurance		31,604	
Unemployment Compensation		372	
Communication		2,336	
Dues and Memberships		395	
Maintenance & Repair Services - Office Equipment		6,680	
Travel		2,186	
Office Supplies		11,928	
Utilities		1,546	
Building and Contents Insurance		1,298	
Liability Insurance		1,229	
Premiums on Corporate Surety Bonds		997	
Workers' Compensation Insurance		1,200	
Data Processing Equipment		2,192	
Furniture and Fixtures		5,784	
Office Equipment		470	
Total Chancery Court			\$ 298,674

Juvenile Court

Youth Service Officer(s)	\$	32,876	
Clerical Personnel		85,937	
Longevity Pay		2,550	
Social Security		8,917	
State Retirement		9,190	
Employee and Dependent Insurance		13,486	
Unemployment Compensation		430	
Communication		1,652	
Maintenance & Repair Services - Office Equipment		1,200	
Printing, Stationery, and Forms		2,434	
Travel		155	
Other Contracted Services		40,475	
Office Supplies		1,621	
Utilities		263	
Building and Contents Insurance		244	
Liability Insurance		776	
Premiums on Corporate Surety Bonds		50	
Workers' Compensation Insurance		668	
Total Juvenile Court			202,924

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probate Court

Probation Officer(s)	\$	35,829	
Clerical Personnel		14,939	
Longevity Pay		1,350	
Overtime Pay		4,034	
Social Security		4,160	
State Retirement		1,470	
Unemployment Compensation		140	
Communication		308	
Contracts with Other Public Agencies		3,350	
Office Supplies		2,395	
Utilities		292	
Building and Contents Insurance		244	
Liability Insurance		115	
Workers' Compensation Insurance		300	
Total Probate Court			\$ 68,926

Other Administration of Justice

Communication	\$	1,178	
Janitorial Services		17,742	
Maintenance & Repair Services - Buildings		14,460	
Maintenance & Repair Services - Equipment		310	
Custodial Supplies		1,500	
Utilities		3,069	
Building and Contents Insurance		719	
Liability Insurance		118	
Building Improvements		39,596	
Total Other Administration of Justice			78,692

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	78,651	
Deputy(ies)		772,286	
Investigator(s)		168,825	
Captain(s)		158,907	
Sergeant(s)		236,969	
Accountants/Bookkeepers		32,817	
Medical Personnel		69,334	
Salary Supplements		17,636	
Secretary(ies)		29,316	
Clerical Personnel		49,689	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Part-time Personnel	\$	27,015	
Longevity Pay		17,900	
Overtime Pay		47,954	
In-Service Training		11,848	
Social Security		120,882	
State Retirement		148,191	
Employee and Dependent Insurance		248,111	
Unemployment Compensation		3,342	
Communication		17,784	
Dues and Memberships		1,810	
Evaluation and Testing		395	
Maintenance & Repair Services - Equipment		3,299	
Maintenance & Repair Services - Office Equipment		6,598	
Maintenance & Repair Services - Vehicles		51,969	
Transportation - Other than Students		2,028	
Travel		5,222	
Gasoline		128,483	
Office Supplies		22,566	
Uniforms		25,903	
Utilities		2,727	
Testing		2,322	
Other Supplies and Materials		6,338	
Building and Contents Insurance		1,573	
Liability Insurance		27,876	
Premiums on Corporate Surety Bonds		408	
Vehicle and Equipment Insurance		19,153	
Workers' Compensation Insurance		62,329	
Data Processing Equipment		5,574	
Law Enforcement Equipment		13,450	
Motor Vehicles		148,305	
Office Equipment		3,416	
Total Sheriff's Department			\$ 2,799,201

Administration of the Sexual Offender Registry

Office Supplies	\$	675	
Total Administration of the Sexual Offender Registry			675

Jail

Captain(s)	\$	41,496	
Lieutenant(s)		25,669	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Sergeant(s)	\$	115,291	
Guards		517,396	
Cafeteria Personnel		70,175	
Longevity Pay		3,200	
Overtime Pay		24,421	
Other Salaries & Wages		40,366	
In-Service Training		10,009	
Social Security		62,638	
State Retirement		74,340	
Employee and Dependent Insurance		133,663	
Unemployment Compensation		2,486	
Communication		3,289	
Maintenance & Repair Services - Equipment		16,541	
Maintenance & Repair Services - Office Equipment		825	
Transportation - Other than Students		3,979	
Travel		2,947	
Custodial Supplies		14,315	
Drugs and Medical Supplies		216,993	
Duplicating Supplies		1,155	
Food Supplies		107,159	
Office Supplies		4,028	
Prisoners Clothing		15,753	
Uniforms		11,935	
Utilities		148,453	
Building and Contents Insurance		2,766	
Liability Insurance		47,571	
Vehicle and Equipment Insurance		628	
Workers' Compensation Insurance		30,819	
Building Construction		65,714	
Food Service Equipment		2,189	
Office Equipment		11,999	
Total Jail			\$ 1,830,208

Workhouse

Guards	\$	51,298
Longevity Pay		1,250
Social Security		3,895
State Retirement		2,680
Employee and Dependent Insurance		3,864
Unemployment Compensation		281

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Communication	\$	752	
Janitorial Services		31,996	
Maintenance & Repair Services - Buildings		28,805	
Maintenance & Repair Services - Equipment		13,541	
Custodial Supplies		2,423	
Uniforms		1,800	
Liability Insurance		1,444	
Workers' Compensation Insurance		2,282	
Building Construction		51,848	
Office Equipment		440	
Total Workhouse			\$ 198,599

Fire Prevention and Control

Accountants/Bookkeepers	\$	5,122	
Other Salaries & Wages		25,977	
Social Security		2,138	
State Retirement		1,110	
Employee and Dependent Insurance		5,276	
Unemployment Compensation		123	
Communication		361	
Contributions		175,136	
Maintenance & Repair Services - Vehicles		26	
Matching Share		11,851	
Other Contracted Services		55,000	
Gasoline		697	
Office Supplies		1,981	
Utilities		8,436	
Building and Contents Insurance		511	
Building Construction		633	
Motor Vehicles		21,206	
Total Fire Prevention and Control			315,584

