



**ANNUAL FINANCIAL REPORT
CAMPBELL COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2007



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

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

Scope

We have audited the basic financial statements of Campbell 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 a component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

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

Findings

The following are summaries of the audit findings:

OFFICE OF ROAD SUPERINTENDENT

- ◆ A list of county roads was not submitted to the County Commission for approval.
- ◆ Expenditures exceeded appropriations approved by the County Commission in the Highway and Bridge Maintenance major appropriation category (the legal level of control) in the Highway/Public Works Fund by \$7,435.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ Docket trial balances were not reconciled with cash control records in Circuit and General Sessions Courts.

OTHER FINDING

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Trustee, County Clerk, Clerk and Master, Register, and Sheriff.

INTRODUCTORY SECTION

Campbell County Officials

June 30, 2007

Officials

Jerry Cross, County Mayor
Dennis Potter, Road Superintendent
Dr. Judy Blevins, Director of Schools
Monty Bullock, Trustee
Bill Hicks, Assessor of Property
Don Nance, County Clerk
Bobby Vann, Circuit and General Sessions Courts Clerk
William Archer, Clerk and Master
Dormas Miller, Register
Gary Perkins, Sheriff
Jeff Marlow, Director of Finance

Board of County Commissioners

Jerry Cross, Chairman
Adrion Baird
Forster Baird
Clarence Bolton
Melvin Boshears
Johnny Bruce
Johnny Dower
David Goins

David Young
Scott Kitts
John Lynn Letner
Stanley Marlow
Lawrence Orick
Ann Smith
Bobby White
Whit Goins

Board of Education

Bobby Snodderly, Chairman
Delbert Buckner
Johnny Byrge
J.L. Collins
Mary Gillum

Walter Goins
Faye Heatherly
Eugene Lawson
Homer Rutherford
Mark Wells

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
PHONE (615) 401-7841**

INDEPENDENT AUDITOR'S REPORT

February 22, 2008

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

To the County Mayor and Board of County Commissioners:

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

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

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

conform with accounting principles generally accepted in 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 Campbell 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 Campbell County, Tennessee, at June 30, 2007, and the results of operations of the aggregate discretely presented component units, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with Government Auditing Standards, we have also issued our report dated February 22, 2008, on our consideration of Campbell County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

The management's discussion and analysis on pages 13 through 19 and the budgetary comparison and pension information on pages 63 through 71 are not required parts of the basic financial statements but they do provide supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Campbell 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 Campbell 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 Campbell County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

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

John G. Morgan
Comptroller of the Treasury

JGM/sb

**Campbell County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2007**

As management of Campbell County, Tennessee, we offer readers of Campbell County's financial statements this narrative overview and analysis of the financial activities of the Campbell County Government for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the county's financial performance as a whole. Readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the county's financial performance.

Financial Highlights

- The assets of the Campbell County primary government exceeded its liabilities at the close of the most recent fiscal year by \$61.7 million (net assets). Of this amount, \$64.1 million is invested in capital assets, net of related debt. Unrestricted net assets were a negative \$7.6 million on June 30, 2007.
- The government's total net assets decreased by \$.5 million.
- As of the close of the current fiscal year, Campbell County's governmental funds reported combined ending fund balances of \$7.8 million, a decrease of \$.4 million in comparison with the prior year. Approximately one-third of this total amount, \$2.8 million, is available in the General Fund for spending at the government's discretion (unreserved fund balance).
- Campbell County's total debt increased by \$13 million during the current fiscal year, due to normal retirements netted against new loan and note issues of \$15.2 million.

Overview of the Financial Statements

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

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

The Statement of Net Assets presents information on all of Campbell County Government's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Campbell County Government is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in the net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Campbell County Government that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Campbell County Government include General Government; Finance; Administration of Justice; Public Safety; Public Health and Welfare; Social, Cultural, and Recreational; Agriculture and Natural Resources; Other Operations; Highways; Education; Interest on Long-term Debt; and Debt Service. Campbell County Government reports no business-type activities.

The government-wide financial statements include Campbell County Government (known as the primary government), and a legally separate School Department – the Campbell County Board of Education, for which Campbell County Government is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government. The government-wide financial statements do not include a legally separate Emergency Communications District, for which Campbell County Government is financially accountable. The Emergency Communications District issues separate financial statements, which were not available from other auditors in time to be included in this report.

The government-wide financial statements can be found as Exhibits A and B of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the

long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Campbell County Government maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Solid Waste/Sanitation Fund, Highway/Public Works Fund, General Debt Service Fund, and Other Capital Projects Fund, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Campbell County Government adopts an annual appropriated budget for most of its governmental funds. Budgetary comparison statements for the General, Solid Waste/Sanitation, and Highway/Public Works funds have been provided in the Required Supplementary Information section of this report. Budgets for the General Debt Service Fund and other applicable non-major governmental funds are located in the Combining and Individual Fund section of this report.

The basic governmental fund financial statements can be found as Exhibits C-1 through C-4 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Campbell County Government's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found as Exhibit D of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Please refer to the table of contents for the location of the notes to the financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning Campbell County's major special revenue funds' budgetary statements. These budget statements are included in the Required Supplementary Information section of this report immediately following the notes to the financial statements and are labeled Exhibits E-1 through E-3.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Required Supplementary Information. Combining and individual fund financial statements and schedules can be found as Exhibits F-1 through J-9 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Campbell County Government, assets exceed liabilities by \$61.7 million at the close of the most recent fiscal year.

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

The remaining portion of Campbell County Government's net assets represents resources that are subject to external restrictions on how they may be used, leaving a negative unrestricted net asset balance of \$7.6 million.

Campbell County, Tennessee - Net Assets

	<u>Governmental Activities</u>
Assets:	
Current and Other Assets	\$ 19,924,856
Capital Assets	<u>83,670,556</u>
Total Assets	<u>\$ 103,595,412</u>
Liabilities:	
Long-term Liabilities Outstanding	\$ 31,371,519
Other Liabilities	<u>10,529,200</u>
Total Liabilities	<u>\$ 41,900,719</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	\$ 64,068,219
Restricted	5,214,301
Unrestricted	<u>(7,587,827)</u>
Total Net Assets	<u>\$ 61,694,693</u>

Campbell County, Tennessee - Changes in Net Assets

	<u>Governmental Activities</u>
Revenues:	
Program Revenues:	
Charges for Services	\$ 5,461,894
Operating Grants and Contributions	3,289,195
Capital Grants and Contributions	172,195
General Revenues:	
Property Taxes	8,388,497
Other Taxes	1,950,570
Grants and Contributions Not Restricted to Specific Programs	3,021,194
Unrestricted Investment Earnings	656,403
Other	45,621
Gain on Disposal of Capital Assets	12,905
Total Revenues	<u>\$ 22,998,474</u>
Expenses:	
General Government	\$ 1,345,410
Finance	2,103,496
Administration of Justice	1,095,958
Public Safety	4,592,270
Public Health and Welfare	4,669,069
Social, Cultural, and Recreational Services	110,766
Agriculture and Natural Resources	48,432
Other Operations	896,533
Highways/Public Works	5,787,382
Education	1,573,108
Interest on Long-term Debt	1,190,036
Debt Service	73,038
Total Expenses	<u>\$ 23,485,498</u>
Increase (Decrease) in Net Assets	\$ (487,024)
Net Assets, July 1	<u>62,181,717</u>
 Net Assets, June 30	 <u><u>\$ 61,694,693</u></u>

Financial Analysis of the Government's Funds

As noted earlier, Campbell County Government uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements.

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

As of the end of the current fiscal year, Campbell County Government's governmental funds reported combined ending fund balances of \$7.8 million. Approximately one-third of this amount (\$2.8 million) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$4.9 million) and 2) for a variety of other restricted purposes that are listed on the governmental fund balance sheet (\$103 thousand).

The General Fund is the chief operating fund of Campbell County Government. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$2.8 million, while total fund balance was \$3.2 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 28 percent of total General Fund expenditures, while total fund balance represents 32 percent of that same amount.

The fund balance of Campbell County Government's General Fund increased by \$.3 million during the current fiscal year. The key factor in this increase being \$.3 million, although the commission approved a budgeted decrease of \$.4 million, was General Fund departments showing fiscal responsibility by turning back unspent budget amounts totaling approximately \$.8 million and revenues coming in over estimates by approximately \$.3 million.

The fund balance of Campbell County Government's Solid Waste/Sanitation Fund increased by \$96 thousand, resulting in a fund balance of \$.8 million.

The fund balance for Campbell County Government's Highway/Public Works Fund decreased by approximately \$.2 million during the current fiscal year, ending at \$.8 million.

The General Debt Service Fund has a total fund balance of \$2.7 million, which is reserved for the payment of debt service. The increase in fund balance during the current fiscal year in the General Debt Service Fund was \$.6 million.

The Other Capital Projects Fund had a negative ending fund balance of \$1 million, as a result of the undrawn portion of public building authority loans related to the construction of two new schools. These issued loans are drawn down on an as-needed basis for the construction of the schools.

Capital Assets and Debt Administration

Capital assets. The county's investment in capital assets for its governmental activities as of June 30, 2007, totals \$64.1 million (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, and infrastructure (primarily roads and bridges).

Long-term debt. At the end of the current fiscal year, Campbell County Government had total debt outstanding of \$30.5 million. This entire amount of debt is backed by the full faith and credit of Campbell County Government. Of this amount, \$26.2 million is debt that Campbell County Government issued on behalf of the Board of Education. The county's debt increased by approximately \$15.2 million due to the issuance of loans for the construction of two schools and a capital outlay note for the School Department.

Campbell County Government maintains an A3 rating from Moody's for general obligation debt.

In addition to bonded debt, Campbell County Government's long-term obligations included compensated absences and notes payable. Additional information on the county's long-term debt can be found on Exhibit J-1 of this report.

Economic Factors and Next Year's Budgets and Rates

When preparing the budget for the 2007-2008 fiscal year, the property tax rate was unchanged.

Request for Information

This financial report is designed to provide a general overview of the Campbell County Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to:

Campbell County
Office of Accounts and Budgets
P.O. Box 843
Jacksboro, Tennessee 37757

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Campbell County School Department</u>
<u>ASSETS</u>		
Cash	\$ 6,248	\$ 5,359
Equity in Pooled Cash and Investments	9,370,649	5,884,278
Accounts Receivable	499,114	9,309
Due from Other Governments	1,290,515	1,450,460
Property Taxes Receivable	9,183,881	3,842,900
Allowance for Uncollectible Property Taxes	(712,134)	(297,985)
Deferred Charges - Debt Issuance Cost	286,583	0
Capital Assets		
Assets Not Depreciated:		
Land	1,731,498	1,131,561
Construction in Progress	15,264,528	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	8,316,622	24,630,150
Other Capital Assets	2,435,966	792,159
Infrastructure	55,921,942	0
Total Assets	<u>\$ 103,595,412</u>	<u>\$ 37,448,191</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 490,950	\$ 81,778
Contracts Payable	1,570,869	0
Retainage Payable	174,542	0
Accrued Interest Payable	130,972	0
Payroll Deductions Payable	176,411	347,228
Due to State of Tennessee	34	0
Deferred Revenue - Property Taxes	7,985,422	3,341,418
Noncurrent Liabilities:		
Due Within One Year	2,712,188	0
Due in More than One Year (Net of Deferred Amount on Refunding and Unamortized Premium on Debt)	28,659,331	0
Total Liabilities	<u>\$ 41,900,719</u>	<u>\$ 3,770,424</u>

(Continued)

Exhibit A

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

	Primary Government <u>Governmental Activities</u>	Component Unit <u>Campbell County School Department</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 64,068,219	\$ 26,553,870
Restricted for:		
Ambulance Service	739,032	0
Highways	1,300,904	0
Debt Service	2,748,012	0
Capital Projects	0	492,358
Drug Court	57,453	0
Community Development	236,002	0
Drug Control	87,379	0
Computerized Systems	37,524	0
Career Ladder	0	93,571
Federal Assistance Programs	0	85,960
Food Service	0	692,204
Other Purposes	7,995	185
Unrestricted	<u>(7,587,827)</u>	<u>5,759,619</u>
Total Net Assets	<u>\$ 61,694,693</u>	<u>\$ 33,677,767</u>

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

Exhibit B

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Campbell County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,345,410	\$ 592,713	\$ 18,310	\$ 0	\$ (734,387)	\$ 0
Finance	2,103,496	837,128	17,385	0	(1,248,983)	0
Administration of Justice	1,095,958	962,962	48,768	0	(84,228)	0
Public Safety	4,592,270	540,334	56,669	69,865	(3,925,402)	0
Public Health and Welfare	4,669,069	1,994,293	504,057	0	(2,170,719)	0
Social, Cultural, and Recreational Services	110,766	0	10,827	3,500	(96,439)	0
Agriculture and Natural Resources	48,432	0	0	0	(48,432)	0
Other Operations	896,533	6,175	201,830	98,830	(589,698)	0
Highways	5,787,382	528,289	2,431,349	0	(2,827,744)	0
Education	1,573,108	0	0	0	(1,573,108)	0
Interest on Long-term Debt	1,190,036	0	0	0	(1,190,036)	0
Debt Service	73,038	0	0	0	(73,038)	0
Total Primary Government	\$ 23,485,498	\$ 5,461,894	\$ 3,289,195	\$ 172,195	\$ (14,562,214)	\$ 0
Component Unit:						
Campbell County School Department	\$ 44,019,825	\$ 832,766	\$ 6,431,017	\$ 1,500,000	\$ 0	\$ (35,256,042)
Total Component Unit	\$ 44,019,825	\$ 832,766	\$ 6,431,017	\$ 1,500,000	\$ 0	\$ (35,256,042)

(Continued)

Exhibit B

Campbell County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Campbell County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 4,753,797	\$ 3,535,235
Property Taxes Levied for Solid Waste					2,020,735	0
Property Taxes Levied for Ambulance Service					62,127	0
Property Taxes Levied for Economic Development					112,607	0
Property Taxes Levied for Highways					476,674	0
Property Taxes Levied for Debt Service					542,612	0
Property Taxes Levied for Capital Projects					419,945	0
Local Option Sales Taxes					985,912	3,161,086
Other Local Taxes					964,658	1,164,419
Grants and Contributions Not Restricted to Specific Programs					3,021,194	26,601,354
Unrestricted Investment Income					656,403	17,613
Miscellaneous					45,621	10,250
Gain on Disposal of Capital Assets					12,905	12,537
Total General Revenues					<u>\$ 14,075,190</u>	<u>\$ 34,502,494</u>
Change in Net Assets					\$ (487,024)	\$ (753,548)
Net Assets, July 1, 2006					<u>62,181,717</u>	<u>34,431,315</u>
Net Assets, June 30, 2007					<u>\$ 61,694,693</u>	<u>\$ 33,677,767</u>

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

Exhibit C-1

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

	Major Funds					Nonmajor Funds	Total Govern- mental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>							
Cash	\$ 279	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,969	\$ 6,248
Equity in Pooled Cash and Investments	3,100,978	803,441	1,220,169	2,313,773	817,867	1,114,421	9,370,649
Accounts Receivable	31,559	19,968	2,853	275,000	192	169,542	499,114
Due from Other Governments	394,177	26,033	377,123	248,940	109,582	134,660	1,290,515
Due from Other Funds	5,969	0	0	10,470	0	500	16,939
Property Taxes Receivable	5,210,713	2,214,553	521,071	586,206	0	651,338	9,183,881
Allowance for Uncollectible Property Taxes	(404,047)	(171,720)	(40,405)	(45,456)	0	(50,506)	(712,134)
Total Assets	\$ 8,339,628	\$ 2,892,275	\$ 2,080,811	\$ 3,388,933	\$ 927,641	\$ 2,025,924	\$ 19,655,212
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 56,388	\$ 44,833	\$ 310,108	\$ 241	\$ 53,285	\$ 26,095	\$ 490,950
Payroll Deductions Payable	114,826	19,252	16,726	0	0	25,607	176,411
Contracts Payable	0	0	0	0	1,570,869	0	1,570,869
Retainage Payable	0	0	0	0	174,542	0	174,542
Due to Other Funds	500	0	0	0	0	16,439	16,939
Due to State of Tennessee	34	0	0	0	0	0	34
Deferred Revenue - Current Property Taxes	4,530,737	1,925,563	453,073	509,708	0	566,341	7,985,422
Deferred Revenue - Delinquent Property Taxes	240,022	102,010	24,002	27,002	0	30,002	423,038
Other Deferred Revenues	171,153	0	464,015	145,527	106,050	124,367	1,011,112
Total Liabilities	\$ 5,113,660	\$ 2,091,658	\$ 1,267,924	\$ 682,478	\$ 1,904,746	\$ 788,851	\$ 11,849,317
<u>Fund Balances</u>							
Reserved for Encumbrances	\$ 332,824	\$ 68,370	\$ 117,772	\$ 0	\$ 4,322,395	\$ 96,297	\$ 4,937,658
Reserved for Drug Court	57,453	0	0	0	0	0	57,453
Reserved for Sexual Offender Registration	4,534	0	0	0	0	0	4,534
Reserved for Courtroom Security	1,341	0	0	0	0	0	1,341
Reserved for Victims Assistance Programs	2,120	0	0	0	0	0	2,120

(Continued)