Civil Defense

Contracts with Government Agencies	\$	22,100	
Other Equipment		246,001	
Total Civil Defense			268,101

Other Emergency Management

Communication	\$	140,000	
Utilities		22,144	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Building and Contents Insurance	\$ 1,414	
Total Other Emergency Management		\$ 163,558

Public Health and Welfare

Local Health Center

Custodial Personnel	\$ 13,890	
Longevity Pay	450	
Social Security	1,097	
State Retirement	1,305	
Unemployment Compensation	83	
Communication	3,476	
Contracts with Government Agencies	26,080	
Maintenance & Repair Services - Buildings	6,423	
Postal Charges	4,739	
Custodial Supplies	1,794	
Drugs and Medical Supplies	1,643	
Office Supplies	3,550	
Utilities	14,593	
Building and Contents Insurance	934	
Liability Insurance	141	
Premiums on Corporate Surety Bonds	50	
Workers' Compensation Insurance	908	
Total Local Health Center		81,156

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$ 100,000	
Total Ambulance/Emergency Medical Services		100,000

Dental Health Program

Medical Personnel	\$ 105,722
Paraprofessionals	32,062
Clerical Personnel	80,164
Longevity Pay	2,250
Social Security	15,991
State Retirement	19,823
Employee and Dependent Insurance	17,262
Unemployment Compensation	504
Travel	4,466
Drugs and Medical Supplies	9,786
Liability Insurance	2,128

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Dental Health Program (Cont.)

Workers' Compensation Insurance	\$ 984	
Total Dental Health Program		\$ 291,142

General Welfare Assistance

Bus Drivers	\$ 14,000	
Contracts with Government Agencies	10,740	
Dues and Memberships	7,691	
Total General Welfare Assistance		32,431

Sanitation Management

Supervisor/Director	\$ 19,576	
Guards	27,260	
Part-time Personnel	9,370	
Longevity Pay	650	
Social Security	3,942	
State Retirement	5,118	
Employee and Dependent Insurance	18,411	
Unemployment Compensation	234	
Advertising	4,605	
Communication	690	
Contributions	4,858	
Maintenance & Repair Services - Vehicles	1,319	
Postal Charges	46	
Transportation - Other than Students	886	
Travel	1,919	
Gasoline	5,147	
Office Supplies	1,035	
Uniforms	500	
Utilities	121	
Other Supplies and Materials	1,605	
Liability Insurance	235	
Vehicle and Equipment Insurance	252	
Workers' Compensation Insurance	1,983	
Motor Vehicles	20,750	
Office Equipment	95	
Other Equipment	950	
Total Sanitation Management		131,557

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	48,000	
Dues and Memberships		3,500	
Other Contracted Services		25,000	
Total Senior Citizens Assistance			\$ 76,500

Libraries

Contributions	\$	15,600	
Maintenance & Repair Services - Buildings		3,350	
Total Libraries			18,950

Parks and Fair Boards

Contributions	\$	3,500	
Maintenance Agreements		2,000	
Total Parks and Fair Boards			5,500

Other Social, Cultural, and Recreational

Contributions	\$	6,000	
Total Other Social, Cultural, and Recreational			6,000

Agriculture & Natural Resources

Agriculture Extension Service

Salary Supplements	\$	60,824	
Other Fringe Benefits		12,583	
Communication		2,192	
Janitorial Services		4,800	
Maintenance & Repair Services - Buildings		372	
Maintenance & Repair Services - Equipment		199	
Duplicating Supplies		674	
Utilities		4,539	
Building and Contents Insurance		224	
Liability Insurance		166	
Office Equipment		9,778	
Total Agriculture Extension Service			96,351

Soil Conservation

Secretary(ies)	\$	30,262	
Longevity Pay		1,250	
Other Salaries & Wages		33,252	
Other Per Diem & Fees		604	
Social Security		4,804	

(Continued)

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

General Fund (Cont.)

Agriculture & Natural Resources (Cont.)

Soil Conservation (Cont.)

State Retirement	\$	6,250	
Employee and Dependent Insurance		8,549	
Unemployment Compensation		140	
Dues and Memberships		1,225	
Travel		946	
Office Supplies		569	
Liability Insurance		142	
Workers' Compensation Insurance		376	
Office Equipment		39	
Total Soil Conservation			\$ 88,408

Other Operations

Tourism

Contributions	\$	50,000	
Total Tourism			50,000

Industrial Development

Contributions	\$	2,976	
Matching Share		38,230	
Other Contracted Services		47,388	
Total Industrial Development			88,594

Other Economic and Community Development

Other Contracted Services	\$	51,136	
Other Capital Outlay		87,150	
Total Other Economic and Community Development			138,286

Veterans' Services

Clerical Personnel	\$	12,631	
Travel		371	
Total Veterans' Services			13,002

Miscellaneous

Communication	\$	1,749	
Contracts with Private Agencies		15,077	
Contributions		161,000	
Dues and Memberships		45,152	
Matching Share		10,000	
Pest Control		2,912	
Gasoline		12,030	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Testing	\$	2,679	
Refunds		95	
Trustee's Commission		133,126	
Total Miscellaneous			\$ 383,820

Principal on Debt

General Government

Principal on Capital Leases	\$	13,345	
Total General Government			13,345

Interest on Debt

General Government

Interest on Capital Leases	\$	2,574	
Total General Government			2,574

Total General Fund \$ 11,901,018

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

County Official/Administrative Officer	\$	26,194	
Other Salaries & Wages		47,428	
Social Security		6,536	
Medical Insurance		2,946	
Maintenance & Repair Services - Buildings		16,083	
Rentals		24,000	
Travel		3,675	
Utilities		8,513	
Other Supplies and Materials		4,234	
Liability Insurance		5,916	
Other Charges		2,726	
Other Capital Outlay		15,851	
Total Libraries			\$ 164,102

Total Public Library Fund 164,102

Solid Waste/Sanitation Fund

Public Health and Welfare

Postclosure Care Costs

Evaluation and Testing	\$	15,953	
Total Postclosure Care Costs			\$ 15,953

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Highways

Litter and Trash Collection

Foremen	\$	32,562
Equipment Operators		98,742
Laborers		46,399
Longevity Pay		4,000
Overtime Pay		17,401
Board and Committee Members Fees		375
Social Security		14,560
State Retirement		15,917
Employee and Dependent Insurance		33,222
Unemployment Compensation		462
Other Fringe Benefits		1,349
Advertising		78
Communication		2,079
Dues and Memberships		1,000
Licenses		2,400
Maintenance Agreements		265
Maintenance & Repair Services - Equipment		6,782
Maintenance & Repair Services - Office Equipment		1,500
Postal Charges		2,035
Printing, Stationery, and Forms		2,786
Tow-in Services		75
Travel		1,174
Disposal Fees		272,563
Other Contracted Services		41,555
Crushed Stone		3,482
Diesel Fuel		60,000
Electricity		2,665
Equipment and Machinery Parts		13,999
Fuel Oil		150
Lubricants		1,500
Office Supplies		3,431
Road Signs		30
Small Tools		499
Tires and Tubes		5,991
Uniforms		2,251
Water and Sewer		304
Fencing		2,936
Trustee's Commission		6,034
Other Charges		1,499
Motor Vehicles		5,000

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection (Cont.)

Office Equipment	\$	2,298	
Site Development		7,361	
Solid Waste Equipment		29,723	
Other Equipment		2,112	
Total Litter and Trash Collection			\$ 750,546

Total Solid Waste/Sanitation Fund \$ 766,499

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	25,000	
Other Contracted Services		4,410	
Other Supplies and Materials		16,546	
Trustee's Commission		280	
Other Capital Outlay		4,762	
Total Drug Enforcement			\$ 50,998

Total Drug Control Fund 50,998

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	2,187	
Total Chancery Court			\$ 2,187

Total Constitutional Officers - Fees Fund 2,187

Highway/Public Works Fund

Public Health and Welfare

Rabies and Animal Control

Overtime Pay	\$	4,625	
Other Salaries & Wages		135,847	
Travel		621	
Custodial Supplies		2,208	
Office Supplies		1,499	
Other Supplies and Materials		10,491	
Refunds		1,735	
Office Equipment		2,500	
Total Rabies and Animal Control			\$ 159,526

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways

Administration

County Official/Administrative Officer	\$	87,219	
Assistant(s)		50,946	
Accountants/Bookkeepers		28,778	
Secretary(ies)		31,843	
Clerical Personnel		25,254	
Custodial Personnel		20,006	
Overtime Pay		7,971	
Other Salaries & Wages		30,123	
Board and Committee Members Fees		7,800	
Advertising		1,843	
Communication		13,810	
Dues and Memberships		5,700	
Freight Expenses		109	
Maintenance & Repair Services - Buildings		3,486	
Maintenance & Repair Services - Equipment		1,500	
Maintenance & Repair Services - Office Equipment		5,999	
Postal Charges		625	
Printing, Stationery, and Forms		1,539	
Rentals		315	
Travel		1,799	
Other Contracted Services		3,500	
Custodial Supplies		1,788	
Electricity		12,013	
Natural Gas		10,579	
Office Supplies		3,499	
Water and Sewer		808	
Other Charges		1,500	
Total Administration			\$ 360,352

Highway and Bridge Maintenance

Foremen	\$	157,450
Equipment Operators		154,750
Equipment Operators - Light		283,362
Truck Drivers		132,901
Laborers		126,513
Overtime Pay		23,637
Rentals		4,425
Other Contracted Services		53,802
Asphalt - Cold Mix		30,750
Asphalt - Hot Mix		179,528

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Concrete	\$	3,959	
Crushed Stone		95,000	
Fertilizer, Lime, and Seed		12,345	
General Construction Materials		6,731	
Other Road Supplies		36,588	
Pipe - Metal		64,160	
Road Signs		26,464	
Small Tools		1,632	
Wood Products		9,180	
Gravel and Chert		15,000	
Geotextile Materials		995	
Other Supplies and Materials		1,999	
Total Highway and Bridge Maintenance			\$ 1,421,171

Operation and Maintenance of Equipment

Foremen	\$	35,292	
Mechanic(s)		48,183	
Equipment Operators		32,198	
Laborers		19,881	
Overtime Pay		545	
Licenses		119	
Maintenance & Repair Services - Buildings		2,160	
Maintenance & Repair Services - Equipment		58,942	
Tow-in Services		60	
Diesel Fuel		145,479	
Equipment and Machinery Parts		69,869	
Garage Supplies		6,000	
Gasoline		48,000	
Lubricants		9,000	
Small Tools		2,643	
Tires and Tubes		35,982	
Other Charges		1,274	
Total Operation and Maintenance of Equipment			515,627

Other Charges

Building and Contents Insurance	\$	2,758	
Liability Insurance		14,312	
Trustee's Commission		46,883	
Vehicle and Equipment Insurance		18,889	
Workers' Compensation Insurance		91,221	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Fines, Assessments, and Penalties	\$ 690	
Total Other Charges		\$ 174,753

Employee Benefits

Social Security	\$ 104,903	
State Retirement	136,668	
Employee and Dependent Insurance	365,034	
Unemployment Compensation	2,782	
Other Fringe Benefits	6,755	
Uniforms	20,043	
Total Employee Benefits		636,185

Capital Outlay

Bridge Construction	\$ 255,072	
Building Improvements	1,646	
Communication Equipment	5,799	
Furniture and Fixtures	1,439	
Highway Equipment	396,614	
Maintenance Equipment	5,000	
Motor Vehicles	15,000	
Office Equipment	4,756	
State Aid Projects	706,024	
Total Capital Outlay		1,391,350