Exhibit C-1

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

	Major Funds					Nonmajor Funds	Total Govern- mental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Capital Projects	Other Govern- mental Funds	
<u>LIABILITIES AND FUND BALANCES (Cont.)</u>							
<u>Fund Balances (Cont.)</u>							
Reserved for Computer System - Register	\$ 31,133	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,133
Reserved for Automation Purposes - Circuit Court	417	0	0	0	0	0	417
Reserved for Automation Purposes - Criminal Court	736	0	0	0	0	0	736
Reserved for Automation Purposes - General Sessions Court	5,238	0	0	0	0	0	5,238
Unreserved, Reported In:							
General Fund	2,790,172	0	0	0	0	0	2,790,172
Special Revenue Funds	0	732,247	695,115	0	0	895,679	2,323,041
Debt Service Funds	0	0	0	2,706,455	0	0	2,706,455
Capital Projects Funds (Deficit)	0	0	0	0	(5,299,500)	245,097	(5,054,403)
Total Fund Balances	<u>\$ 3,225,968</u>	<u>\$ 800,617</u>	<u>\$ 812,887</u>	<u>\$ 2,706,455</u>	<u>\$ (977,105)</u>	<u>\$ 1,237,073</u>	<u>\$ 7,805,895</u>
Total Liabilities and Fund Balances	<u>\$ 8,339,628</u>	<u>\$ 2,892,275</u>	<u>\$ 2,080,811</u>	<u>\$ 3,388,933</u>	<u>\$ 927,641</u>	<u>\$ 2,025,924</u>	<u>\$ 19,655,212</u>

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

Exhibit C-2

Campbell 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)		\$	7,805,895
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,731,498	
Add: construction in progress		15,264,528	
Add: infrastructure net of accumulated depreciation		55,921,942	
Add: buildings and improvements net of accumulated depreciation		8,316,622	
Add: other capital assets net of accumulated depreciation		<u>2,435,966</u>	83,670,556
(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	\$	(1,527,530)	
Less: other loans payable		(25,674,753)	
Less: bonded debt payable		(3,245,000)	
Add: deferred amount on refunding		20,854	
Add: deferred charges - debt issuance costs		286,583	
Less: compensated absences payable		(499,624)	
Less: accrued interest on bonds and other loans		(130,972)	
Less: other deferred revenue - premium on debt		<u>(445,466)</u>	(31,215,908)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,434,150</u>
Net assets (deficit) of governmental activities (Exhibit A)		\$	<u><u>61,694,693</u></u>

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

Exhibit C-3

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

	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>							
Local Taxes	\$ 5,763,278	\$ 2,020,808	\$ 667,658	\$ 1,652,831	\$ 0	\$ 745,146	\$ 10,849,721
Licenses and Permits	120,592	14,398	150	0	0	0	135,140
Fines, Forfeitures, and Penalties	172,421	0	0	0	0	72,472	244,893
Charges for Current Services	57,069	57,332	0	0	0	1,823,085	1,937,486
Other Local Revenues	114,589	132,222	334,206	655,612	0	58,796	1,295,425
Fees Received from County Officials	1,789,371	0	0	0	0	0	1,789,371
State of Tennessee	2,010,851	72,294	1,889,713	0	0	0	3,972,858
Federal Government	225,828	0	1,132,264	0	3,500	213,692	1,575,284
Other Governments and Citizens Groups	244,854	0	215,300	1,250,000	0	21,004	1,731,158
Total Revenues	\$ 10,498,853	\$ 2,297,054	\$ 4,239,291	\$ 3,558,443	\$ 3,500	\$ 2,934,195	\$ 23,531,336
<u>Expenditures</u>							
Current:							
General Government	\$ 1,225,760	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,621	\$ 1,258,381
Finance	2,030,456	0	0	0	0	51	2,030,507
Administration of Justice	1,040,074	0	0	0	0	17,750	1,057,824
Public Safety	4,441,605	0	0	0	0	104,084	4,545,689
Public Health and Welfare	648,716	2,177,433	0	0	0	1,827,544	4,653,693
Social, Cultural, and Recreational Services	104,328	0	0	0	0	0	104,328
Agriculture and Natural Resources	48,432	0	0	0	0	0	48,432
Other Operations	352,892	0	0	0	0	354,344	707,236
Highways	0	0	3,824,534	0	0	0	3,824,534
Instruction	72,865	0	0	0	0	0	72,865
Debt Service:							
Principal on Debt	0	0	626,595	1,655,000	0	0	2,281,595
Interest on Debt	0	0	13,217	1,177,842	0	0	1,191,059
Other Debt Service	0	0	0	121,197	0	0	121,197
Capital Projects	0	0	0	0	16,036,039	1,233,260	17,269,299
Total Expenditures	\$ 9,965,128	\$ 2,177,433	\$ 4,464,346	\$ 2,954,039	\$ 16,036,039	\$ 3,569,654	\$ 39,166,639
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 533,725	\$ 119,621	\$ (225,055)	\$ 604,404	\$ (16,032,539)	\$ (635,459)	\$ (15,635,303)

(Continued)

Exhibit C-3

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

	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Capital Projects	Other Govern- mental Funds	
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,500,000	\$ 0	\$ 1,500,000
Other Loans Issued	0	0	0	0	12,751,036	978,099	13,729,135
Insurance Recovery	0	0	0	0	0	24,700	24,700
Transfers In	29,800	6,180	0	0	220,243	197,153	453,376
Transfers Out	(223,333)	(29,800)	0	0	0	(200,243)	(453,376)
Total Other Financing Sources (Uses)	\$ (193,533)	\$ (23,620)	\$ 0	\$ 0	\$ 14,471,279	\$ 999,709	\$ 15,253,835
Net Change in Fund Balances	\$ 340,192	\$ 96,001	\$ (225,055)	\$ 604,404	\$ (1,561,260)	\$ 364,250	\$ (381,468)
Fund Balance, July 1, 2006	2,885,776	704,616	1,037,942	2,102,051	584,155	872,823	8,187,363
Fund Balance, June 30, 2007	\$ 3,225,968	\$ 800,617	\$ 812,887	\$ 2,706,455	\$ (977,105)	\$ 1,237,073	\$ 7,805,895

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

Exhibit C-4

Campbell 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)		\$	(381,468)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital outlays in the current period	\$	16,027,362	
Less: current year depreciation expense		<u>(2,721,552)</u>	13,305,810
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			
Add: gain on disposal of capital assets	\$	12,905	
Less: proceeds from disposal of capital assets		<u>(42,650)</u>	(29,745)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2007	\$	1,434,150	
Less: deferred delinquent property taxes and other deferred June 30, 2006		<u>(1,961,967)</u>	(527,817)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.			
Less: loan proceeds	\$	(13,729,135)	
Less: note proceeds		(1,500,000)	
Add: change in premium on debt issuances		46,815	
Add: change in deferred debt issuance costs		67,414	
Add: principal payments on notes		626,595	
Add: principal payments on other loans		175,000	
Add: principal payments on bonds		1,480,000	
Less: change in deferred amount on refunding debt		<u>(19,255)</u>	(12,852,566)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	(45,792)	
Change in compensated absences		<u>44,554</u>	(1,238)
Change in net assets of governmental activities (Exhibit B)			<u>\$ (487,024)</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 3,511,646
Due from Other Governments	<u>583,068</u>
Total Assets	<u><u>\$ 4,094,714</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 583,068
Due to Litigants, Heirs, and Others	<u>3,511,646</u>
Total Liabilities	<u><u>\$ 4,094,714</u></u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Campbell 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 Campbell County:

A. Reporting Entity

Campbell County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Campbell 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 Campbell 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 Campbell County School Department operates the public school system in the county, and the voters of Campbell 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 Campbell County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Campbell County, and the Campbell 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 Campbell County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Campbell County Commission approved the incorporation of the Olde Colony Development Corporation to fund, develop, construct, and operate a public golf course in Campbell County, and the County Commission appointed its eight-member Board of Directors. In February 2002, the County Commission authorized the corporation to issue revenue bonds not to exceed \$17,500,000; however, these bonds have not been issued as of the date of this report. Management now believes that these bonds, as approved, will not be issued. Furthermore, there has been no financial activity conducted by the corporation since its creation.

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

Administrative Office:

Campbell County Emergency Communications District
P.O. Box 344
1111 Jacksboro Pike
LaFollette, TN 37766

Related Organization – The county’s officials are also responsible for appointing the members of the Campbell County Industrial Action Association; however, the county’s accountability for the organization does not extend beyond making the appointments.

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 Campbell 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 Campbell 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.

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, 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 Campbell 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. An emphasis is placed on major funds within the governmental category. Campbell County has no proprietary funds to report.

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. Campbell 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.

Campbell County reports the following major governmental funds:

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

Solid Waste/Sanitation Fund – This fund accounts for transactions related to the garbage collection services.

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.

Other Capital Projects Fund – This fund accounts for the construction of school facilities that will be donated to the School Department, as well as various airport improvement projects.

Additionally, Campbell County reports the following fund type:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Campbell 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 Campbell County School Department reports the following major governmental funds:

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

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

Central Cafeteria Fund – This fund is used to account for transactions related to school food services.

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 Campbell 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. Campbell County and the Campbell 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 that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds.

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 4.26 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.

Most payables are disaggregated on the face of the financial statements.

Retainage payable in the Other Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the appropriate governmental fund.

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 \$5,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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	7 - 40
Other Capital Assets	5 - 15
Infrastructure:	
Roads	40
Bridges	40

4. Compensated Absences

It is the county’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The School Department does not have a policy to permit employees to accumulate earned but unused vacation. There is no liability for unpaid accumulated sick leave since Campbell 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. 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, 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, Campbell County had \$26,247,503 in outstanding debt for capital purposes for the discretely presented Campbell County School Department. This debt is a liability of Campbell County, but the capital assets acquired are reported in the financial statements of the Campbell County School Department (with the exception of \$15,264,528, which is still reflected as construction in progress in the primary government on June 30, 2007.) Therefore, Campbell County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

<u>Fund/Purpose</u>	<u>Amount</u>
Primary Government:	
General:	
Geographic Information Systems Program	\$ 34,679
Other Capital Projects:	
ROTC Building	50,000
Discretely Presented School Department	
General Purpose School:	
Furniture for New Schools	500,000

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 Campbell 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 Campbell 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 Other 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, Board of Equalization, County Mayor, County Attorney, 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 GAAP basis is presented on the face of each budgetary schedule.

B. Fund Deficit

The Other Capital Projects Fund had a deficit in unreserved fund balance of \$5,299,500 at June 30, 2007. This fund deficit resulted from the unperformed portions of construction contracts of \$4,322,395 being reserved as encumbrances. Funding for these future expenditures is expected to be received from authorized public building authority loans.

C. **Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the County Commission in the Highway and Bridge Maintenance major appropriation category (the legal level of control) of the Highway/Public Works Fund by \$7,435. This overexpenditure is a violation of state statutes. The overexpenditure was funded by greater than anticipated revenues.

IV. **DETAILED NOTES ON ALL FUNDS**

A. **Deposits and Investments**

Campbell County and the Campbell 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 reflected on the balance sheets or statements of net assets represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for 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. The county had no pooled and nonpooled investments as of June 30, 2007.

B. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 1,632,481	\$ 99,017	\$ 0	\$ 1,731,498
Construction in Progress	3,675,866	15,386,276	(3,797,614)	15,264,528
Total Capital Assets, Not Depreciated	<u>\$ 5,308,347</u>	<u>\$ 15,485,293</u>	<u>\$ (3,797,614)</u>	<u>\$ 16,996,026</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 5,992,652	\$ 3,841,595	\$ 0	\$ 9,834,247
Roads and Bridges	79,888,487	0	0	79,888,487
Other Capital Assets	5,260,554	498,088	(134,554)	5,624,088
Total Capital Assets, Depreciated	<u>\$ 91,141,693</u>	<u>\$ 4,339,683</u>	<u>\$ (134,554)</u>	<u>\$ 95,346,822</u>

Governmental Activities: (Cont.)

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Less Accumulated Depreciation For: Buildings and Improvements	\$ 1,313,083	\$ 204,542	\$ 0	\$ 1,517,625
Roads and Bridges	21,969,333	1,997,212	0	23,966,545
Other Capital Assets	2,773,133	519,798	(104,809)	3,188,122
Total Accumulated Depreciation	\$ 26,055,549	\$ 2,721,552	\$ (104,809)	\$ 28,672,292
Total Capital Assets Depreciated, Net	\$ 65,086,144	\$ 1,618,131	\$ (29,745)	\$ 66,674,530
Governmental Activities Capital Assets, Net	\$ 70,394,491	\$ 17,103,424	\$ (3,827,359)	\$ 83,670,556

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

Governmental Activities:

General Government	\$ 51,094
Finance	64,883
Administration of Justice	796
Public Safety	180,953
Public Health and Welfare	197,748
Other Operations	92,576
Highways/Public Works	2,133,502
Total Depreciation Expense - Governmental Activities	\$ 2,721,552

Discretely Presented Campbell County School Department**Governmental Activities:**

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated: Land	\$ 864,061	\$ 267,500	\$ 0	\$ 1,131,561
Total Capital Assets Not Depreciated	\$ 864,061	\$ 267,500	\$ 0	\$ 1,131,561

Governmental Activities: (Cont.)

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets				
Depreciated:				
Buildings and Improvements	\$ 43,062,805	\$ 0	\$ 0	\$ 43,062,805
Other Capital Assets	2,224,357	137,364	(39,218)	2,322,503
Total Capital Assets Depreciated	\$ 45,287,162	\$ 137,364	\$ (39,218)	\$ 45,385,308
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 16,556,244	\$ 1,876,411	\$ 0	\$ 18,432,655
Other Capital Assets	1,348,157	193,942	(11,755)	1,530,344
Total Accumulated Depreciation	\$ 17,904,401	\$ 2,070,353	\$ (11,755)	\$ 19,962,999
Total Capital Assets Depreciated, Net	\$ 27,382,761	\$ (1,932,989)	\$ (27,463)	\$ 25,422,309
Governmental Activities Capital Assets, Net	\$ 28,246,822	\$ (1,665,489)	\$ (27,463)	\$ 26,553,870

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

Governmental Activities:

Instruction	\$ 27,845
Support Services	1,959,166
Operation of Non-Instructional Services	83,342
Total Depreciation Expense - Governmental Activities	\$ 2,070,353

C. Construction Commitments

At June 30, 2007, the Other Capital Projects Fund had uncompleted construction contracts of approximately \$4,322,395 for the construction of two elementary schools. Funding is being provided for these future expenditures through public building authority loan agreements.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 5,969
General Debt Service	"	10,470
Nonmajor governmental	General	500
Discretely Presented School Department:		
General Purpose School	School Federal Projects	288,797
School Federal Projects	General Purpose School	20,211

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made. However, \$250,000 of the above \$288,797 balance resulted from a General Purpose School Fund advance to the School Federal Projects Fund approved by the Board of Education and the Campbell County Commission for cash flow due to reimbursable grants.

Interfund Transfers:

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

Primary Government

Transfers Out	Transfers In	
	General Fund	Solid Waste/Sanitation Fund
General Fund	\$ 0	\$ 6,180
Solid Waste/Sanitation Fund	29,800	0
Nonmajor governmental funds	0	0

Total	\$ 29,800	\$ 6,180
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Transfers Out	Transfers In	
	Other Capital Projects Fund	Nonmajor Governmental Funds
General Fund	\$ 20,000	\$ 197,153
Nonmajor governmental funds	200,243	0

Total	\$ 220,243	\$ 197,153
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Discretely Presented Campbell County School Department

Transfers Out	Transfers In		
	General Purpose School Fund	School Federal Projects Fund	Central Cafeteria Fund
General Purpose School Fund	\$ 0	\$ 5,048	\$ 77,785
School Federal Projects Fund	40,392	0	0
Total	\$ 40,392	\$ 5,048	\$ 77,785

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

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds 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 11 years for bonds, up to three 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, capital outlay notes, other loans outstanding as of June 30, 2007, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
General Obligation Bonds -			
Refunding	2 to 4.1 %	\$ 8,470,000	\$ 3,245,000
Capital Outlay Notes	4.09 to 4.53	1,581,000	1,527,530
Other Loans - Fixed Rate	4 to 5	12,550,000	12,550,000
Other Loans - Variable Rate	Variable	18,950,000	13,124,753

In the prior year, Campbell County entered into a loan agreement (\$8,000,000) with the Blount County Building Authority. During the current year, Campbell County entered into a loan agreement (\$10,950,000) with the Sevier County Public Building Authority. These loan agreements provide for the authority to make funds available for loan to Campbell County on an as-needed basis for various public improvement construction projects. As of June 30, 2007, Campbell County had borrowed the entire amount of the \$8,000,000 loan and \$5,299,753 of the \$10,950,000 loan. Both loans are repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with these loans. At June 30, 2007, the variable interest rate was 3.81 percent, and other fees amounted to .45 percent and .47 percent, respectively, 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	\$ 1,530,000	\$ 105,035	\$ 527,530	\$ 57,634
2009	1,585,000	58,760	500,000	39,638
2010	130,000	5,330	500,000	16,987
Total	\$ 3,245,000	\$ 169,125	\$ 1,527,530	\$ 114,259

Year Ending June 30	Other Loan (\$12,550,000)			Total
	Principal	Interest		
2008	\$ 0	\$ 599,938	\$	599,938
2009	0	599,937		599,937
2010	1,000,000	599,938		1,599,938
2011	1,100,000	559,937		1,659,937
2012	1,150,000	515,938		1,665,938
2013-2017	6,675,000	1,658,437		8,333,437
2018-2019	2,625,000	175,750		2,800,750
Total	\$ 12,550,000	\$ 4,709,875	\$	17,259,875

Year Ending June 30	Other Loan (\$8,000,000)			Total
	Principal	Interest	Other Fees	
2008	\$ 0	\$ 304,800	\$ 36,000	\$ 340,800
2009	0	304,800	36,000	340,800
2010	0	304,800	36,000	340,800
2011	0	304,800	36,000	340,800
2012	0	304,800	36,000	340,800
2013-2017	0	1,524,000	180,000	1,704,000
2018-2022	0	1,524,000	180,000	1,704,000
2023-2026	8,000,000	666,750	78,750	8,745,500
Total	\$ 8,000,000	\$ 5,238,750	\$ 618,750	\$ 13,857,500

Year Ending June 30	Other Loan (\$10,950,000)			Total
	Principal	Interest	Other Fees	
2008	\$ 200,000	\$ 195,253	\$ 24,295	\$ 419,548
2009	225,000	475,875	23,347	724,222
2010	225,000	475,875	22,280	723,155
2011	250,000	475,875	21,214	747,089
2012	250,000	475,875	20,029	745,904
2013-2017	1,475,000	649,558	80,824	2,205,382
2018-2020	2,499,753	224,762	27,967	2,752,482
Total	\$ 5,124,753	\$ 2,973,073	\$ 219,956	\$ 8,317,782

There is \$2,706,455 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$81, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans totaled \$764, based on the 2000 federal census.

Changes in Long-term Liabilities

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

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2006	\$ 4,725,000	\$ 654,125
Additions	0	1,500,000
Deductions	<u>(1,480,000)</u>	<u>(626,595)</u>
Balance, June 30, 2007	<u>\$ 3,245,000</u>	<u>\$ 1,527,530</u>
Balance Due Within One Year	<u>\$ 1,530,000</u>	<u>\$ 527,530</u>

	<u>Other Loans</u>	<u>Compensated Absences</u>
Balance, July 1, 2006	\$ 12,120,618	\$ 544,178
Additions	13,729,135	374,414
Deductions	<u>(175,000)</u>	<u>(418,968)</u>
Balance, June 30, 2007	<u>\$ 25,674,753</u>	<u>\$ 499,624</u>
Balance Due Within One Year	<u>\$ 200,000</u>	<u>\$ 454,658</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 30,946,907
Less: Balance Due Within One Year	(2,712,188)
Add: Unamortized Premium on Debt	445,466
Less: Deferred Amount on Refunding	<u>(20,854)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 28,659,331</u>

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

F. Other Commitments

By resolution, the Board of Education pledged a portion of its sales tax revenues and at least \$500,000 per year of the non-classroom state Basic Education Program funding for the next two years to the primary

government's General Debt Service Fund to provide funds for the retirement of debt issued for school purposes. During the year, the School Department paid \$1,250,000 to the primary government's General Debt Service Fund to be applied toward the retirement of school debt.

V. OTHER INFORMATION

A. Risk Management

The county is exposed to various risks related to general liability, property, and casualty losses. The county joined the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Tort Liability Act to provide governmental insurance coverage. The county pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The county also continues to carry commercial health and accident insurance for its employees. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Accounting Change

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

C. Subsequent Event

On July 1, 2007, the county joined the Local Government Insurance Pool for its general liability, property, casualty, and workers' compensation insurance coverage. However, the School Department remained a member of the Tennessee Risk Management Trust.

D. Contingent Liabilities

The county is involved in several pending lawsuits. Management, based on letters from their attorneys, estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

E. Changes in Administration

On August 31, 2006, Jerry Cross left the Office of County Mayor and was succeeded by Jeff Hall, and Ron McClellan left the Office of Sheriff and was succeeded by Gary Perkins.

Jeff Hall, county mayor, died on February 17, 2007. Ann Smith served as interim mayor until the County Commission appointed Jerry Cross as county mayor on March 20, 2007.

F. Joint Ventures

The Campbell County Library Board is a joint venture in which the county is a participant with the cities of LaFollette, Jacksboro, Caryville, and Jellico to operate the library system within the county. Representatives from the four cities and the county comprise the Campbell County Library Board and have equal representation on the board. Campbell County contributed \$36,000 to the operation of the Library Board during the year ended June 30, 2007. Financial statements for the Library Board can be obtained from its administrative office at the following address:

Administrative Office:

Campbell County Library Board
P.O. Box 75
Jacksboro, TN 37757

The Eighth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the District Attorney General of the Eighth Judicial District; Scott, Campbell, Fentress, Claiborne, and Union counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by the Board of Directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Campbell County made no contributions to the DTF for the year ended June 30, 2007, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Eighth Judicial District Drug Task Force
P.O. Box 10
Huntsville, TN 37756

G. Retirement Commitments

Employees

Plan Description

Employees of Campbell 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 Campbell 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

Campbell County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2007, was 7.05 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Campbell County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2007, Campbell County's annual pension cost of \$805,160 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. Campbell 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 10 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	\$805,160	100%	\$0
6-30-06	603,739	100	0
6-30-05	558,656	100	0

School Teachers

The Campbell County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years

of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Campbell 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 Campbell 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 \$1,192,432, \$1,041,804, and \$1,037,970, respectively, equal to the required contributions for each year.

H. Other Post-employment Benefits

In addition to the retirement commitments described above, the discretely presented Campbell County School Department provides post-retirement health care benefits, in accordance with contract provisions, to all employees who retire from the county on or after age 60 with at least 20 years of service and who have been covered under the county group medical plan for a continuous five-year period immediately prior to retirement or who retire after 30 years of service and who have been covered under the county group medical plan for a continuous five-year period immediately prior to retirement. The retirees may continue their coverage for five years or to the age of 65, whichever comes first. Currently, 16 school retirees meet those eligibility requirements. The School Department pays 75 percent of medical premiums for retirees and their dependents. The School Department pays an average of \$248 per month for each eligible retiree's insurance premium. During the year, expenditures were recognized for post-employment health care totaling \$35,005.

I. Office of Central Accounting and Budgeting

Office of Director of Finance

Campbell County operates under the provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act also provides for the creation of a Finance Department operated under the direction of the finance director.

J. Purchasing Law

Purchasing procedures for the Offices of County Mayor, Road Superintendent, and Director of Schools are governed by provisions of the County Financial Management System of 1981, which provide for purchases to be made by the purchasing agent under the supervision of the Financial Management Committee. The director of finance serves as the purchasing agent for the county. The committee established a policy that purchases exceeding \$5,000 for the Offices of County Mayor and Director of Schools and \$10,000 for the Office of Road Superintendent are to be made on a competitive bid basis.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Campbell 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	\$ 5,763,278	\$ 0	\$ 0	\$ 5,763,278	\$ 5,741,287	\$ 5,754,287	\$ 8,991
Licenses and Permits	120,592	0	0	120,592	114,000	119,000	1,592
Fines, Forfeitures, and Penalties	172,421	0	0	172,421	223,920	187,655	(15,234)
Charges for Current Services	57,069	0	0	57,069	61,700	61,700	(4,631)
Other Local Revenues	114,589	0	0	114,589	56,764	78,244	36,345
Fees Received from County Officials	1,789,371	0	0	1,789,371	1,717,481	1,739,997	49,374
State of Tennessee	2,010,851	0	0	2,010,851	2,130,337	2,081,683	(70,832)
Federal Government	225,828	0	0	225,828	8,556	127,874	97,954
Other Governments and Citizens Groups	244,854	0	0	244,854	312,344	316,044	(71,190)
Total Revenues	\$ 10,498,853	\$ 0	\$ 0	\$ 10,498,853	\$ 10,366,389	\$ 10,466,484	\$ 32,369
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 199,474	\$ (312)	\$ 680	\$ 199,842	\$ 210,675	\$ 212,958	\$ 13,116
Board of Equalization	4,163	0	0	4,163	8,276	5,266	1,103
County Mayor/Executive	215,110	(2,186)	354	213,278	217,305	246,172	32,894
County Attorney	42,329	0	0	42,329	42,360	42,590	261
Election Commission	322,941	(81,178)	50,138	291,901	298,112	298,464	6,563
Register of Deeds	255,096	(14,155)	6,493	247,434	243,932	263,646	16,212
County Buildings	178,791	(12,818)	12,990	178,963	194,616	195,531	16,568
Other Facilities	7,856	(1,772)	0	6,084	14,000	14,000	7,916
<u>Finance</u>							
Accounting and Budgeting	643,528	(8,521)	6,252	641,259	686,327	686,347	45,088
Property Assessor's Office	365,705	(7,421)	3,859	362,143	427,156	430,226	68,083
Reappraisal Program	34,770	0	0	34,770	34,770	34,770	0
County Trustee's Office	223,770	(2,998)	2,083	222,855	245,228	239,408	16,553
County Clerk's Office	474,659	(1,564)	2,215	475,310	504,368	511,063	35,753

(Continued)

Exhibit E-1

Campbell 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>							
Other Finance	\$ 288,024	\$ (29,181)	\$ 27,180	\$ 286,023	\$ 310,180	\$ 297,170	\$ 11,147
<u>Administration of Justice</u>							
Circuit Court	497,840	(5,710)	6,716	498,846	510,568	518,812	19,966
General Sessions Court	175,219	(1,911)	1,519	174,827	181,434	181,534	6,707
Drug Court	65,536	(5,742)	8,624	68,418	92,800	93,650	25,232
Chancery Court	216,111	(2,450)	665	214,326	252,886	258,050	43,724
District Attorney General	83,778	(10,400)	3,900	77,278	52,527	79,827	2,549
Other Administration of Justice	1,590	0	0	1,590	1,600	1,600	10
<u>Public Safety</u>							
Sheriff's Department	1,499,943	(16,159)	49,572	1,533,356	1,546,367	1,559,018	25,662
Special Patrols	139,214	0	10,821	150,035	252,068	237,172	87,137
Traffic Control	744	0	0	744	850	850	106
Wheel Tax Officer	10,524	(60)	0	10,464	10,467	10,467	3
Administration of the Sexual Offender Registry	694	(3)	0	691	1,200	1,200	509
Jail	2,097,394	(39,291)	42,594	2,100,697	2,056,290	2,173,314	72,617
Juvenile Services	25,605	(408)	1,628	26,825	46,210	35,350	8,525
Commissary	0	0	0	0	35,991	35,991	35,991
Fire Prevention and Control	116,777	0	0	116,777	2,000	116,789	12
Civil Defense	147,870	(95,729)	22,945	75,086	90,385	90,385	15,299
Rescue Squad	64,600	0	0	64,600	38,950	68,346	3,746
Other Emergency Management	181,210	0	0	181,210	309,560	183,460	2,250
County Coroner/Medical Examiner	23,301	(680)	0	22,621	22,531	25,441	2,820
Other Public Safety	133,729	(3,274)	2,649	133,104	114,616	152,936	19,832
<u>Public Health and Welfare</u>							
Local Health Center	74,540	(1,147)	1,902	75,295	79,672	79,852	4,557
Ambulance/Emergency Medical Services	79	(370)	291	0	0	0	0

(Continued)

Exhibit E-1

Campbell 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>Public Health and Welfare (Cont.)</u>							
Dental Health Program	\$ 3,937	\$ (30)	\$ 0	\$ 3,907	\$ 7,740	\$ 7,740	\$ 3,833
Alcohol and Drug Programs	37,213	0	0	37,213	14,200	37,802	589
Crippled Children Services	0	0	0	0	2,764	2,764	2,764
Other Local Health Services	431,762	0	0	431,762	503,500	519,700	87,938
Appropriation to State	20,998	0	852	21,850	24,500	24,500	2,650
General Welfare Assistance	66,799	(800)	200	66,199	66,500	66,500	301
Postclosure Care Costs	13,388	(16,014)	42,859	40,233	53,375	53,375	13,142
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	36,508	(45)	0	36,463	36,105	36,787	324
Libraries	36,000	0	0	36,000	36,000	36,000	0
Other Social, Cultural, and Recreational	31,820	(15,800)	3,300	19,320	21,350	21,600	2,280
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	48,182	(543)	543	48,182	48,148	48,184	2
Soil Conservation	250	0	0	250	250	250	0
<u>Other Operations</u>							
Industrial Development	5,879	(5,879)	0	0	0	0	0
Airport	47,161	(5,282)	8,670	50,549	54,171	54,256	3,707
Veterans' Services	98,650	(1,323)	1,789	99,116	103,394	103,679	4,563
Contributions to Other Agencies	80,435	(3,019)	110	77,526	72,672	77,672	146
Employee Benefits	91,744	0	2,281	94,025	102,417	105,990	11,965
Miscellaneous	29,023	(3,120)	6,150	32,053	39,978	37,978	5,925
<u>Instruction</u>							
Regular Instruction Program	72,865	0	0	72,865	0	72,865	0
Total Expenditures	\$ 9,965,128	\$ (397,295)	\$ 332,824	\$ 9,900,657	\$ 10,323,341	\$ 10,689,297	\$ 788,640
Excess (Deficiency) of Revenues Over Expenditures	\$ 533,725	\$ 397,295	\$ (332,824)	\$ 598,196	\$ 43,048	\$ (222,813)	\$ 821,009

(Continued)

Exhibit E-1

Campbell 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>Other Financing Sources (Uses)</u>							
Transfers In	\$ 29,800	\$ 0	\$ 0	\$ 29,800	\$ 29,800	\$ 29,800	\$ 0
Transfers Out	(223,333)	0	0	(223,333)	(296,198)	(223,333)	0
Total Other Financing Sources (Uses)	\$ (193,533)	\$ 0	\$ 0	\$ (193,533)	\$ (266,398)	\$ (193,533)	\$ 0
Net Change in Fund Balance	\$ 340,192	\$ 397,295	\$ (332,824)	\$ 404,663	\$ (223,350)	\$ (416,346)	\$ 821,009
Fund Balance, July 1, 2006	2,885,776	(397,295)	0	2,488,481	2,702,090	2,702,090	(213,609)
Fund Balance, June 30, 2007	\$ 3,225,968	\$ 0	\$ (332,824)	\$ 2,893,144	\$ 2,478,740	\$ 2,285,744	\$ 607,400

Exhibit E-2

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation 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	\$ 2,020,808	\$ 0	\$ 0	\$ 2,020,808	\$ 2,002,069	\$ 2,002,069	\$ 18,739
Licenses and Permits	14,398	0	0	14,398	12,000	12,000	2,398
Charges for Current Services	57,332	0	0	57,332	8,300	63,300	(5,968)
Other Local Revenues	132,222	0	0	132,222	117,000	117,500	14,722
State of Tennessee	72,294	0	0	72,294	62,061	83,341	(11,047)
Total Revenues	\$ 2,297,054	\$ 0	\$ 0	\$ 2,297,054	\$ 2,201,430	\$ 2,278,210	\$ 18,844
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Rabies and Animal Control	\$ 81,678	\$ (678)	\$ 3,809	\$ 84,809	\$ 116,612	\$ 117,112	\$ 32,303
Sanitation Management	312,914	(61)	1,459	314,312	343,840	323,380	9,068
Sanitation Education/Information	87,891	(1,605)	500	86,786	89,091	88,821	2,035
Convenience Centers	1,258,858	(15,128)	31,453	1,275,183	1,186,755	1,281,416	6,233
Transfer Stations	37,999	(1,774)	26,676	62,901	40,895	65,982	3,081
Recycling Center	272,433	(3,730)	4,473	273,176	287,302	304,049	30,873
Other Waste Disposal	125,660	0	0	125,660	128,815	126,830	1,170
Total Expenditures	\$ 2,177,433	\$ (22,976)	\$ 68,370	\$ 2,222,827	\$ 2,193,310	\$ 2,307,590	\$ 84,763
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 119,621	\$ 22,976	\$ (68,370)	\$ 74,227	\$ 8,120	\$ (29,380)	\$ 103,607
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 6,180	\$ 0	\$ 0	\$ 6,180	\$ 6,180	\$ 6,180	\$ 0
Transfers Out	(29,800)	0	0	(29,800)	(29,800)	(29,800)	0
Total Other Financing Sources (Uses)	\$ (23,620)	\$ 0	\$ 0	\$ (23,620)	\$ (23,620)	\$ (23,620)	\$ 0
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2006	\$ 96,001	\$ 22,976	\$ (68,370)	\$ 50,607	\$ (15,500)	\$ (53,000)	\$ 103,607
	704,616	(22,976)	0	681,640	703,281	703,281	(21,641)
Fund Balance, June 30, 2007	\$ 800,617	\$ 0	\$ (68,370)	\$ 732,247	\$ 687,781	\$ 650,281	\$ 81,966

Exhibit E-3

Campbell 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	\$ 667,658	\$ 0	\$ 0	\$ 667,658	\$ 687,314	\$ 681,531	\$ (13,873)
Licenses and Permits	150	0	0	150	200	200	(50)
Other Local Revenues	334,206	0	0	334,206	323,500	331,950	2,256
State of Tennessee	1,889,713	0	0	1,889,713	2,427,253	2,443,714	(554,001)
Federal Government	1,132,264	0	0	1,132,264	625,000	422,748	709,516
Other Governments and Citizens Groups	215,300	0	0	215,300	182,000	197,800	17,500
Total Revenues	\$ 4,239,291	\$ 0	\$ 0	\$ 4,239,291	\$ 4,245,267	\$ 4,077,943	\$ 161,348
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 176,579	\$ (269)	\$ 164	\$ 176,474	\$ 171,240	\$ 177,543	\$ 1,069
Highway and Bridge Maintenance	1,569,001	(5,086)	21,223	1,585,138	1,567,812	1,577,703	(7,435)
Operation and Maintenance of Equipment	742,366	(7,908)	9,498	743,956	777,326	753,610	9,654
Quarry Operations	208,466	0	0	208,466	210,466	215,001	6,535
Traffic Control	880,811	(530,222)	40,000	390,589	582,000	395,547	4,958
Other Charges	124,600	(1,598)	1,842	124,844	129,095	127,270	2,426
Employee Benefits	78,476	(100)	150	78,526	76,450	86,465	7,939
Capital Outlay	44,235	0	44,895	89,130	846,860	878,910	789,780
<u>Principal on Debt</u>							
Highways and Streets	626,595	0	0	626,595	627,000	627,000	405
<u>Interest on Debt</u>							
Highways and Streets	13,217	0	0	13,217	31,380	13,255	38
Total Expenditures	\$ 4,464,346	\$ (545,183)	\$ 117,772	\$ 4,036,935	\$ 5,019,629	\$ 4,852,304	\$ 815,369
Excess (Deficiency) of Revenues Over Expenditures	\$ (225,055)	\$ 545,183	\$ (117,772)	\$ 202,356	\$ (774,362)	\$ (774,361)	\$ 976,717
Net Change in Fund Balance	\$ (225,055)	\$ 545,183	\$ (117,772)	\$ 202,356	\$ (774,362)	\$ (774,361)	\$ 976,717
Fund Balance, July 1, 2006	1,037,942	(545,183)	0	492,759	1,218,379	1,218,379	(725,620)
Fund Balance, June 30, 2007	\$ 812,887	\$ 0	\$ (117,772)	\$ 695,115	\$ 444,017	\$ 444,018	\$ 251,097

Exhibit E-4

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-05	\$ 21,412	\$ 21,412	\$ 0	100 %	\$ 9,234	0 %
6-30-03	19,564	19,564	0	100	8,200	0
6-30-01	18,169	18,169	0	100	7,174	0

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

A. BUDGETARY INFORMATION

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

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

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

B. EXPENDITURES EXCEEDED APPROPRIATIONS

Expenditures exceeded appropriations approved by the County Commission in the Highway and Bridge Maintenance major appropriation category (the legal level of control) of the Highway/Public Works Fund by \$7,435. This overexpenditure is a violation of state statutes. The overexpenditure was funded by greater than anticipated revenues.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Ambulance Service Fund – The Ambulance Service Fund is used to account for transactions of the county ambulance service.

Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for various industrial, planning, and economic development programs of the county.

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

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

Capital Projects Fund

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

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

Exhibit F-1

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

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	Ambulance Service	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	Total	General Capital Projects	
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 0	\$ 5,969	\$ 5,969	\$ 0	\$ 5,969
Equity in Pooled Cash and Investments	611,854	99,802	87,036	0	798,692	315,729	1,114,421
Accounts Receivable	169,542	0	0	0	169,542	0	169,542
Due from Other Governments	0	134,610	0	0	134,610	50	134,660
Due from Other Funds	0	0	500	0	500	0	500
Property Taxes Receivable	65,134	130,267	0	0	195,401	455,937	651,338
Allowance for Uncollectible Property Taxes	(5,051)	(10,101)	0	0	(15,152)	(35,354)	(50,506)
Total Assets	\$ 841,479	\$ 354,578	\$ 87,536	\$ 5,969	\$ 1,289,562	\$ 736,362	\$ 2,025,924
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 25,671	\$ 0	\$ 0	\$ 0	\$ 25,671	\$ 424	\$ 26,095
Payroll Deductions Payable	20,142	5,308	157	0	25,607	0	25,607
Due to Other Funds	0	0	0	5,969	5,969	10,470	16,439
Deferred Revenue - Current Property Taxes	56,634	113,268	0	0	169,902	396,439	566,341
Deferred Revenue - Delinquent Property Taxes	3,000	6,000	0	0	9,000	21,002	30,002
Other Deferred Revenues	0	62,198	62,169	0	124,367	0	124,367
Total Liabilities	\$ 105,447	\$ 186,774	\$ 62,326	\$ 5,969	\$ 360,516	\$ 428,335	\$ 788,851
<u>Fund Balances</u>							
Reserved for Encumbrances	\$ 19,091	\$ 3,940	\$ 10,336	\$ 0	\$ 33,367	\$ 62,930	\$ 96,297
Unreserved	716,941	163,864	14,874	0	895,679	245,097	1,140,776
Total Fund Balances	\$ 736,032	\$ 167,804	\$ 25,210	\$ 0	\$ 929,046	\$ 308,027	\$ 1,237,073
Total Liabilities and Fund Balances	\$ 841,479	\$ 354,578	\$ 87,536	\$ 5,969	\$ 1,289,562	\$ 736,362	\$ 2,025,924

Exhibit F-2

Campbell 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
	Ambulance Service	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	Total	General Capital Projects	Nonmajor Governmental Funds
<u>Revenues</u>							
Local Taxes	\$ 65,507	\$ 192,006	\$ 0	\$ 0	\$ 257,513	\$ 487,633	\$ 745,146
Fines, Forfeitures, and Penalties	0	0	72,472	0	72,472	0	72,472
Charges for Current Services	1,805,257	0	0	17,828	1,823,085	0	1,823,085
Other Local Revenues	10,280	48,516	0	0	58,796	0	58,796
Federal Government	0	189,037	0	0	189,037	24,655	213,692
Other Governments and Citizens Groups	0	21,004	0	0	21,004	0	21,004
Total Revenues	\$ 1,881,044	\$ 450,563	\$ 72,472	\$ 17,828	\$ 2,421,907	\$ 512,288	\$ 2,934,195
<u>Expenditures</u>							
Current:							
General Government	\$ 0	\$ 32,594	\$ 0	\$ 27	\$ 32,621	\$ 0	\$ 32,621
Finance	0	0	0	51	51	0	51
Administration of Justice	0	0	0	17,750	17,750	0	17,750
Public Safety	0	0	104,084	0	104,084	0	104,084
Public Health and Welfare	1,827,544	0	0	0	1,827,544	0	1,827,544
Other Operations	0	354,344	0	0	354,344	0	354,344
Capital Projects	0	0	0	0	0	1,233,260	1,233,260
Total Expenditures	\$ 1,827,544	\$ 386,938	\$ 104,084	\$ 17,828	\$ 2,336,394	\$ 1,233,260	\$ 3,569,654
Excess (Deficiency) of Revenues Over Expenditures	\$ 53,500	\$ 63,625	\$ (31,612)	\$ 0	\$ 85,513	\$ (720,972)	\$ (635,459)
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 978,099	\$ 978,099
Insurance Recovery	24,700	0	0	0	24,700	0	24,700
Transfers In	34,207	104,179	0	0	138,386	58,767	197,153
Transfers Out	0	0	0	0	0	(200,243)	(200,243)
Total Other Financing Sources (Uses)	\$ 58,907	\$ 104,179	\$ 0	\$ 0	\$ 163,086	\$ 836,623	\$ 999,709
Net Change in Fund Balances	\$ 112,407	\$ 167,804	\$ (31,612)	\$ 0	\$ 248,599	\$ 115,651	\$ 364,250
Fund Balance, July 1, 2006	623,625	0	56,822	0	680,447	192,376	872,823
Fund Balance, June 30, 2007	\$ 736,032	\$ 167,804	\$ 25,210	\$ 0	\$ 929,046	\$ 308,027	\$ 1,237,073

Exhibit F-3

Campbell County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
Ambulance Service 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	\$ 65,507	\$ 0	\$ 0	\$ 65,507	\$ 65,793	\$ 65,793	\$ (286)
Charges for Current Services	1,805,257	0	0	1,805,257	1,755,290	1,755,290	49,967
Other Local Revenues	10,280	0	0	10,280	0	0	10,280
Total Revenues	\$ 1,881,044	\$ 0	\$ 0	\$ 1,881,044	\$ 1,821,083	\$ 1,821,083	\$ 59,961
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 1,827,544	\$ (17,115)	\$ 19,091	\$ 1,829,520	\$ 1,855,290	\$ 1,931,550	\$ 102,030
Total Expenditures	\$ 1,827,544	\$ (17,115)	\$ 19,091	\$ 1,829,520	\$ 1,855,290	\$ 1,931,550	\$ 102,030
Excess (Deficiency) of Revenues Over Expenditures	\$ 53,500	\$ 17,115	\$ (19,091)	\$ 51,524	\$ (34,207)	\$ (110,467)	\$ 161,991
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 24,700	\$ 0	\$ 0	\$ 24,700	\$ 0	\$ 24,700	\$ 0
Transfers In	34,207	0	0	34,207	34,207	34,207	0
Total Other Financing Sources (Uses)	\$ 58,907	\$ 0	\$ 0	\$ 58,907	\$ 34,207	\$ 58,907	\$ 0
Net Change in Fund Balance	\$ 112,407	\$ 17,115	\$ (19,091)	\$ 110,431	\$ 0	\$ (51,560)	\$ 161,991
Fund Balance, July 1, 2006	623,625	(17,115)	0	606,510	587,325	587,325	19,185
Fund Balance, June 30, 2007	\$ 736,032	\$ 0	\$ (19,091)	\$ 716,941	\$ 587,325	\$ 535,765	\$ 181,176

Exhibit F-4

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Industrial/Economic Development 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>						
Local Taxes	\$ 192,006	\$ 0	\$ 192,006	\$ 126,520	\$ 151,520	\$ 40,486
Other Local Revenues	48,516	0	48,516	672,253	672,253	(623,737)
Federal Government	189,037	0	189,037	255,951	317,124	(128,087)
Other Governments and Citizens Groups	21,004	0	21,004	25,400	25,400	(4,396)
Total Revenues	\$ 450,563	\$ 0	\$ 450,563	\$ 1,080,124	\$ 1,166,297	\$ (715,734)
<u>Expenditures</u>						
<u>General Government</u>						
Development	\$ 4,675	\$ 150	\$ 4,825	\$ 40,000	\$ 40,000	\$ 35,175
Planning	23,068	1,000	24,068	37,072	37,072	13,004
Other Facilities	4,851	175	5,026	12,600	12,600	7,574
<u>Other Operations</u>						
Tourism	10,000	0	10,000	10,000	10,000	0
Industrial Development	93,108	1,709	94,817	766,447	791,447	696,630
Other Economic and Community Development	251,236	906	252,142	0	317,124	64,982
Other Charges	0	0	0	255,951	0	0
Total Expenditures	\$ 386,938	\$ 3,940	\$ 390,878	\$ 1,122,070	\$ 1,208,243	\$ 817,365
Excess (Deficiency) of Revenues Over Expenditures	\$ 63,625	\$ (3,940)	\$ 59,685	\$ (41,946)	\$ (41,946)	\$ 101,631
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 104,179	\$ 0	\$ 104,179	\$ 104,179	\$ 104,179	\$ 0
Total Other Financing Sources (Uses)	\$ 104,179	\$ 0	\$ 104,179	\$ 104,179	\$ 104,179	\$ 0
Net Change in Fund Balance	\$ 167,804	\$ (3,940)	\$ 163,864	\$ 62,233	\$ 62,233	\$ 101,631
Fund Balance, July 1, 2006	0	0	0	0	0	0
Fund Balance, June 30, 2007	\$ 167,804	\$ (3,940)	\$ 163,864	\$ 62,233	\$ 62,233	\$ 101,631

Exhibit F-5

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control 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>							
Fines, Forfeitures, and Penalties	\$ 72,472	\$ 0	\$ 0	\$ 72,472	\$ 104,000	\$ 84,000	\$ (11,528)
Total Revenues	\$ 72,472	\$ 0	\$ 0	\$ 72,472	\$ 104,000	\$ 84,000	\$ (11,528)
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 104,084	\$ (3,056)	\$ 10,336	\$ 111,364	\$ 136,265	\$ 118,265	\$ 6,901
Total Expenditures	\$ 104,084	\$ (3,056)	\$ 10,336	\$ 111,364	\$ 136,265	\$ 118,265	\$ 6,901
Excess (Deficiency) of Revenues Over Expenditures	\$ (31,612)	\$ 3,056	\$ (10,336)	\$ (38,892)	\$ (32,265)	\$ (34,265)	\$ (4,627)
Net Change in Fund Balance	\$ (31,612)	\$ 3,056	\$ (10,336)	\$ (38,892)	\$ (32,265)	\$ (34,265)	\$ (4,627)
Fund Balance, July 1, 2006	56,822	(3,056)	0	53,766	53,244	53,244	522
Fund Balance, June 30, 2007	\$ 25,210	\$ 0	\$ (10,336)	\$ 14,874	\$ 20,979	\$ 18,979	\$ (4,105)

Exhibit F-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 487,633	\$ 0	\$ 0	\$ 487,633	\$ 449,986	\$ 485,214	\$ 2,419
State of Tennessee	0	0	0	0	131,000	131,000	(131,000)
Federal Government	24,655	0	0	24,655	0	15,000	9,655
Total Revenues	\$ 512,288	\$ 0	\$ 0	\$ 512,288	\$ 580,986	\$ 631,214	\$ (118,926)
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 94,872	\$ (13,431)	\$ 10,492	\$ 91,933	\$ 175,967	\$ 190,967	\$ 99,034
Public Safety Projects	1,080,762	(1,020,176)	5,935	66,521	67,500	67,500	979
Public Health and Welfare Projects	49,025	(50,399)	9,567	8,193	10,000	10,000	1,807
Social, Cultural, and Recreation Projects	6,438	0	36,936	43,374	231,000	298,000	254,626
Highway and Street Capital Projects	2,163	(2,163)	0	0	0	0	0
Total Expenditures	\$ 1,233,260	\$ (1,086,169)	\$ 62,930	\$ 210,021	\$ 484,467	\$ 566,467	\$ 356,446
Excess (Deficiency) of Revenues Over Expenditures	\$ (720,972)	\$ 1,086,169	\$ (62,930)	\$ 302,267	\$ 96,519	\$ 64,747	\$ 237,520
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 978,099	\$ 0	\$ 0	\$ 978,099	\$ 0	\$ 978,099	\$ 0
Transfers In	58,767	0	0	58,767	58,767	58,767	0
Transfers Out	(200,243)	0	0	(200,243)	(200,243)	(200,243)	0
Total Other Financing Sources (Uses)	\$ 836,623	\$ 0	\$ 0	\$ 836,623	\$ (141,476)	\$ 836,623	\$ 0
Net Change in Fund Balance	\$ 115,651	\$ 1,086,169	\$ (62,930)	\$ 1,138,890	\$ (44,957)	\$ 901,370	\$ 237,520
Fund Balance, July 1, 2006	192,376	(1,086,169)	0	(893,793)	69,423	69,423	(963,216)
Fund Balance, June 30, 2007	\$ 308,027	\$ 0	\$ (62,930)	\$ 245,097	\$ 24,466	\$ 970,793	\$ (725,696)

Major Governmental Fund

Debt Service Fund

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

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

Exhibit G

Campbell 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	\$ 1,652,831	\$ 1,626,611	\$ 1,626,611	\$ 26,220
Other Local Revenues	655,612	537,711	537,711	117,901
Other Governments and Citizens Groups	1,250,000	1,250,000	1,250,000	0
Total Revenues	\$ 3,558,443	\$ 3,414,322	\$ 3,414,322	\$ 144,121
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 118,450	\$ 2,005,000	\$ 280,445	\$ 161,995
Highways and Streets	0	0	29,820	29,820
Education	1,536,550	0	1,694,735	158,185
<u>Interest on Debt</u>				
General Government	202,024	1,403,940	301,101	99,077
Highways and Streets	0	0	18,318	18,318
Education	975,818	0	1,084,521	108,703
<u>Other Debt Service</u>				
General Government	121,197	202,000	202,000	80,803
Total Expenditures	\$ 2,954,039	\$ 3,610,940	\$ 3,610,940	\$ 656,901
Excess (Deficiency) of Revenues Over Expenditures	\$ 604,404	\$ (196,618)	\$ (196,618)	\$ 801,022
Net Change in Fund Balance	\$ 604,404	\$ (196,618)	\$ (196,618)	\$ 801,022
Fund Balance, July 1, 2006	2,102,051	2,007,655	2,007,655	94,396
Fund Balance, June 30, 2007	\$ 2,706,455	\$ 1,811,037	\$ 1,811,037	\$ 895,418

Fiduciary Funds

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

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

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

Exhibit H-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 3,511,646	\$ 3,511,646
Due from Other Governments	583,068	0	583,068
Total Assets	<u>\$ 583,068</u>	<u>\$ 3,511,646</u>	<u>\$ 4,094,714</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 538,068	\$ 0	\$ 538,068
Due to Litigants, Heirs, and Others	0	3,511,646	3,511,646
Total Liabilities	<u>\$ 538,068</u>	<u>\$ 3,511,646</u>	<u>\$ 4,049,714</u>

Exhibit H-2

Campbell 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	\$ 3,148,435	\$ 3,148,435	\$ 0
Due from Other Governments	539,997	583,068	539,997	583,068
Total Assets	\$ 539,997	\$ 3,731,503	\$ 3,688,432	\$ 583,068
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 539,997	\$ 3,731,503	\$ 3,688,432	\$ 583,068
Total Liabilities	\$ 539,997	\$ 3,731,503	\$ 3,688,432	\$ 583,068
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 12,803,384	\$ 9,858,823	\$ 19,150,561	\$ 3,511,646
Total Assets	\$ 12,803,384	\$ 9,858,823	\$ 19,150,561	\$ 3,511,646
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 12,803,384	\$ 9,858,823	\$ 19,150,561	\$ 3,511,646
Total Liabilities	\$ 12,803,384	\$ 9,858,823	\$ 19,150,561	\$ 3,511,646
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,148,435	\$ 3,148,435	\$ 0
Cash	12,803,384	9,858,823	19,150,561	3,511,646
Due from Other Governments	539,997	583,068	539,997	583,068
Total Assets	\$ 13,343,381	\$ 13,590,326	\$ 22,838,993	\$ 4,094,714
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 539,997	\$ 3,731,503	\$ 3,688,432	\$ 583,068
Due to Litigants, Heirs, and Others	12,803,384	9,858,823	19,150,561	3,511,646
Total Liabilities	\$ 13,343,381	\$ 13,590,326	\$ 22,838,993	\$ 4,094,714

Campbell County School Department

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

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

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

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

Exhibit I-1

Campbell County, Tennessee
Statement of Activities
Discretely Presented Campbell County School Department
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	Total Governmental Activities
Governmental Activities:					
Instruction	\$ 23,752,920	\$ 0	\$ 4,079,142	\$ 0	\$ (19,673,778)
Support Services	14,695,576	0	410,453	1,500,000	(12,785,123)
Operation of Non-Instructional Services	4,321,329	832,766	1,941,422	0	(1,547,141)
Other Debt Service	1,250,000	0	0	0	(1,250,000)
Total Governmental Activities	\$ 44,019,825	\$ 832,766	\$ 6,431,017	\$ 1,500,000	\$ (35,256,042)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,535,235
Local Option Sales Taxes					3,161,086
Other Local Taxes					1,164,419
Grants and Contributions Not Restricted to Specific Programs					26,601,354
Unrestricted Investment Income					17,613
Miscellaneous					10,250
Gain on Disposal of Capital Assets					12,537
Total General Revenues					\$ 34,502,494
Change in Net Assets					\$ (753,548)
Net Assets, July 1, 2006					34,431,315
Net Assets, June 30, 2007					\$ 33,677,767