Principal on Debt

Highways and Streets

Principal on Notes	\$ 83,000	
Total Highways and Streets		83,000

Interest on Debt

Highways and Streets

Interest on Notes	\$ 7,850	
Total Highways and Streets		7,850

Total Highway/Public Works Fund		\$ 4,749,814
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General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$ 12,450	
Total General Government		\$ 12,450

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education

Principal on Bonds	\$ 2,610,000	
Principal on Notes	935,000	
Principal on Other Loans	<u>787,000</u>	
Total Education		\$ 4,332,000

Interest on Debt

General Government

Interest on Other Loans	\$ <u>147,105</u>	
Total General Government		147,105

Highways and Streets

Interest on Notes	\$ <u>18,113</u>	
Total Highways and Streets		18,113

Education

Interest on Bonds	\$ 908,785	
Interest on Notes	23,375	
Interest on Other Loans	<u>572,089</u>	
Total Education		1,504,249

Other Debt Service

General Government

Trustee's Commission	\$ 125,473	
Interest on Other Loans	<u>16,351</u>	
Total General Government		141,824

Education

Other Debt Issuance Charges	\$ 1,201	
Interest on Other Loans	49,028	
Other Debt Service	<u>2,535</u>	
Total Education		<u>52,764</u>

Total General Debt Service Fund \$ 6,208,505

General Capital Projects Fund

Other Operations

Contributions to Other Agencies

Contributions	\$ <u>1,500,000</u>	
Total Contributions to Other Agencies		\$ 1,500,000

(Continued)

Exhibit J-7

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

<u>General Capital Projects Fund (Cont.)</u>			
<u>Other Debt Service</u>			
<u>Education</u>			
Other Debt Issuance Charges	\$	<u>112,000</u>	
Total Education			<u>\$ 112,000</u>
Total General Capital Projects Fund			<u>\$ 1,612,000</u>
Total Governmental Funds - Primary Government			<u>\$ 25,455,123</u>

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 23,523,538	
Career Ladder Program	257,542	
Career Ladder Extended Contracts	116,652	
Educational Assistants	695,406	
Other Salaries & Wages	10,162	
Certified Substitute Teachers	1,298	
Non-certified Substitute Teachers	293,174	
Social Security	1,487,936	
State Retirement	1,514,745	
Medical Insurance	3,158,989	
Unemployment Compensation	23,795	
Employer Medicare	347,986	
Other Contracted Services	105,843	
Instructional Supplies and Materials	295,290	
Textbooks	895,359	
Other Supplies and Materials	57,805	
Fee Waivers	106,377	
Other Charges	73,749	
Regular Instruction Equipment	423,147	
Total Regular Instruction Program		\$ 33,388,793

Alternative Instruction Program

Teachers	\$ 389,563	
Career Ladder Program	8,000	
Clerical Personnel	23,920	
Other Salaries & Wages	19,053	
Social Security	26,688	
State Retirement	28,493	
Medical Insurance	31,910	
Unemployment Compensation	328	
Employer Medicare	6,242	
Travel	3,158	
Other Contracted Services	38,348	
Other Supplies and Materials	4,345	
Regular Instruction Equipment	864	
Total Alternative Instruction Program		580,912

Special Education Program

Teachers	\$ 3,305,070	
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(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Career Ladder Program	\$	37,995	
Homebound Teachers		185,628	
Clerical Personnel		66,196	
Educational Assistants		852,495	
Speech Pathologist		475,282	
Other Salaries & Wages		30,303	
Certified Substitute Teachers		312	
Non-certified Substitute Teachers		30,706	
Social Security		297,175	
State Retirement		326,302	
Medical Insurance		660,909	
Unemployment Compensation		5,788	
Employer Medicare		69,500	
Contracts with Private Agencies		71,215	
Other Contracted Services		155,209	
Instructional Supplies and Materials		88,300	
Other Charges		34,896	
Special Education Equipment		64,160	
Total Special Education Program			\$ 6,757,441

Vocational Education Program

Teachers	\$	1,540,128	
Career Ladder Program		17,000	
Other Salaries & Wages		15,990	
Non-certified Substitute Teachers		25,970	
Social Security		95,048	
State Retirement		96,090	
Medical Insurance		176,890	
Unemployment Compensation		1,404	
Employer Medicare		22,229	
Travel		1,489	
Other Contracted Services		29,278	
Instructional Supplies and Materials		74,932	
Textbooks		20,451	
Other Supplies and Materials		1,373	
In Service/Staff Development		2,948	
Other Charges		15,115	
Vocational Instruction Equipment		33,081	
Total Vocational Education Program			2,169,416

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program

Teachers	\$	67,393	
Other Salaries & Wages		6,418	
Social Security		4,080	
State Retirement		3,223	
Unemployment Compensation		196	
Employer Medicare		954	
Travel		37	
Instructional Supplies and Materials		514	
Other Supplies and Materials		14,479	
Total Adult Education Program			\$ 97,294

Support Services

Health Services

Other Salaries & Wages	\$	72,360	
Social Security		4,350	
State Retirement		7,120	
Medical Insurance		12,937	
Unemployment Compensation		71	
Employer Medicare		1,017	
Travel		1,242	
Other Contracted Services		438,813	
Other Supplies and Materials		10,975	
Other Charges		60	
Total Health Services			548,945

Other Student Support

Career Ladder Program	\$	17,000	
Guidance Personnel		865,897	
Psychological Personnel		92,050	
School Resource Officer		33,146	
Other Salaries & Wages		86,290	
Social Security		65,815	
State Retirement		63,121	
Medical Insurance		92,158	
Unemployment Compensation		842	
Employer Medicare		15,392	
Contracts with Government Agencies		86,400	
Evaluation and Testing		62,010	
Travel		6,733	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Contracted Services	\$	5,749	
Other Supplies and Materials		436	
In Service/Staff Development		355	
Total Other Student Support			\$ 1,493,394