Exhibit I-2

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

	Major Funds			Total Govern- mental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 5,359	\$ 5,359
Equity in Pooled Cash and Investments	5,192,702	69,869	621,707	5,884,278
Accounts Receivable	1,907	1,184	6,218	9,309
Due from Other Governments	1,041,182	343,217	66,061	1,450,460
Due from Other Funds	288,797	20,211	0	309,008
Property Taxes Receivable	3,842,900	0	0	3,842,900
Allowance for Uncollectible Property Taxes	(297,985)	0	0	(297,985)
Total Assets	\$ 10,069,503	\$ 434,481	\$ 699,345	\$ 11,203,329
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 81,251	\$ 102	\$ 425	\$ 81,778
Payroll Deductions Payable	221,411	119,101	6,716	347,228
Due to Other Funds	20,211	288,797	0	309,008
Deferred Revenue - Current Property Taxes	3,341,418	0	0	3,341,418
Deferred Revenue - Delinquent Property Taxes	177,016	0	0	177,016
Other Deferred Revenues	352,450	0	0	352,450
Total Liabilities	\$ 4,193,757	\$ 408,000	\$ 7,141	\$ 4,608,898
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 1,681,766	\$ 0	\$ 48,897	\$ 1,730,663
Reserved for Capital Outlay	492,358	0	0	492,358
Reserved for Career Ladder - Extended Contract	86,142	0	0	86,142
Reserved for Career Ladder Program	7,429	0	0	7,429
Other State Education Reserves	185	0	0	185
Reserved for Title I Grants to Local Education Agencies	0	5,928	0	5,928
Reserved for Innovative Education Program Strategies	0	12	0	12
Other Federal Reserves	0	20,541	0	20,541
Unreserved, Reported In:				
General Fund	3,607,866	0	0	3,607,866
Special Revenue Funds	0	0	643,307	643,307
Total Fund Balances	\$ 5,875,746	\$ 26,481	\$ 692,204	\$ 6,594,431
Total Liabilities and Fund Balances	\$ 10,069,503	\$ 434,481	\$ 699,345	\$ 11,203,329

Exhibit I-3

Campbell County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
Discretely Presented Campbell 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)		\$	6,594,431
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,131,561	
Add: buildings and improvements net of accumulated depreciation		24,630,150	
Add: other capital assets net of accumulated depreciation		<u>792,159</u>	26,553,870
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>529,466</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>33,677,767</u></u>

Exhibit I-4

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

	Major Funds			Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>Revenues</u>				
Local Taxes	\$ 7,866,029	\$ 0	\$ 0	\$ 7,866,029
Licenses and Permits	1,995	0	0	1,995
Charges for Current Services	10,019	0	798,090	808,109
Other Local Revenues	54,577	0	90,678	145,255
State of Tennessee	25,819,785	0	35,011	25,854,796
Federal Government	375,776	4,728,105	1,897,308	7,001,189
Other Governments and Citizens Groups	1,500,000	0	0	1,500,000
Total Revenues	<u>\$ 35,628,181</u>	<u>\$ 4,728,105</u>	<u>\$ 2,821,087</u>	<u>\$ 43,177,373</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 20,215,984	\$ 3,509,091	\$ 0	\$ 23,725,075
Support Services	11,155,622	1,071,521	0	12,227,143
Operation of Non-Instructional Services	1,260,596	116,017	2,953,010	4,329,623
Capital Outlay	822,495	0	0	822,495
Debt Service:				
Other Debt Service	1,250,000	0	0	1,250,000
Total Expenditures	<u>\$ 34,704,697</u>	<u>\$ 4,696,629</u>	<u>\$ 2,953,010</u>	<u>\$ 42,354,336</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ 923,484</u>	<u>\$ 31,476</u>	<u>\$ (131,923)</u>	<u>\$ 823,037</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 40,000	\$ 0	\$ 0	\$ 40,000
Transfers In	40,392	5,048	77,785	123,225
Transfers Out	(82,833)	(40,392)	0	(123,225)
Total Other Financing Sources (Uses)	<u>\$ (2,441)</u>	<u>\$ (35,344)</u>	<u>\$ 77,785</u>	<u>\$ 40,000</u>
Net Change in Fund Balances				
Fund Balance, July 1, 2006	\$ 4,954,703	\$ (3,868)	\$ (54,138)	\$ 863,037
Fund Balance, June 30, 2007	<u>\$ 5,875,746</u>	<u>\$ 26,481</u>	<u>\$ 692,204</u>	<u>\$ 6,594,431</u>

Exhibit I-5

Campbell County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Campbell 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)		\$	863,037
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	404,864	
Less: current year depreciation expense		<u>(2,070,353)</u>	(1,665,489)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			
Add: gain on disposal of capital assets	\$	12,537	
Less: proceeds from disposal of capital assets		<u>(40,000)</u>	(27,463)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2007	\$	529,466	
Less: deferred delinquent property taxes and other deferred June 30, 2006		<u>(453,099)</u>	<u>76,367</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ (753,548)</u>

Exhibit I-6

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Campbell 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	\$ 7,866,029	\$ 0	\$ 0	\$ 7,866,029	\$ 7,840,484	\$ 7,840,484	\$ 25,545
Licenses and Permits	1,995	0	0	1,995	2,500	2,500	(505)
Charges for Current Services	10,019	0	0	10,019	16,116	16,116	(6,097)
Other Local Revenues	54,577	0	0	54,577	114,689	79,320	(24,743)
State of Tennessee	25,819,785	0	0	25,819,785	25,546,197	25,827,705	(7,920)
Federal Government	375,776	0	0	375,776	401,774	501,826	(126,050)
Other Governments and Citizens Groups	1,500,000	0	0	1,500,000	1,500,000	1,500,000	0
Total Revenues	\$ 35,628,181	\$ 0	\$ 0	\$ 35,628,181	\$ 35,421,760	\$ 35,767,951	\$ (139,770)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 16,429,318	\$ (3,022)	\$ 5,533	\$ 16,431,829	\$ 16,552,637	\$ 16,547,595	\$ 115,766
Alternative Instruction Program	167,838	0	0	167,838	185,445	169,640	1,802
Special Education Program	1,911,771	(200)	1,421	1,912,992	1,974,336	1,961,895	48,903
Vocational Education Program	1,580,618	(70)	2,538	1,583,086	1,578,159	1,589,361	6,275
Adult Education Program	126,439	(2,858)	1,999	125,580	113,832	130,224	4,644
<u>Support Services</u>							
Attendance	62,818	0	0	62,818	66,434	66,434	3,616
Health Services	205,176	0	270	205,446	136,632	219,392	13,946
Other Student Support	1,042,039	0	0	1,042,039	1,156,168	1,048,681	6,642
Regular Instruction Program	1,341,524	(36,112)	20,163	1,325,575	1,297,539	1,391,955	66,380
Special Education Program	363,264	(174)	203	363,293	360,370	367,040	3,747
Vocational Education Program	159,467	(122)	72	159,417	155,422	163,950	4,533
Adult Programs	50,786	0	0	50,786	49,475	54,551	3,765
Board of Education	745,692	(6,690)	6,395	745,397	720,244	767,828	22,431
Director of Schools	247,464	(7,307)	7,089	247,246	241,972	252,287	5,041
Office of the Principal	2,206,799	(788)	90	2,206,101	2,316,410	2,219,859	13,758

(Continued)

Exhibit I-6

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Campbell 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	\$ 98,684	\$ 0	\$ 0	\$ 98,684	\$ 98,684	\$ 98,684	\$ 0
Operation of Plant	2,862,021	(2,321)	965	2,860,665	3,147,752	2,883,987	23,322
Maintenance of Plant	557,697	(38,816)	56,314	575,195	582,780	608,367	33,172
Transportation	1,212,191	(3,776)	5,145	1,213,560	1,228,582	1,234,310	20,750
<u>Operation of Non-Instructional Services</u>							
Community Services	443,245	(15,953)	16,258	443,550	289,911	479,911	36,361
Early Childhood Education	817,351	0	0	817,351	880,229	838,895	21,544
<u>Capital Outlay</u>							
Regular Capital Outlay	822,495	(1,377,307)	1,557,311	1,002,499	1,500,000	2,000,000	997,501
<u>Other Debt Service</u>							
Education	1,250,000	0	0	1,250,000	1,250,000	1,250,000	0
Total Expenditures	\$ 34,704,697	\$ (1,495,516)	\$ 1,681,766	\$ 34,890,947	\$ 35,883,013	\$ 36,344,846	\$ 1,453,899
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 923,484	\$ 1,495,516	\$ (1,681,766)	\$ 737,234	\$ (461,253)	\$ (576,895)	\$ 1,314,129
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 40,000	\$ 0	\$ 0	\$ 40,000	\$ 0	\$ 40,000	\$ 0
Transfers In	40,392	0	0	40,392	44,749	44,749	(4,357)
Transfers Out	(82,833)	0	0	(82,833)	(82,833)	(82,833)	0
Total Other Financing Sources (Uses)	\$ (2,441)	\$ 0	\$ 0	\$ (2,441)	\$ (38,084)	\$ 1,916	\$ (4,357)
Net Change in Fund Balance	\$ 921,043	\$ 1,495,516	\$ (1,681,766)	\$ 734,793	\$ (499,337)	\$ (574,979)	\$ 1,309,772
Fund Balance, July 1, 2006	4,954,703	(1,495,516)	0	3,459,187	3,217,985	3,217,985	241,202
Fund Balance, June 30, 2007	\$ 5,875,746	\$ 0	\$ (1,681,766)	\$ 4,193,980	\$ 2,718,648	\$ 2,643,006	\$ 1,550,974

Exhibit I-7

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 4,728,105	\$ 5,192,154	\$ 5,602,213	\$ (874,108)
Total Revenues	\$ 4,728,105	\$ 5,192,154	\$ 5,602,213	\$ (874,108)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,203,298	\$ 2,102,132	\$ 2,420,221	\$ 216,923
Special Education Program	1,175,487	1,234,695	1,302,977	127,490
Vocational Education Program	130,306	126,973	130,973	667
<u>Support Services</u>				
Attendance	18,273	18,216	18,273	0
Health Services	33,310	52,899	52,889	19,579
Other Student Support	131,493	173,839	139,247	7,754
Regular Instruction Program	582,941	612,592	1,045,479	462,538
Special Education Program	158,123	159,349	159,378	1,255
Vocational Education Program	50,384	48,184	50,684	300
Operation of Plant	0	5,345	5,345	5,345
Maintenance of Plant	30,000	2,000	32,000	2,000
Transportation	66,997	82,620	73,115	6,118
<u>Operation of Non-Instructional Services</u>				
Community Services	4,734	4,779	4,734	0
Early Childhood Education	111,283	147,569	131,969	20,686
Total Expenditures	\$ 4,696,629	\$ 4,771,192	\$ 5,567,284	\$ 870,655
Excess (Deficiency) of Revenues Over Expenditures	\$ 31,476	\$ 420,962	\$ 34,929	\$ (3,453)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 5,048	\$ 5,048	\$ 5,048	\$ 0
Transfers Out	(40,392)	(45,964)	(45,964)	5,572
Total Other Financing Sources (Uses)	\$ (35,344)	\$ (40,916)	\$ (40,916)	\$ 5,572
Net Change in Fund Balance	\$ (3,868)	\$ 380,046	\$ (5,987)	\$ 2,119
Fund Balance, July 1, 2006	30,349	261,412	261,412	(231,063)
Fund Balance, June 30, 2007	\$ 26,481	\$ 641,458	\$ 255,425	\$ (228,944)

Exhibit I-8

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Campbell County School Department
Central Cafeteria 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>							
Charges for Current Services	\$ 798,090	\$ 0	\$ 0	\$ 798,090	\$ 838,016	\$ 838,016	\$ (39,926)
Other Local Revenues	90,678	0	0	90,678	10,500	83,365	7,313
State of Tennessee	35,011	0	0	35,011	36,510	36,510	(1,499)
Federal Government	1,897,308	0	0	1,897,308	2,037,177	2,037,177	(139,869)
Total Revenues	\$ 2,821,087	\$ 0	\$ 0	\$ 2,821,087	\$ 2,922,203	\$ 2,995,068	\$ (173,981)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 2,953,010	\$ (97,336)	\$ 48,897	\$ 2,904,571	\$ 3,072,853	\$ 3,155,133	\$ 250,562
Total Expenditures	\$ 2,953,010	\$ (97,336)	\$ 48,897	\$ 2,904,571	\$ 3,072,853	\$ 3,155,133	\$ 250,562
Excess (Deficiency) of Revenues Over Expenditures	\$ (131,923)	\$ 97,336	\$ (48,897)	\$ (83,484)	\$ (150,650)	\$ (160,065)	\$ 76,581
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 77,785	\$ 0	\$ 0	\$ 77,785	\$ 150,650	\$ 77,785	\$ 0
Total Other Financing Sources (Uses)	\$ 77,785	\$ 0	\$ 0	\$ 77,785	\$ 150,650	\$ 77,785	\$ 0
Net Change in Fund Balance	\$ (54,138)	\$ 97,336	\$ (48,897)	\$ (5,699)	\$ 0	\$ (82,280)	\$ 76,581
Fund Balance, July 1, 2006	746,342	(97,336)	0	649,006	647,896	647,896	1,110
Fund Balance, June 30, 2007	\$ 692,204	\$ 0	\$ (48,897)	\$ 643,307	\$ 647,896	\$ 565,616	\$ 77,691

MISCELLANEOUS SCHEDULES

Exhibit J-1

Campbell County, Tennessee
Schedule of Changes in Long-term Notes, Bonds, and Other Loans
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	Matured During Period	Outstanding 6-30-07
<u>NOTES PAYABLE</u>								
<u>Payable through Highway/Public Works Fund</u>								
Construction of Rock/Salt Facility	\$ 81,000	4.09%	11-15-05	11-15-08	\$ 54,125	\$ 0	\$ 26,595	\$ 27,530
Highway Improvements	600,000	4.73	6-20-06	6-20-07	600,000	0	600,000	0
Total Payable through Highway/Public Works Fund					<u>\$ 654,125</u>	<u>\$ 0</u>	<u>\$ 626,595</u>	<u>\$ 27,530</u>
<u>Payable through General Debt Service Fund</u>								
School Improvements	1,500,000	4.53	6-15-07	6-15-10	\$ 0	\$ 1,500,000	\$ 0	\$ 1,500,000
Total Payable through General Debt Service Fund					<u>\$ 0</u>	<u>\$ 1,500,000</u>	<u>\$ 0</u>	<u>\$ 1,500,000</u>
Total Notes Payable					<u>\$ 654,125</u>	<u>\$ 1,500,000</u>	<u>\$ 626,595</u>	<u>\$ 1,527,530</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Refunding	3,595,000	3.5 to 4.1	1-6-1999	4-1-10	\$ 1,740,000	\$ 0	\$ 515,000	\$ 1,225,000
Refunding	4,875,000	2 to 3	10-6-03	4-1-09	2,985,000	0	965,000	2,020,000
Total Bonds Payable					<u>\$ 4,725,000</u>	<u>\$ 0</u>	<u>\$ 1,480,000</u>	<u>\$ 3,245,000</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Public Building Authority Loan Agreements</u>								
<u>Payable through General Debt Service Fund</u>								
Public Improvement & Refunding, Series B-6-A	12,550,000	4 to 5	7-27-04	6-1-19	\$ 11,571,900	\$ 978,100	\$ 0	\$ 12,550,000
Public Improvement, Series D-8-C	8,000,000	Variable	6-29-06	6-1-26	548,718	7,451,282	0	8,000,000
Public Improvement, Series VI-I-2	(1)	Variable	2-27-07	6-1-23	0	5,299,753	175,000	5,124,753
Total Other Loans Payable					<u>\$ 12,120,618</u>	<u>\$ 13,729,135</u>	<u>\$ 175,000</u>	<u>\$ 25,674,753</u>

(1) The total amount approved for draws under this loan agreement is \$10,950,000 of which \$5,650,247 had not been drawn as of June 30, 2007.

Exhibit J-2

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

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2008	\$ 1,530,000	\$ 105,035	\$ 1,635,035
2009	1,585,000	58,760	1,643,760
2010	130,000	5,330	135,330
Total	<u>\$ 3,245,000</u>	<u>\$ 169,125</u>	<u>\$ 3,414,125</u>

Exhibit J-3

Campbell County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Campbell 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	Solid Waste/Sanitation	Funds for operations	\$ 6,180
General	Ambulance Service	Funds for operations	34,207
General	Industrial/Economic	Funds for operations	104,179
General	General Capital Projects	Funds for operations	58,767
General	Other Capital Projects	Funds for operations	20,000
General Capital Projects	Other Capital Projects	Transfer projects	200,243
Solid Waste/Sanitation	General	Indirect costs	<u>29,800</u>
Total Transfers Primary Government			<u>\$ 453,376</u>
<u>Discretely Presented Campbell County</u> <u>School Department</u>			
General Purpose School	Central Cafeteria	Funds for employee insurance	\$ 77,785
General Purpose School	School Federal Projects	Indirect costs - rent reimbursement	5,048
School Federal Projects	General Purpose School	Indirect costs - administrative	<u>40,392</u>
Total Transfers Discretely Presented Campbell County School Department			<u>\$ 123,225</u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Jerry Cross (7-1-06 through 8-31-06)	Section 8-24-102, TCA	\$ 12,640 (3)	\$ 50,000	Western Surety Company
Jeff Hall (9-1-06 through 2-17-07)	Section 8-24-102, TCA	31,213 (3)	50,000	"
Ann Smith (2-20-07 through 3-19-07)	Section 8-24-102, TCA	5,053 (3)	50,000	"
Jerry Cross (3-20-07 through 6-30-07)	Section 8-24-102, TCA	19,179 (3)	50,000	"
Director of Schools	State Board of Education and County Board of Education	112,163 (1)	50,000	"
Road Superintendent	Section 8-24-102, TCA	68,826	100,000	Auto Owners (Mutual) Insurance Company
Trustee	Section 8-24-102, TCA	62,569	1,052,400	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, TCA	64,069	10,000	Western Surety Company
County Clerk	Section 8-24-102, TCA	62,569	50,000	"
Circuit and General Sessions Courts Clerk and Master	Section 8-24-102, TCA	62,569	50,000	"
	Section 8-24-102, TCA, and Chancery Court Judge	80,319 (2)	50,000	"
Register	Section 8-24-102, TCA	62,569	25,000	"
Sheriff:				
Ron McClellan (7-1-06 through 8-31-06)	Section 8-24-102, TCA	12,038 (3)	25,000	"
Gary Perkins (9-1-06 through 6-30-07)	Section 8-24-102, TCA	55,855 (3)	25,000	"
Director of Finance	County Commission	64,862	50,000	"
Employee Blanket Bonds				
Public Employee Dishonesty - County Departments			150,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department			150,000	"

- (1) Includes \$5,800 chief executive officer supplement, \$2,400 annuity contribution, and \$6,000 supplement for serving as secretary to the Board of Education.
- (2) Includes special commissioner fees of \$17,750.
- (3) Increased salaries were approved in January 2007 for all county officials by resolution of the County Commission. The increases were retroactive to July 1, 2006, for all officials still in office. Since there were changes in the mayor and sheriff prior to the approval of the increases, the salaries of these officials were only increased for a portion of the year.