Regular Instruction Program

Supervisor/Director	\$	341,883	
Career Ladder Program		28,965	
Career Ladder Extended Contracts		22,000	
Librarians		602,464	
Materials Supervisor		65,424	
Instructional Computer Personnel		67,632	
Clerical Personnel		32,712	
Other Salaries & Wages		42,014	
Social Security		72,245	
State Retirement		79,030	
Medical Insurance		104,816	
Unemployment Compensation		797	
Employer Medicare		16,896	
Communication		3,192	
Travel		36,424	
Other Contracted Services		110	
Library Books/Media		100,000	
Other Supplies and Materials		12,920	
In Service/Staff Development		5,289	
Other Equipment		2,286	
Total Regular Instruction Program			1,637,099

Special Education Program

Supervisor/Director	\$	141,549	
Career Ladder Program		2,000	
Social Security		8,485	
State Retirement		8,800	
Medical Insurance		18,387	
Unemployment Compensation		71	
Employer Medicare		1,984	
Travel		27,924	
In Service/Staff Development		17,658	
Other Charges		1,883	
Total Special Education Program			228,741

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Supervisor/Director	\$	65,424	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		4,000	
Social Security		4,339	
State Retirement		4,440	
Medical Insurance		9,965	
Unemployment Compensation		36	
Employer Medicare		1,015	
Travel		2,815	
In Service/Staff Development		14,870	
Total Vocational Education Program			\$ 109,904

Adult Programs

Supervisor/Director	\$	34,494	
Other Salaries & Wages		19,608	
Social Security		3,818	
State Retirement		4,534	
Medical Insurance		4,613	
Unemployment Compensation		63	
Employer Medicare		893	
Travel		890	
Other Supplies and Materials		2,682	
Total Adult Programs			71,595

Board of Education

Board and Committee Members Fees	\$	11,300	
Life Insurance		10,000	
Audit Services		26,600	
Dues and Memberships		7,119	
Legal Services		99,127	
Travel		7,755	
Other Supplies and Materials		738	
Liability Insurance		192,254	
Trustee's Commission		316,335	
Total Board of Education			671,228

Director of Schools

County Official/Administrative Officer	\$	108,934	
Career Ladder Program		1,000	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Secretary(ies)	\$	32,712	
Social Security		7,906	
State Retirement		9,958	
Medical Insurance		4,228	
Unemployment Compensation		71	
Employer Medicare		2,071	
Communication		52,735	
Dues and Memberships		240	
Postal Charges		5,801	
Travel		3,624	
Office Supplies		6,984	
Other Charges		382	
Total Director of Schools			\$ 236,646

Office of the Principal

Principals	\$	972,333	
Career Ladder Program		68,000	
Career Ladder Extended Contracts		30,000	
Assistant Principals		1,792,296	
Secretary(ies)		877,885	
Social Security		223,945	
State Retirement		253,305	
Medical Insurance		430,542	
Unemployment Compensation		3,035	
Employer Medicare		52,374	
Communication		1,638	
Maintenance & Repair Services - Equipment		2,748	
Postal Charges		83	
Travel		33,246	
Other Contracted Services		12,353	
Office Supplies		3,410	
Other Supplies and Materials		1,128	
Total Office of the Principal			4,758,321

Fiscal Services

Supervisor/Director	\$	47,093	
Accountants/Bookkeepers		112,336	
Secretary(ies)		155,501	
Social Security		19,122	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

State Retirement	\$	27,828	
Medical Insurance		21,814	
Unemployment Compensation		345	
Employer Medicare		4,472	
Travel		7,127	
Other Contracted Services		2,947	
Office Supplies		16,916	
Other Supplies and Materials		71	
Administration Equipment		22,174	
Total Fiscal Services			\$ 437,746

Operation of Plant

Laundry Service	\$	6,265	
Other Contracted Services		1,449,268	
Electricity		1,469,038	
Natural Gas		310,636	
Water and Sewer		143,488	
Other Supplies and Materials		3,230	
Building and Contents Insurance		137,039	
Total Operation of Plant			3,518,964

Maintenance of Plant

Supervisor/Director	\$	58,656	
Secretary(ies)		28,512	
Other Salaries & Wages		545,473	
Social Security		37,501	
State Retirement		55,576	
Medical Insurance		92,408	
Unemployment Compensation		750	
Employer Medicare		8,770	
Communication		8,128	
Maintenance & Repair Services - Equipment		18,320	
Other Contracted Services		2,815	
Other Supplies and Materials		175,953	
Other Charges		1,144	
Maintenance Equipment		26,200	
Total Maintenance of Plant			1,060,206

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	122,688	
Mechanic(s)		248,518	
Bus Drivers		1,528,928	
Clerical Personnel		24,786	
Social Security		108,692	
State Retirement		172,097	
Medical Insurance		716,377	
Unemployment Compensation		5,579	
Employer Medicare		25,420	
Communication		7,264	
Laundry Service		6,788	
Maintenance & Repair Services - Vehicles		11,500	
Travel		4,678	
Other Contracted Services		42,928	
Gasoline		516,487	
Instructional Supplies and Materials		34	
Lubricants		15,985	
Tires and Tubes		67,708	
Vehicle Parts		228,889	
Other Supplies and Materials		12,934	
Vehicle and Equipment Insurance		80,198	
In Service/Staff Development		375	
Other Charges		640	
Transportation Equipment		746,008	
Total Transportation			\$ 4,695,501

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	35,060
Accountants/Bookkeepers		33,962
Other Salaries & Wages		13,129
Social Security		4,789
State Retirement		6,783
Medical Insurance		16,057
Unemployment Compensation		94
Employer Medicare		1,120
Transportation - Other than Students		28,669
Travel		2,341
Other Contracted Services		733

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

In Service/Staff Development	\$ 4,995	
Total Food Service		\$ 147,732

Community Services

Supervisor/Director	\$ 17,907	
Other Salaries & Wages	395,363	
Social Security	25,242	
State Retirement	1,941	
Medical Insurance	18,942	
Unemployment Compensation	1,301	
Employer Medicare	5,903	
Travel	7,323	
Other Contracted Services	9,294	
Food Supplies	22,682	
Other Supplies and Materials	2,644	
Total Community Services		508,542

Early Childhood Education

Teachers	\$ 319,212	
Educational Assistants	129,071	
Other Salaries & Wages	21,303	
Non-certified Substitute Teachers	3,354	
Social Security	27,773	
State Retirement	27,584	
Medical Insurance	81,497	
Unemployment Compensation	636	
Employer Medicare	6,496	
Travel	1,604	
Instructional Supplies and Materials	33,969	
Other Supplies and Materials	1,107	
Other Charges	60,755	
Other Equipment	56,107	
Total Early Childhood Education		770,468

Capital Outlay

Regular Capital Outlay

Other Salaries & Wages	\$ 33,012	
Social Security	2,047	
Unemployment Compensation	158	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Capital Outlay (Cont.)