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 4,291,189	\$ 1,823,755	\$ 53,703	\$ 107,279	\$ 0
Discount on Property Taxes	(34,370)	(14,609)	(430)	(861)	0
Trustee's Collections - Prior Year	255,298	108,925	6,797	10	0
Circuit/Clerk & Master Collections - Prior Years	195,352	83,310	4,317	0	0
Interest and Penalty	45,562	19,427	1,120	179	0
Payments in-Lieu-of Taxes - T.V.A.	15,504	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	203,400	0	0	0	0
Payments in-Lieu-of Taxes - Other	117,205	0	0	10,715	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	0
Hotel/Motel Tax	25,000	0	0	74,684	0
Wheel Tax	10,167	0	0	0	0
Litigation Tax - General	91,439	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	231,192	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
Other County Local Option Taxes	55,944	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	148,448	0	0	0	0
Wholesale Beer Tax	111,948	0	0	0	0
Coal Severance Tax	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0
Total Local Taxes	\$ 5,763,278	\$ 2,020,808	\$ 65,507	\$ 192,006	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,995	\$ 0	\$ 0	\$ 0	\$ 0
Animal Registration	0	14,398	0	0	0
Cable TV Franchise	112,830	0	0	0	0
<u>Permits</u>					
Beer Permits	1,226	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Licenses and Permits (Cont.)</u>					
<u>Permits (Cont.)</u>					
Building Permits	\$ 4,541	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 120,592	\$ 14,398	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 9,053	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	6,962	0	0	0	0
Game and Fish Fines	11	0	0	0	0
Drug Control Fines	0	0	0	0	37,217
Drug Court Fees	11,032	0	0	0	0
Jail Fees	1,182	0	0	0	0
Data Entry Fee - Circuit Court	462	0	0	0	0
<u>Criminal Court</u>					
DUI Treatment Fines	2,370	0	0	0	0
Data Entry Fee - Criminal Court	357	0	0	0	0
Courtroom Security Fee	68	0	0	0	0
<u>General Sessions Court</u>					
Fines	16,277	0	0	0	0
Officers Costs	38,092	0	0	0	0
Game and Fish Fines	1,006	0	0	0	0
Drug Control Fines	0	0	0	0	26,644
Drug Court Fees	21,696	0	0	0	0
Jail Fees	24,111	0	0	0	0
DUI Treatment Fines	7,690	0	0	0	0
Data Entry Fee - General Sessions Court	12,317	0	0	0	0
Courtroom Security Fee	1,233	0	0	0	0
<u>Juvenile Court</u>					
Fines	1,042	0	0	0	0
Officers Costs	3,677	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	9,398	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Other Courts - In-county</u>					
Fines	\$ 192	\$ 0	\$ 0	\$ 0	0
<u>Judicial District Drug Program</u>					
Courtroom Security Fee	16	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	4,177	0	0	0	8,611
Total Fines, Forfeitures, and Penalties	\$ 172,421	\$ 0	\$ 0	\$ 0	\$ 72,472
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - General	\$ 0	\$ 7,638	\$ 0	\$ 0	0
Solid Waste Disposal Fees	0	37,474	0	0	0
Patient Charges	0	0	1,805,237	0	0
Other General Service Charges	0	8,225	20	0	0
<u>Fees</u>					
Copy Fees	16,612	0	0	0	0
Telephone Commissions	6,348	0	0	0	0
Vending Machine Collections	100	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0
Data Processing Fee - Register	20,118	0	0	0	0
Data Processing Fee - Sheriff	11,161	0	0	0	0
Sexual Offender Registration Fees - Sheriff	2,730	0	0	0	0
<u>Other Charges for Services</u>					
Other Charges for Services	0	3,995	0	0	0
Total Charges for Current Services	\$ 57,069	\$ 57,332	\$ 1,805,257	\$ 0	0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 791	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	74,416	0	0	47,253	0
Sale of Gasoline	0	0	0	0	0
Sale of Maps	4,556	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Other Local Revenues (Cont.)</u>					
<u>Recurring Items (Cont.)</u>					
Sale of Recycled Materials	\$ 0	\$ 131,704	\$ 0	\$ 0	\$ 0
Miscellaneous Refunds	27,989	0	10,280	1,263	0
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	0
Damages Recovered from Individuals	2,304	0	0	0	0
Contributions and Gifts	0	518	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	4,533	0	0	0	0
Total Other Local Revenues	\$ 114,589	\$ 132,222	\$ 10,280	\$ 48,516	\$ 0
<u>Fees Received from County Officials</u>					
<u>Fees-In-Lieu of Salary</u>					
County Clerk	\$ 362,886	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	110,416	0	0	0	0
General Sessions Court Clerk	316,514	0	0	0	0
Clerk and Master	233,793	0	0	0	0
Register	267,108	0	0	0	0
Sheriff	24,463	0	0	0	0
Trustee	474,191	0	0	0	0
Total Fees Received from County Officials	\$ 1,789,371	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	12,793	0	0	0	0
Aging Programs	10,827	0	0	0	0
State Reappraisal Grant	17,385	0	0	0	0
Solid Waste Grants	0	36,579	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	12,449	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	469,056	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>State of Tennessee (Cont.)</u>					
<u>Public Works Grants</u>					
Litter Program	\$ 0	\$ 35,715	\$ 0	\$ 0	\$ 0
<u>Other State Revenues</u>					
Income Tax	83,025	0	0	0	0
Beer Tax	18,753	0	0	0	0
Alcoholic Beverage Tax	54,713	0	0	0	0
Mixed Drink Tax	5,719	0	0	0	0
State Revenue Sharing - T.V.A.	917,058	0	0	0	0
Contracted Prisoner Boarding	381,763	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	12,285	0	0	0	0
Other State Grants	6,025	0	0	0	0
Total State of Tennessee	\$ 2,010,851	\$ 72,294	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	186,060	0	0	0	0
Other Federal through State	39,768	0	0	189,037	0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	0	0	0	0
Total Federal Government	\$ 225,828	\$ 0	\$ 0	\$ 189,037	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 10,600	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	100,634	0	0	14,829	0
Contracted Services	129,868	0	0	6,175	0
<u>Other</u>					
Other	3,752	0	0	0	0
Total Other Governments and Citizens Groups	\$ 244,854	\$ 0	\$ 0	\$ 21,004	\$ 0
Total	\$ 10,498,853	\$ 2,297,054	\$ 1,881,044	\$ 450,563	\$ 72,472

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total
	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 429,119	\$ 482,696	\$ 375,415	\$ 0	\$ 7,563,156
Discount on Property Taxes	0	(3,437)	(3,865)	(3,003)	0	(60,575)
Trustee's Collections - Prior Year	0	27,225	37,426	27,201	0	462,882
Circuit/Clerk & Master Collections - Prior Years	0	20,474	28,000	20,135	0	351,588
Interest and Penalty	0	4,812	6,434	4,716	0	82,250
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	15,504
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	203,400
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	127,920
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	990,891	0	0	990,891
Hotel/Motel Tax	0	0	0	35,228	0	134,912
Wheel Tax	0	0	0	0	0	10,167
Litigation Tax - General	0	0	0	0	0	91,439
Litigation Tax - Special Purpose	0	0	4,898	27,941	0	32,839
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	99,753	0	0	99,753
Business Tax	0	0	0	0	0	231,192
Mineral Severance Tax	0	151,336	0	0	0	151,336
Other County Local Option Taxes	0	0	0	0	0	55,944
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	148,448
Wholesale Beer Tax	0	0	0	0	0	111,948
Coal Severance Tax	0	38,129	0	0	0	38,129
Interstate Telecommunications Tax	0	0	6,598	0	0	6,598
Total Local Taxes	\$ 0	\$ 667,658	\$ 1,652,831	\$ 487,633	\$ 0	\$ 10,849,721
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,995
Animal Registration	0	0	0	0	0	14,398
Cable TV Franchise	0	0	0	0	0	112,830
<u>Permits</u>						
Beer Permits	0	0	0	0	0	1,226

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds			Total
	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects		
<u>Licenses and Permits (Cont.)</u>							
<u>Permits (Cont.)</u>							
Building Permits	\$ 0	\$ 150	\$ 0	\$ 0	\$ 0	\$ 0	4,691
Total Licenses and Permits	\$ 0	\$ 150	\$ 0	\$ 0	\$ 0	\$ 0	135,140
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,053
Officers Costs	0	0	0	0	0	0	6,962
Game and Fish Fines	0	0	0	0	0	0	11
Drug Control Fines	0	0	0	0	0	0	37,217
Drug Court Fees	0	0	0	0	0	0	11,032
Jail Fees	0	0	0	0	0	0	1,182
Data Entry Fee - Circuit Court	0	0	0	0	0	0	462
<u>Criminal Court</u>							
DUI Treatment Fines	0	0	0	0	0	0	2,370
Data Entry Fee - Criminal Court	0	0	0	0	0	0	357
Courtroom Security Fee	0	0	0	0	0	0	68
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	16,277
Officers Costs	0	0	0	0	0	0	38,092
Game and Fish Fines	0	0	0	0	0	0	1,006
Drug Control Fines	0	0	0	0	0	0	26,644
Drug Court Fees	0	0	0	0	0	0	21,696
Jail Fees	0	0	0	0	0	0	24,111
DUI Treatment Fines	0	0	0	0	0	0	7,690
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	12,317
Courtroom Security Fee	0	0	0	0	0	0	1,233
<u>Juvenile Court</u>							
Fines	0	0	0	0	0	0	1,042
Officers Costs	0	0	0	0	0	0	3,677
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	9,398

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total
	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Courts - In-county</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 192
<u>Judicial District Drug Program</u>						
Courtroom Security Fee	0	0	0	0	0	16
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	12,788
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 244,893
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - General	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,638
Solid Waste Disposal Fees	0	0	0	0	0	37,474
Patient Charges	0	0	0	0	0	1,805,237
Other General Service Charges	0	0	0	0	0	8,245
<u>Fees</u>						
Copy Fees	0	0	0	0	0	16,612
Telephone Commissions	0	0	0	0	0	6,348
Vending Machine Collections	0	0	0	0	0	100
Constitutional Officers' Fees and Commissions	78	0	0	0	0	78
Special Commissioner Fees/Special Master Fees	17,750	0	0	0	0	17,750
Data Processing Fee - Register	0	0	0	0	0	20,118
Data Processing Fee - Sheriff	0	0	0	0	0	11,161
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	2,730
<u>Other Charges for Services</u>						
Other Charges for Services	0	0	0	0	0	3,995
Total Charges for Current Services	\$ 17,828	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,937,486
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 655,612	\$ 0	\$ 0	\$ 656,403
Lease/Rentals	0	0	0	0	0	121,669
Sale of Gasoline	0	312,989	0	0	0	312,989
Sale of Maps	0	0	0	0	0	4,556

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total
	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects	
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Sale of Recycled Materials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	131,704
Miscellaneous Refunds	0	767	0	0	0	40,299
<u>Nonrecurring Items</u>						
Sale of Equipment	0	17,950	0	0	0	17,950
Damages Recovered from Individuals	0	2,500	0	0	0	4,804
Contributions and Gifts	0	0	0	0	0	518
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	4,533
Total Other Local Revenues	\$ 0	\$ 334,206	\$ 655,612	\$ 0	\$ 0	\$ 1,295,425
<u>Fees Received from County Officials</u>						
<u>Fees-In-Lieu of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	362,886
Circuit Court Clerk	0	0	0	0	0	110,416
General Sessions Court Clerk	0	0	0	0	0	316,514
Clerk and Master	0	0	0	0	0	233,793
Register	0	0	0	0	0	267,108
Sheriff	0	0	0	0	0	24,463
Trustee	0	0	0	0	0	474,191
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,789,371
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,000
Airport Maintenance Program	0	0	0	0	0	12,793
Aging Programs	0	0	0	0	0	10,827
State Reappraisal Grant	0	0	0	0	0	17,385
Solid Waste Grants	0	0	0	0	0	36,579
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	12,449
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	469,056

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total
	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
Litter Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,715
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	83,025
Beer Tax	0	0	0	0	0	18,753
Alcoholic Beverage Tax	0	0	0	0	0	54,713
Mixed Drink Tax	0	0	0	0	0	5,719
State Revenue Sharing - T.V.A.	0	0	0	0	0	917,058
Contracted Prisoner Boarding	0	0	0	0	0	381,763
Gasoline and Motor Fuel Tax	0	1,857,653	0	0	0	1,857,653
Petroleum Special Tax	0	32,060	0	0	0	32,060
Registrar's Salary Supplement	0	0	0	0	0	12,285
Other State Grants	0	0	0	0	0	6,025
Total State of Tennessee	\$ 0	\$ 1,889,713	\$ 0	\$ 0	\$ 0	\$ 3,972,858
<u>Federal Government</u>						
<u>Federal Through State</u>						
Disaster Relief	\$ 0	\$ 1,113,274	\$ 0	\$ 24,605	\$ 0	\$ 1,137,879
Homeland Security Grants	0	0	0	0	0	186,060
Other Federal through State	0	0	0	50	3,500	232,355
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	0	18,990	0	0	0	18,990
Total Federal Government	\$ 0	\$ 1,132,264	\$ 0	\$ 24,655	\$ 3,500	\$ 1,575,284
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,600
Contributions	0	0	1,250,000	0	0	1,365,463
Contracted Services	0	215,300	0	0	0	351,343
<u>Other</u>						
Other	0	0	0	0	0	3,752
Total Other Governments and Citizens Groups	\$ 0	\$ 215,300	\$ 1,250,000	\$ 0	\$ 0	\$ 1,731,158
Total	\$ 17,828	\$ 4,239,291	\$ 3,558,443	\$ 512,288	\$ 3,500	\$ 23,531,336

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,164,879	\$ 0	\$ 0	\$ 3,164,879
Discount on Property Taxes	(25,347)	0	0	(25,347)
Trustee's Collections - Prior Year	217,809	0	0	217,809
Circuit/Clerk & Master Collections - Prior Years	166,988	0	0	166,988
Interest and Penalty	38,055	0	0	38,055
<u>County Local Option Taxes</u>				
Local Option Sales Tax	3,139,480	0	0	3,139,480
Wheel Tax	1,122,218	0	0	1,122,218
<u>Statutory Local Taxes</u>				
Coal Severance Tax	38,129	0	0	38,129
Interstate Telecommunications Tax	3,818	0	0	3,818
Total Local Taxes	\$ 7,866,029	\$ 0	\$ 0	\$ 7,866,029
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,995	\$ 0	\$ 0	\$ 1,995
Total Licenses and Permits	\$ 1,995	\$ 0	\$ 0	\$ 1,995
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other State Systems	\$ 3,070	\$ 0	\$ 0	\$ 3,070
Lunch Payments - Children	0	0	368,452	368,452
Lunch Payments - Adults	0	0	81,883	81,883
Income from Breakfast	0	0	149,203	149,203
A la carte Sales	0	0	198,552	198,552
TBI Criminal Background Fees	6,144	0	0	6,144
<u>Other Charges for Services</u>				
Other Charges for Services	805	0	0	805
Total Charges for Current Services	\$ 10,019	\$ 0	\$ 798,090	\$ 808,109
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 17,613	\$ 17,613
Miscellaneous Refunds	49,843	0	0	49,843
<u>Nonrecurring Items</u>				
Sale of Equipment	850	0	0	850
Damages Recovered from Individuals	467	0	200	667
Contributions and Gifts	3,417	0	72,865	76,282
Total Other Local Revenues	\$ 54,577	\$ 0	\$ 90,678	\$ 145,255
<u>State of Tennessee</u>				
<u>State Education Funds</u>				
Basic Education Program	\$ 24,078,999	\$ 0	\$ 0	\$ 24,078,999
School Food Service	0	0	35,011	35,011
Driver Education	10,008	0	0	10,008
Other State Education Funds	1,025,714	0	0	1,025,714
Career Ladder Program	409,110	0	0	409,110
Career Ladder - Extended Contract	151,176	0	0	151,176