Regular Capital Outlay (Cont.)

Employer Medicare	\$	479	
Building Improvements		961,742	
Total Regular Capital Outlay			\$ 997,438

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	475,000	
Total Education			475,000

Total General Purpose School Fund \$ 65,361,326

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,200,494	
Educational Assistants		219,728	
Other Salaries & Wages		69,848	
Non-certified Substitute Teachers		18,018	
Social Security		89,647	
State Retirement		96,265	
Medical Insurance		198,728	
Unemployment Compensation		2,066	
Employer Medicare		20,966	
Contracts with Other School Systems		1,825	
Travel		12,120	
Other Contracted Services		110,564	
Instructional Supplies and Materials		75,458	
Other Supplies and Materials		5,672	
In Service/Staff Development		3,000	
Other Charges		500	
Regular Instruction Equipment		31,985	
Total Regular Instruction Program			\$ 2,156,884

Special Education Program

Clerical Personnel	\$	21,800	
Educational Assistants		1,386,084	
Other Salaries & Wages		93,633	
Social Security		86,648	
State Retirement		110,709	

(Continued)

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Medical Insurance	\$	348,064	
Unemployment Compensation		3,812	
Employer Medicare		20,265	
Contracts with Private Agencies		29,459	
Operating Lease Payments		126,990	
Other Contracted Services		111,067	
Instructional Supplies and Materials		106,734	
Total Special Education Program			\$ 2,445,265

Vocational Education Program

Clerical Personnel	\$	3,300	
Other Salaries & Wages		45,270	
Social Security		2,982	
State Retirement		4,552	
Medical Insurance		4,240	
Unemployment Compensation		133	
Employer Medicare		697	
Travel		4,385	
Instructional Supplies and Materials		53,516	
Other Charges		2,282	
Vocational Instruction Equipment		19,932	
Total Vocational Education Program			141,289

Support Services

Other Student Support

Social Workers	\$	27,575	
Social Security		1,609	
State Retirement		1,667	
Medical Insurance		9,819	
Unemployment Compensation		62	
Employer Medicare		376	
Travel		32,263	
Total Other Student Support			73,371

Regular Instruction Program

Supervisor/Director	\$	32,786	
Secretary(ies)		21,384	
In-Service Training		98,900	
Social Security		9,358	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

State Retirement	\$	10,134	
Medical Insurance		5,745	
Unemployment Compensation		562	
Employer Medicare		2,189	
Communication		720	
Travel		19,729	
Other Contracted Services		9,190	
Instructional Supplies and Materials		2,466	
Other Supplies and Materials		36	
In Service/Staff Development		159,717	
Other Equipment		918	
Total Regular Instruction Program			\$ 373,834

Vocational Education Program

In Service/Staff Development	\$	5,731	
Total Vocational Education Program			5,731

Transportation

Transportation Equipment	\$	40,000	
Total Transportation			40,000

Total School Federal Projects Fund \$ 5,236,374

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	1,596,916	
Other Salaries & Wages		24,599	
Social Security		92,668	
State Retirement		140,400	
Medical Insurance		448,025	
Unemployment Compensation		4,825	
Employer Medicare		21,672	
Travel		1,313	
Other Contracted Services		101,066	
Food Supplies		1,817,657	
Uniforms		18,174	
Other Supplies and Materials		214,902	
Trustee's Commission		109	

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Food Service Equipment	\$ 128,271	
Total Food Service		\$ 4,610,597

Total Central Cafeteria Fund \$ 4,610,597

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Other Salaries & Wages	\$ 5,711	
Social Security	354	
Unemployment Compensation	29	
Employer Medicare	83	
Architects	333,742	
Consultants	1,000	
Engineering Services	55,641	
Building Construction	19,797	
Total Education Capital Projects		\$ 416,357

Total Education Capital Projects Fund 416,357

Total Governmental Funds - Tipton County School Department \$ 75,624,654

Exhibit J-9

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

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,055,072
Total Cash Receipts	<u>\$ 3,055,072</u>
<u>Cash Disbursements</u>	
Remittance of Revenue Collected	\$ 3,025,016
Trustee's Commission	30,056
Total Cash Disbursements	<u>\$ 3,055,072</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>

SINGLE AUDIT SECTION



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

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

October 15, 2007

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

To the County Executive 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 Tipton County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Tipton County's basic financial statements and have issued our report thereon dated October 15, 2007. Our report on the aggregate discretely presented component units' financial statements was qualified due to not including the financial statements of the Tipton County Emergency Communications District, a discretely presented component unit, which were not available from other auditors as of the date of this report. Our report was modified to include a reference to other auditors. 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. Other auditors audited the financial statements of the Tipton County Public Library (a nonmajor special revenue fund) as described in our report on Tipton County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Tipton 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 Tipton County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Tipton County's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 07.03 and 07.04.

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 Tipton 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 significant weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tipton County's statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as items 07.01, 07.02, and 07.05.

We consider item 07.06 described in the accompanying Schedule of Findings and Questioned Costs to be a noteworthy control deficiency over financial operations. We also noted certain matters that we reported to management of Tipton County in separate communications.

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

Very truly yours,

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

October 15, 2007

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

To the County Executive and Board of County Commissioners:

Compliance

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

In our opinion, Tipton 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 Tipton 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 Tipton 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 Tipton 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.