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues</u>				
Other State Grants	\$ 61,722	\$ 0	\$ 0	\$ 61,722
Other State Revenues	83,056	0	0	83,056
Total State of Tennessee	\$ 25,819,785	\$ 0	\$ 35,011	\$ 25,854,796
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,388,131	\$ 1,388,131
Breakfast	0	0	484,146	484,146
USDA - Other	0	0	25,031	25,031
Adult Education State Grant Program	101,834	0	0	101,834
Vocational Education - Basic Grants to States	0	167,986	0	167,986
Other Vocational	23,494	14,276	0	37,770
Title I Grants to Local Education Agencies	0	2,351,808	0	2,351,808
Special Education - Grants to States	9,332	1,365,398	0	1,374,730
Special Education Preschool Grants	0	56,063	0	56,063
Other Federal through State	149,344	772,574	0	921,918
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	91,772	0	0	91,772
Total Federal Government	\$ 375,776	\$ 4,728,105	\$ 1,897,308	\$ 7,001,189
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 1,500,000	\$ 0	\$ 0	\$ 1,500,000
Total Other Governments and Citizens Groups	\$ 1,500,000	\$ 0	\$ 0	\$ 1,500,000
Total	\$ 35,628,181	\$ 4,728,105	\$ 2,821,087	\$ 43,177,373

Exhibit J-7

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

General Fund

General Government

County Commission

Assistant(s)	\$	22,626	
Other Salaries & Wages		2,300	
Board and Committee Members Fees		95,632	
Social Security		7,008	
State Retirement		5,614	
Life Insurance		706	
Medical Insurance		26,368	
Employer Medicare		1,639	
Other Fringe Benefits		576	
Audit Services		11,100	
Communication		1,762	
Contracts with Government Agencies		948	
Dues and Memberships		1,800	
Legal Services		3,581	
Maintenance & Repair Services - Office Equipment		414	
Postal Charges		61	
Travel		15,494	
Office Supplies		766	
Office Equipment		1,079	
Total County Commission			\$ 199,474

Board of Equalization

Board and Committee Members Fees	\$	3,360	
Life Insurance		4	
Medical Insurance		558	
Travel		241	
Total Board of Equalization			4,163

County Mayor/Executive

County Official/Administrative Officer	\$	68,085	
Assistant(s)		90,849	
Other Salaries & Wages		3,043	
Social Security		9,647	
State Retirement		8,573	
Life Insurance		194	
Medical Insurance		15,466	
Employer Medicare		2,256	
Other Fringe Benefits		108	
Communication		3,651	
Dues and Memberships		1,600	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Legal Services	\$	237	
Legal Notices, Recording, and Court Costs		926	
Maintenance & Repair Services - Office Equipment		800	
Maintenance & Repair Services - Vehicles		205	
Postal Charges		390	
Travel		1,735	
Data Processing Supplies		880	
Office Supplies		2,079	
Premiums on Corporate Surety Bonds		675	
In Service/Staff Development		85	
Other Charges		2,113	
Office Equipment		1,513	
Total County Mayor/Executive			\$ 215,110

County Attorney

County Official/Administrative Officer	\$	25,901	
Social Security		1,402	
State Retirement		1,826	
Life Insurance		71	
Medical Insurance		9,765	
Employer Medicare		328	
Other Fringe Benefits		36	
Legal Notices, Recording, and Court Costs		3,000	
Total County Attorney			42,329

Election Commission

County Official/Administrative Officer	\$	57,662	
Supervisor/Director		27,937	
Data Processing Personnel		26,686	
Overtime Pay		9,849	
Election Commission		27,229	
Election Workers		56,495	
Social Security		7,221	
State Retirement		8,707	
Life Insurance		179	
Medical Insurance		14,733	
Employer Medicare		1,689	
Other Fringe Benefits		108	
Communication		3,177	
Data Processing Services		3,915	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Legal Notices, Recording, and Court Costs	\$	6,598	
Maintenance & Repair Services - Office Equipment		5,085	
Postal Charges		4,578	
Rentals		1,750	
Transportation - Other than Students		2,601	
Travel		10,675	
Office Supplies		8,717	
Utilities		4,522	
Other Charges		3,883	
Building Improvements		16,500	
Office Equipment		3,245	
Voting Machines		9,200	
Total Election Commission			\$ 322,941

Register of Deeds

County Official/Administrative Officer	\$	62,569	
Deputy(ies)		34,080	
Data Processing Personnel		51,000	
Social Security		8,391	
State Retirement		10,409	
Life Insurance		282	
Medical Insurance		29,878	
Employer Medicare		1,962	
Other Fringe Benefits		144	
Communication		2,292	
Contracts with Private Agencies		29,570	
Dues and Memberships		588	
Maintenance & Repair Services - Office Equipment		1,680	
Postal Charges		1,248	
Rentals		14,489	
Travel		20	
Data Processing Supplies		1,042	
Office Supplies		5,352	
Premiums on Corporate Surety Bonds		100	
Total Register of Deeds			255,096

County Buildings

Supervisor/Director	\$	38,443
Custodial Personnel		46,272
Part-time Personnel		3,785

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Social Security	\$	5,129	
State Retirement		6,255	
Life Insurance		179	
Medical Insurance		16,932	
Employer Medicare		1,200	
Other Fringe Benefits		108	
Communication		450	
Contracts with Private Agencies		1,568	
Maintenance & Repair Services - Buildings		12,637	
Maintenance & Repair Services - Equipment		14,270	
Pest Control		225	
Custodial Supplies		8,797	
Electricity		14,235	
Uniforms		1,963	
Water and Sewer		6,343	
Total County Buildings			\$ 178,791

Other Facilities

Maintenance & Repair Services - Buildings	\$	1,660	
Maintenance & Repair Services - Equipment		492	
Utilities		5,243	
Building and Contents Insurance		461	
Total Other Facilities			7,856

Finance

Accounting and Budgeting

Supervisor/Director	\$	64,862	
Accountants/Bookkeepers		399,517	
Overtime Pay		3,032	
Social Security		27,082	
State Retirement		32,611	
Life Insurance		805	
Medical Insurance		59,238	
Employer Medicare		6,334	
Other Fringe Benefits		432	
Communication		6,848	
Contracts with Private Agencies		3,010	
Data Processing Services		5,890	
Dues and Memberships		1,366	
Maintenance & Repair Services - Equipment		3,789	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Postal Charges	\$	7,382	
Travel		1,349	
Data Processing Supplies		10,985	
Office Supplies		3,984	
Premiums on Corporate Surety Bonds		225	
Office Equipment		4,787	
Total Accounting and Budgeting			\$ 643,528

Property Assessor's Office

County Official/Administrative Officer	\$	64,069	
Assessment Personnel		181,529	
Social Security		14,005	
State Retirement		17,285	
Life Insurance		508	
Medical Insurance		45,928	
Employer Medicare		3,275	
Other Fringe Benefits		288	
Communication		4,138	
Consultants		11,300	
Dues and Memberships		1,230	
Maintenance & Repair Services - Office Equipment		813	
Maintenance & Repair Services - Vehicles		134	
Postal Charges		2,390	
Travel		4,872	
Data Processing Supplies		5,417	
Gasoline		879	
Office Supplies		2,633	
Other Supplies and Materials		499	
Other Charges		3,700	
Office Equipment		813	
Total Property Assessor's Office			365,705

Reappraisal Program

Assessment Personnel	\$	30,314	
Social Security		1,879	
State Retirement		2,137	
Employer Medicare		440	
Total Reappraisal Program			34,770

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	62,569	
Supervisor/Director		26,524	
Deputy(ies)		36,202	
Data Processing Personnel		22,645	
Part-time Personnel		1,598	
Social Security		8,875	
State Retirement		10,430	
Life Insurance		276	
Medical Insurance		18,430	
Employer Medicare		2,076	
Other Fringe Benefits		144	
Communication		1,517	
Contracts with Private Agencies		350	
Data Processing Services		4,046	
Dues and Memberships		888	
Legal Notices, Recording, and Court Costs		120	
Maintenance & Repair Services - Office Equipment		530	
Postal Charges		8,000	
Travel		1,000	
Office Supplies		5,274	
Premiums on Corporate Surety Bonds		8,841	
Office Equipment		3,435	
Total County Trustee's Office			\$ 223,770

County Clerk's Office

County Official/Administrative Officer	\$	62,569
Supervisor/Director		108,881
Deputy(ies)		36,202
Data Processing Personnel		46,170
Clerical Personnel		72,473
Other Salaries & Wages		7,508
Social Security		19,900
State Retirement		22,073
Life Insurance		681
Medical Insurance		42,159
Employer Medicare		4,654
Other Fringe Benefits		396
Communication		7,814
Data Processing Services		9,188
Dues and Memberships		603

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Maintenance & Repair Services - Office Equipment	\$	6,856	
Postal Charges		8,161	
Rentals		6,000	
Travel		2,864	
Office Supplies		5,061	
Utilities		1,446	
Premiums on Corporate Surety Bonds		350	
Office Equipment		2,650	
Total County Clerk's Office			\$ 474,659

Other Finance

Audit Services	\$	11,750	
Contracts with Government Agencies		14,750	
Data Processing Services		11,900	
Legal Notices, Recording, and Court Costs		2,265	
Maintenance & Repair Services - Office Equipment		4,360	
Postal Charges		1,000	
Printing, Stationery, and Forms		1,674	
Rentals		4,800	
Data Processing Supplies		8,220	
Library Books/Media		646	
Utilities		4,232	
Other Supplies and Materials		4,954	
Building and Contents Insurance		15,491	
Liability Insurance		69,007	
Trustee's Commission		119,826	
Other Charges		2,520	
Office Equipment		10,629	
Total Other Finance			288,024

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	62,569	
Supervisor/Director		157,420	
Deputy(ies)		34,080	
Data Processing Personnel		55,573	
Clerical Personnel		7,197	
Part-time Personnel		13,651	
Overtime Pay		5,948	
Jury and Witness Fees		21,388	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Social Security	\$	20,119	
State Retirement		20,967	
Life Insurance		654	
Medical Insurance		43,552	
Employer Medicare		4,705	
Other Fringe Benefits		432	
Communication		4,870	
Data Processing Services		4,863	
Dues and Memberships		543	
Operating Lease Payments		5,450	
Maintenance & Repair Services - Office Equipment		3,506	
Postal Charges		8,800	
Travel		3,211	
Data Processing Supplies		737	
Office Supplies		8,254	
Uniforms		825	
Premiums on Corporate Surety Bonds		275	
Office Equipment		8,251	
Total Circuit Court			\$ 497,840

General Sessions Court

Judge(s)	\$	121,762	
Assistant(s)		25,855	
Social Security		8,278	
State Retirement		10,506	
Life Insurance		125	
Employer Medicare		2,140	
Other Fringe Benefits		72	
Communication		1,780	
Dues and Memberships		382	
Maintenance & Repair Services - Office Equipment		330	
Postal Charges		125	
Travel		1,505	
Library Books/Media		348	
Office Supplies		776	
Office Equipment		1,235	
Total General Sessions Court			175,219

Drug Court

Other Salaries & Wages	\$	27,448	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Social Security	\$	1,623	
State Retirement		1,935	
Life Insurance		40	
Medical Insurance		2,760	
Employer Medicare		380	
Other Fringe Benefits		18	
Communication		1,590	
Consultants		4,150	
Contracts with Private Agencies		4,947	
Postal Charges		106	
Rentals		3,000	
Travel		7,962	
Drugs and Medical Supplies		675	
Office Supplies		2,753	
Other Supplies and Materials		3,871	
Workers' Compensation Insurance		189	
In Service/Staff Development		264	
Other Charges		1,825	
Total Drug Court			\$ 65,536

Chancery Court

County Official/Administrative Officer	\$	62,569	
Supervisor/Director		29,904	
Deputy(ies)		33,643	
Data Processing Personnel		26,958	
Overtime Pay		4,470	
Social Security		9,000	
State Retirement		11,107	
Life Insurance		266	
Medical Insurance		22,124	
Employer Medicare		2,105	
Other Fringe Benefits		144	
Communication		1,342	
Dues and Memberships		453	
Postal Charges		2,000	
Travel		1,000	
Office Supplies		4,940	
Premiums on Corporate Surety Bonds		300	
Office Equipment		3,786	
Total Chancery Court			216,111

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General

Clerical Personnel	\$	17,474	
Social Security		1,083	
State Retirement		1,232	
Employer Medicare		253	
Other Fringe Benefits		36	
Contracts with Private Agencies		63,700	
Total District Attorney General			\$ 83,778

Other Administration of Justice

Rentals	\$	1,590	
Total Other Administration of Justice			1,590

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	33,946	
Assistant(s)		15,017	
Supervisor/Director		31,747	
Deputy(ies)		418,274	
Detective(s)		104,071	
Captain(s)		29,480	
Sergeant(s)		103,894	
Data Processing Personnel		47,577	
Part-time Personnel		13,145	
Overtime Pay		115,165	
Social Security		52,939	
State Retirement		61,909	
Life Insurance		1,582	
Medical Insurance		159,801	
Employer Medicare		12,381	
Other Fringe Benefits		1,080	
Communication		20,058	
Contracts with Private Agencies		760	
Dues and Memberships		1,650	
Evaluation and Testing		1,159	
Legal Notices, Recording, and Court Costs		268	
Maintenance & Repair Services - Equipment		4,190	
Maintenance & Repair Services - Vehicles		36,023	
Pest Control		235	
Postal Charges		806	
Rentals		3,309	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Tow-in Services	\$	1,420	
Travel		4,766	
Gasoline		110,679	
Law Enforcement Supplies		1,519	
Office Supplies		6,005	
Uniforms		7,365	
Liability Insurance		32,059	
Premiums on Corporate Surety Bonds		3,375	
Vehicle and Equipment Insurance		32,997	
In Service/Staff Development		4,300	
Motor Vehicles		24,992	
Total Sheriff's Department	\$		1,499,943

Special Patrols

School Resource Officer	\$	89,375	
Social Security		5,023	
State Retirement		6,301	
Life Insurance		203	
Medical Insurance		23,375	
Employer Medicare		1,175	
Evaluation and Testing		150	
Law Enforcement Supplies		7,475	
Uniforms		4,992	
Motor Vehicles		1,145	
Total Special Patrols			139,214

Traffic Control

Contracts with Private Agencies	\$	650	
Electricity		94	
Total Traffic Control			744

Wheel Tax Officer

Supervisor/Director	\$	7,218	
Social Security		415	
State Retirement		341	
Life Insurance		18	
Medical Insurance		1,773	
Employer Medicare		97	
Other Fringe Benefits		18	
Communication		528	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Wheel Tax Officer (Cont.)

Workers' Compensation Insurance	\$ 116	
Total Wheel Tax Officer		\$ 10,524

Administration of the Sexual Offender Registry

Other Charges	\$ 694	
Total Administration of the Sexual Offender Registry		694

Jail

County Official/Administrative Officer	\$ 33,947
Assistant(s)	15,017
Supervisor/Director	10,583
Captain(s)	38,957
Sergeant(s)	38,940
Data Processing Personnel	47,578
Medical Personnel	11,437
Guards	476,563
Cafeteria Personnel	19,220
Part-time Personnel	4,779
Overtime Pay	79,383
Social Security	45,562
State Retirement	53,109
Life Insurance	1,466
Medical Insurance	118,354
Employer Medicare	10,656
Other Fringe Benefits	1,044
Communication	3,277
Data Processing Services	9,100
Evaluation and Testing	2,520
Maintenance & Repair Services - Buildings	9,782
Maintenance & Repair Services - Equipment	3,659
Maintenance & Repair Services - Office Equipment	1,828
Medical and Dental Services	506,453
Pest Control	800
Postal Charges	500
Travel	4,882
Electricity	65,616
Food Preparation Supplies	35,575
Food Supplies	132,797
Natural Gas	32,418
Office Supplies	4,266

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Prisoners Clothing	\$	5,585	
Uniforms		13,373	
Water and Sewer		58,348	
Other Supplies and Materials		8,163	
Building and Contents Insurance		12,266	
Liability Insurance		129,488	
Vehicle and Equipment Insurance		3,666	
Workers' Compensation Insurance		25,017	
In Service/Staff Development		676	
Communication Equipment		1,680	
Office Equipment		14,818	
Other Equipment		4,246	
Total Jail			\$ 2,097,394

Juvenile Services

Youth Service Officer(s)	\$	17,012	
Social Security		1,055	
Employer Medicare		247	
Other Fringe Benefits		36	
Contracts with Government Agencies		6,440	
Travel		235	
Office Supplies		200	
Office Equipment		380	
Total Juvenile Services			25,605

Fire Prevention and Control

Contributions	\$	79,457	
Liability Insurance		5,757	
Vehicle and Equipment Insurance		28,913	
Workers' Compensation Insurance		2,650	
Total Fire Prevention and Control			116,777

Civil Defense

Communication	\$	631	
Maintenance & Repair Services - Vehicles		284	
Gasoline		1,436	
Other Supplies and Materials		74,318	
Vehicle and Equipment Insurance		3,036	
Motor Vehicles		63,290	
Other Equipment		4,875	
Total Civil Defense			147,870

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad

Contributions	\$	24,643	
Liability Insurance		400	
Vehicle and Equipment Insurance		34,574	
Workers' Compensation Insurance		4,983	
Total Rescue Squad			\$ 64,600

Other Emergency Management

Communication	\$	1,500	
Contracts with Government Agencies		179,710	
Total Other Emergency Management			181,210

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	4,396	
Social Security		106	
Life Insurance		71	
Medical Insurance		8,289	
Employer Medicare		25	
Other Fringe Benefits		36	
Contracts with Vehicle Owners		10,038	
Premiums on Corporate Surety Bonds		340	
Total County Coroner/Medical Examiner			23,301

Other Public Safety

Deputy(ies)	\$	10,391	
Salary Supplements		12,449	
Guards		56,371	
Overtime Pay		3,271	
Other Salaries & Wages		32,270	
Social Security		6,255	
State Retirement		1,469	
Medical Insurance		3,597	
Employer Medicare		1,463	
Other Fringe Benefits		72	
Postal Charges		5,496	
Law Enforcement Supplies		625	
Total Other Public Safety			133,729