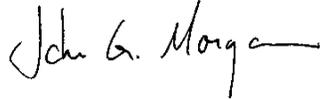
Schedule of Expenditures of Federal Awards

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 Tipton County as of and for the year ended June 30, 2007, and have issued our report thereon dated October 15, 2007. Our report on the aggregate discretely presented component units' financial statements was qualified due to not including the financial statements of the Tipton 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 Tipton 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 executive, director of schools, director of public works, County Commission, Board of Education, others within Tipton County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

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

John G. Morgan
Comptroller of the Treasury

JGM/yu

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
For the Tipton County Public Library

The Board of Directors
Tipton County Public Library
Covington, Tennessee

We have audited the financial statements of the governmental activities and the General Fund of the Tipton County Public Library, Tipton County, Tennessee, as of and for the year ended June 30, 2007, and have issued our report thereon. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tipton County Public Library'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 the Tipton County Public Library's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tipton County Public Library'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 Tipton County Public Library'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 Tipton County Public Library's financial statements that is more than inconsequential will not be prevented or detected by the Tipton County Public Library's internal control. We consider the deficiencies described in the accompanying Schedule of Findings (Item Nos. 2003-01, 2007-01, and 2007-02) to be significant deficiencies 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 the Tipton County Public Library'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, of the significant deficiencies described above, we consider Item Nos. 2003-01, 2007-01, and 2007-02 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tipton County Public Library'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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

This report is intended solely for the information and use of management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

**TIPTON COUNTY PUBLIC LIBRARY
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2007**

SIGNIFICANT DEFICIENCIES

Item No. 2003-01: Segregation of Duties

Condition: Due to the small size of the entity, there is inadequate segregation of duties between the accounting, treasury, and custody functions.

Criteria: To adequately protect assets, the same individual should not have custody of particular assets, along with being responsible for recording transactions related to those assets.

Effect: An individual who performs both of the above-described duties has the opportunity to conceal any theft or misappropriation of assets.

Recommendation: None. Due to the size of the entity, it is not practical to correct this condition.

Management's response: None.

Item No. 2007-01: Adjustment of General Ledger Account Balances and Preparation of Financial Statements

Condition: The library does not have an employee or member of management who possesses the skills and knowledge to apply generally accepted accounting principles in maintaining the general ledger on the modified accrual basis of accounting or in preparing its financial statements.

Criteria: Certain liability account balances require year end adjustments to reflect the correct liability amount. In addition, the library is responsible for internal controls extending through the financial statement preparation process.

Effect: Necessary year end audit adjustments are proposed by the auditor. In addition, the auditor drafts the annual financial statements. However, the auditor cannot be considered part of your internal control system.

Recommendation: Consideration should be given to retaining a qualified individual to assist in the adjustment of the year end general ledger account balances and in the review of the drafts of the annual financial statements.

Management's response: We believe the cost to correct this deficiency would exceed the benefits to be derived. As such, we will continue to rely on the auditor to propose year-end adjustments and to draft the annual financial statements.

**TIPTON COUNTY PUBLIC LIBRARY
SCHEDULE OF FINDINGS - CONTINUED
YEAR ENDED JUNE 30, 2007**

SIGNIFICANT DEFICIENCIES - CONTINUED

Item No. 2007-02: Signatures on Checks

Condition: Checks written on the BancorpSouth account were signed only by the bookkeeper. In addition, we noted that checks on the Regions account were signed in advance by the director.

Criteria: Having checks signed by two authorized officials is an internal control feature that can serve as a preventative measure against unauthorized or fraudulent disbursements.

Effect: There is an increased risk of unauthorized or fraudulent disbursements when checks are signed by only one official or when checks are signed in advance.

Recommendation: The bank signatory records should be updated for current officials. Thereafter, all checks should be countersigned by two officials, with both signatures occurring only when all supporting documentation is available for review by the check signer.

Management's response: Since all officials serve on a part-time, nonconcurring basis, it has often been difficult to obtain dual signatures at the same time. The BancorpSouth signatory records have been updated. We will discontinue signing checks in advance and all checks will be signed by two officials.

Tipton 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 Donation (Noncash Assistance)	10.550	N/A	\$ 228,516
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	710,680
National School Lunch Program	10.555	N/A	2,028,691
Passed-through State Department of Human Services:			
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	N/A	216,616
Total U.S. Department of Agriculture			<u>\$ 3,184,503</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	GG-07-20257-00	\$ 50,505
Total U.S. Department of Housing and Urban Development			<u>\$ 50,505</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Accountability Incentive Block Grants	16.523	Z-07-036586-00	\$ 9,000
Total U.S. Department of Justice			<u>\$ 9,000</u>
U.S. Department of Labor:			
Passed-through Dyersburg State Community College:			
WIA Youth Activities	17.259	N/A	\$ 21,264
Total U.S. Department of Labor			<u>\$ 21,264</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	Z-07-033739-00	\$ 146,621
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,699,599
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,438,684
Special Education - Preschool Grants	84.173	N/A	197,312
Vocational Education - Basic Grants to States	84.048	N/A	183,817
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	124,304
State Grants for Innovative Programs	84.298	N/A	17,486
Improving Teacher Quality State Grants	84.367	N/A	809,549
Hurricane Education Recovery	84.938	(2)	97,944
Total U.S. Department of Education			<u>\$ 5,715,316</u>
U.S. Elections Assistance Commission			
Passed-through Tennessee Secretary of State's Office:			
Help America Vote Act Requirement Payments	90.401	(3)	\$ 330,270
Total U.S. Elections Assistance Commission			<u>\$ 330,270</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Labor and Workforce Development:			
Promoting Safe and Stable Families	93.556	(2)	\$ 66,600
Passed-through State Department of Education:			
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	(2)	99,100
Total U.S. Department of Health and Human Services			<u>\$ 165,700</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	Z-05-025213-00	\$ 354,814
Total U.S. Department of Homeland Security			<u>\$ 354,814</u>
Total Expenditures of Federal Awards			<u>\$ 9,831,372</u>
State Grants:			
		Contract Number	
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 17,929
Solid Waste Program - State Department of Environment and Conservation	N/A	Z-03-011373-00	29,174
Dental Program - State Department of Health	N/A	Z-07-031557-00	275,684
Special Needs - State Department of Health	N/A	(2)	110,300
Litter Program - State Department of Transportation	N/A	Z-07-033852-00	33,909
Three Star Program - State Department of Economic & Community Development	N/A	(2)	1,875
Pre-K Lottery Grant	N/A	(2)	766,945
Juvenile Justice and Delinquency Prevention - State Commission On Children and Youth	N/A	(2)	506,609
Career Academic Technical - State Department of Education	N/A	(2)	<u>12,180</u>
Total State Grants			<u>\$ 1,754,605</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Z-06-032999-00: \$309,550; Z-07-037418-00: \$8,120; Z-07-037849-00: \$12,600.

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

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF PUBLIC WORKS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.02	156	Animal control operations were budgeted improperly

OTHER FINDING

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.04	157	A central system of accounting, budgeting, and purchasing had not been adopted

TIPTON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2007

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Tipton County disclosed significant deficiencies in internal control. These deficiencies were not considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Tipton 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 (CFDA Nos. 10.553, 10.555, and 10.559); the Title I Grants to Local Educational Agencies (CFDA No. 84.010); the Improving Teacher Quality State Grants (CFDA 84.367); the Help America Vote Act Requirement Payments (CFDA No. 90.401); and the Homeland Security Grant Program (CFDA No. 97.067) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Tipton 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.

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 07.01 **THE SHERIFF, TRUSTEE, AND REGISTER WERE PAID IN EXCESS OF THE AMOUNT SET BY STATE STATUTE WHEN THEY LEFT OFFICE**
(Noncompliance Under Government Auditing Standards)

The sheriff, trustee, and register left office on August 31, 2006. An examination of salaries paid to these officials from the General Fund revealed that they were paid more than permitted by state statutes when they left office. The sheriff was overpaid \$1,966.27, and the trustee and register were overpaid \$1,787.50 each. Tipton County followed a practice of paying officials every two weeks. The three officials received five paychecks during the two-month period July 1, 2006, through August 31, 2006. These overpayments resulted from miscalculations by the director of accounts and budgets due to the two-week payroll cycle. We reviewed these overpayments with the director of accounts and budgets, and the director mailed each official a letter requesting reimbursement of the overpaid salary. As of the date of this report, these officials have not reimbursed the county for the overpaid salary. Section 8-24-102, Tennessee Code Annotated, provides a minimum salary that officials must be paid. This statute also provides that the County Commission may appropriate more than the minimum. However, if the County Commission appropriates more than the minimum, they must pay certain groups of officials the same amount. Overpayments to these officials resulted in them being paid more than other officials are in their salary class and are a violation of state statute. In February 2007, the County Commission amended the General Fund budget to cover these overpaid salaries; however, the County Commission did not address the effect of these overpaid salaries on the salaries of other elected officials. It should be noted that the county has taken action to start paying officials twice a month instead of every two weeks, which should help prevent a reoccurrence of overpayments like the ones noted in this finding.

RECOMMENDATION

County officials should be paid in accordance with state statutes. The county should take steps to recover the overpaid salaries.

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF PUBLIC WORKS

FINDING 07.02 **ANIMAL CONTROL OPERATIONS WERE IMPROPERLY ACCOUNTED FOR IN THE HIGHWAY/PUBLIC WORKS FUND (Noncompliance Under Government Auditing Standards)**

Animal control operations in Tipton County have been budgeted and operated from the Highway/Public Works Fund since the 2002-03 fiscal year. The state attorney general has opined that the Highway/Public Works Funds should be used only for highway and public works operations. The opinion states that state statutes authorize a county to levy a tax for county purposes and has defined “county general purposes levy” as a levy for all county purposes except roads, bridges, schools, etc. Animal control operations are part of the operating activities of the county and should be accounted for in the county’s General Fund. We noted that revenues from animal registrations were insufficient to cover the costs of the animal control operation, which resulted in highway funds being used for county general purposes.

RECOMMENDATION

Animal control operations should be budgeted and disbursed from the county’s General Fund, and the Highway/Public Works Fund should be used only for highway purposes.

OFFICE OF DIRECTOR OF PUBLIC WORKS

FINDING 07.03 **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACK-UP PROCEDURES (Internal Control – Significant Deficiency Under Government Auditing Standards)**

The following weaknesses regarding computer system back-up procedures in the office were identified:

- A. System back-ups were not stored off-site. In the event of a disaster, all back-up data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process.
- B. A back-up log was not maintained. If system back-ups are not labeled and inventoried systematically, discrepancies may occur and affect the integrity of system back-ups in the event of a hardware or software failure.

RECOMMENDATION

Back-ups should be rotated off-site on a weekly basis. Year-end back-ups should be stored off-site and retained indefinitely. Some possibilities for an off-site storage location would be another county office building with a fireproof vault or a safe deposit box at a local bank.

Furthermore, a current log of all back-ups that includes label descriptions, date of creation, contents, and storage location should be maintained.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 07.04 THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The School Federal Projects Fund had a cash overdraft of \$25,559 at June 30, 2007. This cash overdraft resulted from the issuance of warrants in excess of cash on deposit with the county trustee. This cash overdraft was liquidated subsequent to June 30, 2007.

RECOMMENDATION

The School Department should not issue warrants that exceed cash on deposit with the county trustee.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 07.05 PUBLIC LIBRARY FUND EXPENDITURES EXCEEDED APPROPRIATIONS APPROVED BY THE COUNTY COMMISSION
(Noncompliance Under Government Auditing Standards)

Public Library Fund expenditures exceeded appropriations approved by the County Commission by \$15,416. Section 5-9-401, Tennessee Code Annotated, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

FINDING 07.06

A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAD NOT BEEN ADOPTED

(Internal Control – Control Deficiency Under Government Auditing Standards)

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

RECOMMENDATION

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

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

There were no findings and questioned costs for federal awards.

**TIPTON 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' Schedule of Findings and Questioned Costs.