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	12,667	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Social Security	\$	626	
State Retirement		893	
Life Insurance		71	
Medical Insurance		7,625	
Employer Medicare		146	
Other Fringe Benefits		36	
Communication		3,562	
Contracts with Private Agencies		1,066	
Dues and Memberships		250	
Operating Lease Payments		2,372	
Maintenance & Repair Services - Buildings		7,829	
Maintenance & Repair Services - Office Equipment		3,194	
Pest Control		315	
Postal Charges		2,495	
Custodial Supplies		4,324	
Drugs and Medical Supplies		1,994	
Electricity		9,118	
Natural Gas		2,924	
Office Supplies		7,314	
Water and Sewer		1,616	
Other Supplies and Materials		25	
Building and Contents Insurance		1,750	
In Service/Staff Development		350	
Office Equipment		<u>1,978</u>	
Total Local Health Center			\$ 74,540

Ambulance/Emergency Medical Services

Drugs and Medical Supplies	\$	<u>79</u>	
Total Ambulance/Emergency Medical Services			79

Dental Health Program

Drugs and Medical Supplies	\$	<u>3,937</u>	
Total Dental Health Program			3,937

Alcohol and Drug Programs

Contracts with Private Agencies	\$	<u>37,213</u>	
Total Alcohol and Drug Programs			37,213

Other Local Health Services

Social Workers	\$	86,035	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Medical Personnel	\$	153,215	
Clerical Personnel		80,909	
Social Security		18,692	
State Retirement		20,684	
Life Insurance		642	
Medical Insurance		51,765	
Employer Medicare		4,371	
Other Fringe Benefits		504	
Travel		12,139	
Liability Insurance		2,001	
Workers' Compensation Insurance		805	
Total Other Local Health Services			\$ 431,762

Appropriation to State

Contracts with Other Public Agencies	\$	13,350	
Maintenance & Repair Services - Buildings		7,648	
Total Appropriation to State			20,998

General Welfare Assistance

Pauper Burials	\$	6,800	
Other Charges		59,999	
Total General Welfare Assistance			66,799

Postclosure Care Costs

Other Salaries & Wages	\$	1,157	
Social Security		72	
State Retirement		82	
Employer Medicare		17	
Other Supplies and Materials		1,660	
Other Equipment		10,400	
Total Postclosure Care Costs			13,388

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$	21,117	
Social Security		1,309	
Employer Medicare		306	
Other Fringe Benefits		72	
Contributions		12,800	
Office Supplies		904	
Total Senior Citizens Assistance			36,508

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Contributions	\$ 36,000	
Total Libraries		\$ 36,000

Other Social, Cultural, and Recreational

Contributions	\$ 19,200	
Utilities	120	
Other Charges	12,500	
Total Other Social, Cultural, and Recreational		31,820

Agriculture & Natural Resources

Agriculture Extension Service

Communication	\$ 1,699	
Contracts with Government Agencies	45,600	
Maintenance & Repair Services - Office Equipment	783	
Postal Charges	100	
Total Agriculture Extension Service		48,182

Soil Conservation

Dues and Memberships	\$ 250	
Total Soil Conservation		250

Other Operations

Industrial Development

Consultants	\$ 2,500	
Other Supplies and Materials	384	
Other Charges	2,995	
Total Industrial Development		5,879

Airport

Supervisor/Director	\$ 15,600	
Medical Insurance	3,597	
Other Fringe Benefits	36	
Communication	1,501	
Maintenance & Repair Services - Buildings	15,996	
Electricity	6,958	
Water and Sewer	298	
Liability Insurance	3,175	
Total Airport		47,161

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

Supervisor/Director	\$	29,702	
Secretary(ies)		24,594	
Clerical Personnel		10,814	
Social Security		3,962	
State Retirement		4,590	
Life Insurance		195	
Medical Insurance		11,222	
Employer Medicare		927	
Other Fringe Benefits		108	
Communication		1,821	
Data Processing Services		906	
Maintenance & Repair Services - Office Equipment		760	
Postal Charges		1,200	
Travel		3,017	
Office Supplies		749	
Uniforms		554	
Office Equipment		3,529	
Total Veterans' Services			\$ 98,650

Contributions to Other Agencies

Contributions	\$	72,672	
Other Supplies and Materials		7,763	
Total Contributions to Other Agencies			80,435

Employee Benefits

Other Salaries & Wages	\$	4,453	
Social Security		42	
State Retirement		48	
Unemployment Compensation		24,526	
Employer Medicare		10	
Contracts with Private Agencies		2,071	
Data Processing Services		1,700	
Workers' Compensation Insurance		58,894	
Total Employee Benefits			91,744

Miscellaneous

Part-time Personnel	\$	22,393	
Social Security		1,388	
Employer Medicare		325	
Travel		500	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Other Charges	\$ 4,417	
Total Miscellaneous		\$ 29,023

Instruction

Regular Instruction Program

Contributions	\$ 72,865	
Total Regular Instruction Program		<u>72,865</u>

Total General Fund		\$ 9,965,128
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Solid Waste/Sanitation Fund

Public Health and Welfare

Rabies and Animal Control

Supervisor/Director	\$ 10,300	
Deputy(ies)	25,334	
Attendants	14,847	
Social Security	3,081	
State Retirement	2,580	
Life Insurance	76	
Medical Insurance	751	
Employer Medicare	721	
Other Fringe Benefits	72	
Communication	1,380	
Licenses	370	
Maintenance & Repair Services - Equipment	1,150	
Maintenance & Repair Services - Vehicles	50	
Disposal Fees	317	
Animal Food and Supplies	639	
Drugs and Medical Supplies	2,286	
Gasoline	2,206	
Law Enforcement Supplies	130	
Utilities	11,992	
Building and Contents Insurance	487	
Vehicle and Equipment Insurance	2,024	
Other Construction	885	
Total Rabies and Animal Control		\$ 81,678

Sanitation Management

Supervisor/Director	\$ 46,299
Data Processing Personnel	48,484

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Social Security	\$	5,437	
State Retirement		6,707	
Life Insurance		212	
Medical Insurance		20,826	
Unemployment Compensation		3,330	
Employer Medicare		1,271	
Other Fringe Benefits		108	
Communication		404	
Postal Charges		500	
Travel		310	
Disposal Fees		35,572	
Office Supplies		118	
Building and Contents Insurance		2,487	
Liability Insurance		2,550	
Trustee's Commission		40,527	
Vehicle and Equipment Insurance		30,370	
Workers' Compensation Insurance		66,402	
Office Equipment		1,000	
Total Sanitation Management			\$ 312,914

Sanitation Education/Information

Deputy(ies)	\$	54,121	
Other Salaries & Wages		4,800	
Social Security		3,386	
State Retirement		4,121	
Life Insurance		141	
Medical Insurance		9,765	
Employer Medicare		792	
Other Fringe Benefits		72	
Communication		1,456	
Maintenance & Repair Services - Vehicles		1,068	
Gasoline		5,348	
Instructional Supplies and Materials		2,821	
Total Sanitation Education/Information			87,891

Convenience Centers

Foremen	\$	36,810
Mechanic(s)		24,132
Truck Drivers		132,556
Attendants		271,851

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Overtime Pay	\$	40,249	
Social Security		29,938	
State Retirement		33,237	
Life Insurance		1,254	
Medical Insurance		102,032	
Employer Medicare		7,002	
Other Fringe Benefits		1,008	
Communication		4,576	
Contracts with Private Agencies		403,429	
Maintenance & Repair Services - Equipment		1,237	
Maintenance & Repair Services - Vehicles		37,364	
Rentals		5,686	
Travel		364	
Custodial Supplies		881	
Diesel Fuel		86,609	
Gasoline		1,338	
Office Supplies		135	
Uniforms		9,936	
Utilities		6,217	
Land		4,017	
Solid Waste Equipment		17,000	
Total Convenience Centers			\$ 1,258,858

Transfer Stations

Equipment Operators	\$	23,848	
Overtime Pay		1,926	
Social Security		1,414	
State Retirement		1,817	
Life Insurance		65	
Medical Insurance		6,946	
Employer Medicare		331	
Other Fringe Benefits		36	
Licenses		1,000	
Rentals		616	
Total Transfer Stations			37,999

Recycling Center

Foremen	\$	30,754
Equipment Operators		21,757
Truck Drivers		50,163

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center (Cont.)

Laborers	\$	51,147	
Overtime Pay		3,613	
Social Security		9,169	
State Retirement		11,039	
Life Insurance		431	
Medical Insurance		26,327	
Employer Medicare		2,144	
Other Fringe Benefits		252	
Communication		1,829	
Maintenance & Repair Services - Buildings		825	
Maintenance & Repair Services - Equipment		9,937	
Maintenance & Repair Services - Vehicles		7,821	
Pest Control		384	
Travel		69	
Custodial Supplies		1,497	
Diesel Fuel		13,247	
Gasoline		3,796	
Office Supplies		1,045	
Uniforms		8,209	
Utilities		14,418	
Wire		2,215	
Solid Waste Equipment		345	
Total Recycling Center			\$ 272,433

Other Waste Disposal

Foremen	\$	25,854	
Equipment Operators		35,323	
Nightwatchmen		18,027	
Overtime Pay		5,710	
Social Security		4,828	
State Retirement		5,713	
Life Insurance		264	
Medical Insurance		22,911	
Employer Medicare		1,129	
Other Fringe Benefits		180	
Licenses		2,083	
Utilities		3,227	
Other Supplies and Materials		411	
Total Other Waste Disposal			125,660

Total Solid Waste/Sanitation Fund \$ 2,177,433

(Continued)

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

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$	62,054
Medical Personnel		633,380
Clerical Personnel		71,055
Maintenance Personnel		18,791
Part-time Personnel		79,595
Overtime Pay		71,713
Other Salaries & Wages		18,735
Social Security		56,523
State Retirement		61,494
Life Insurance		1,603
Medical Insurance		142,044
Unemployment Compensation		1,173
Employer Medicare		13,219
Other Fringe Benefits		1,440
Communication		14,179
Contracts with Government Agencies		100,000
Data Processing Services		3,000
Dues and Memberships		270
Operating Lease Payments		1,072
Licenses		1,150
Maintenance & Repair Services - Buildings		1,806
Maintenance & Repair Services - Equipment		6,540
Maintenance & Repair Services - Vehicles		18,105
Postal Charges		2,400
Travel		929
Custodial Supplies		2,692
Diesel Fuel		42,984
Drugs and Medical Supplies		35,259
Gasoline		1,505
Office Supplies		3,492
Uniforms		7,073
Utilities		12,438
Building and Contents Insurance		347
Liability Insurance		1,450
Refunds		24,091
Trustee's Commission		19,389
Vehicle and Equipment Insurance		10,124
Workers' Compensation Insurance		96,266
In Service/Staff Development		9,391
Other Charges		514

(Continued)

Exhibit J-7

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Building Improvements	\$	72	
Motor Vehicles		154,793	
Office Equipment		8,282	
Health Equipment		15,112	
Total Ambulance/Emergency Medical Services			\$ 1,827,544

Total Ambulance Service Fund \$ 1,827,544

Industrial/Economic Development Fund

General Government

Development

Board and Committee Members Fees	\$	3,863	
Social Security		97	
State Retirement		95	
Employer Medicare		23	
Travel		344	
Trustee's Commission		103	
Other Charges		150	
Total Development			\$ 4,675

Planning

Board and Committee Members Fees	\$	6,350	
Social Security		153	
State Retirement		93	
Employer Medicare		36	
Contributions		10,500	
Legal Services		4,873	
Travel		1,063	
Total Planning			23,068

Other Facilities

Contracts with Private Agencies	\$	4,825	
Maintenance & Repair Services - Equipment		26	
Total Other Facilities			4,851

Other Operations

Tourism

Contributions	\$	10,000	
Total Tourism			10,000

(Continued)

Exhibit J-7

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

Industrial/Economic Development Fund (Cont.)

Other Operations (Cont.)

Industrial Development

Communication	\$	1,980	
Contributions		67,000	
Dues and Memberships		6,056	
Legal Notices, Recording, and Court Costs		360	
Travel		2,221	
Other Contracted Services		6,927	
Other Supplies and Materials		629	
Building and Contents Insurance		3,560	
Trustee's Commission		2,668	
Other Charges		882	
Office Equipment		825	
Total Industrial Development			\$ 93,108

Other Economic and Community Development

Supervisor/Director	\$	25,415	
Part-time Personnel		12,415	
Other Salaries & Wages		38,728	
Social Security		4,278	
State Retirement		4,522	
Life Insurance		141	
Medical Insurance		18,068	
Employer Medicare		1,055	
Fiscal Agent Charges		12,188	
Maintenance & Repair Services - Office Equipment		500	
Postal Charges		549	
Travel		4,100	
Office Supplies		2,694	
Workers' Compensation Insurance		672	
Other Charges		124,711	
Office Equipment		1,200	
Total Other Economic and Community Development			251,236

Total Industrial/Economic Development Fund \$ 386,938

Drug Control Fund

Public Safety

Drug Enforcement

Overtime Pay	\$	18,353	
Social Security		1,138	
State Retirement		1,294	

(Continued)

Exhibit J-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Employer Medicare	\$	266	
Communication		2,941	
Confidential Drug Enforcement Payments		14,000	
Operating Lease Payments		9,521	
Maintenance & Repair Services - Vehicles		3,316	
Rentals		2,178	
Tow-in Services		491	
Travel		1,360	
Veterinary Services		459	
Animal Food and Supplies		770	
Gasoline		7,069	
Law Enforcement Supplies		12,226	
Uniforms		2,427	
Workers' Compensation Insurance		1,025	
In Service/Staff Development		2,986	
Motor Vehicles		<u>22,264</u>	
Total Drug Enforcement			\$ <u>104,084</u>

Total Drug Control Fund \$ 104,084

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Bank Charges	\$	<u>27</u>	
Total Register of Deeds			\$ 27

Finance

County Clerk's Office

Bank Charges	\$	<u>51</u>	
Total County Clerk's Office			51

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	<u>17,750</u>	
Total Chancery Court			<u>17,750</u>

Total Constitutional Officers - Fees Fund 17,828

(Continued)

Exhibit J-7

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	68,826	
Assistant(s)		62,238	
Social Security		7,745	
State Retirement		9,222	
Life Insurance		125	
Medical Insurance		17,391	
Employer Medicare		1,811	
Other Fringe Benefits		108	
Dues and Memberships		4,026	
Maintenance & Repair Services - Equipment		307	
Postal Charges		236	
Printing, Stationery, and Forms		100	
Travel		1,350	
Office Supplies		1,804	
Office Equipment		1,290	
Total Administration			\$ 176,579

Highway and Bridge Maintenance

Foremen	\$	95,350	
Equipment Operators		103,048	
Truck Drivers		212,549	
Laborers		142,923	
Overtime Pay		11,634	
Social Security		32,776	
State Retirement		39,229	
Life Insurance		1,413	
Medical Insurance		107,713	
Employer Medicare		7,665	
Other Fringe Benefits		936	
Contracts with Private Agencies		28,604	
Asphalt - Cold Mix		25,661	
Asphalt - Hot Mix		720,589	
Concrete		4,462	
Fertilizer, Lime, and Seed		941	
General Construction Materials		2,800	
Pipe - Metal		14,562	
Road Signs		9,298	
Wood Products		23	
Other Charges		6,825	
Total Highway and Bridge Maintenance			1,569,001

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Mechanic(s)	\$	53,227	
Laborers		46,104	
Overtime Pay		1,306	
Social Security		5,580	
State Retirement		7,095	
Life Insurance		266	
Medical Insurance		27,973	
Employer Medicare		1,305	
Other Fringe Benefits		144	
Maintenance & Repair Services - Vehicles		182	
Diesel Fuel		275,930	
Equipment Parts - Heavy		37,876	
Equipment and Machinery Parts		38,413	
Garage Supplies		847	
Gasoline		216,952	
Lubricants		3,165	
Natural Gas		2,630	
Tires and Tubes		23,371	
Total Operation and Maintenance of Equipment	\$		742,366

Quarry Operations

Foremen	\$	26,790	
Truck Drivers		22,880	
Laborers		60,219	
Overtime Pay		330	
Social Security		6,493	
State Retirement		7,770	
Life Insurance		323	
Medical Insurance		20,704	
Employer Medicare		1,518	
Other Fringe Benefits		180	
Explosive and Drilling Services		30,478	
Licenses		2,575	
Electricity		28,206	
Total Quarry Operations			208,466

Traffic Control

Overtime Pay	\$	5,588	
Social Security		346	
State Retirement		394	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Traffic Control (Cont.)

Employer Medicare	\$	81	
Engineering Services		38,692	
Matching Share		86,577	
Asphalt - Hot Mix		53,076	
Other Charges		246,183	
Highway Construction		300,665	
Highway Equipment		125,336	
Other Capital Outlay		23,873	
Total Traffic Control			\$ 880,811

Other Charges

Communication	\$	9,038	
Electricity		4,355	
Uniforms		16,115	
Water and Sewer		931	
Building and Contents Insurance		1,607	
Liability Insurance		41,731	
Trustee's Commission		30,350	
Vehicle and Equipment Insurance		20,473	
Total Other Charges			124,600

Employee Benefits

Unemployment Compensation	\$	6,624	
Medical and Dental Services		75	
Workers' Compensation Insurance		71,777	
Total Employee Benefits			78,476

Capital Outlay

Highway Equipment	\$	38,735	
Right-of-Way		5,500	
Total Capital Outlay			44,235

Principal on Debt

Highways and Streets

Principal on Notes	\$	626,595	
Total Highways and Streets			626,595

Interest on Debt

Highways and Streets

Interest on Notes	\$	13,217	
Total Highways and Streets			13,217

Total Highway/Public Works Fund \$ 4,464,346

(Continued)

Exhibit J-7

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 118,450	
Total General Government		\$ 118,450

Education

Principal on Bonds	\$ 1,361,550	
Principal on Other Loans	<u>175,000</u>	
Total Education		1,536,550

Interest on Debt

General Government

Interest on Bonds	\$ 16,043	
Interest on Other Loans	<u>185,981</u>	
Total General Government		202,024

Education

Interest on Bonds	\$ 133,459	
Interest on Other Loans	<u>842,359</u>	
Total Education		975,818

Other Debt Service

General Government

Trustee's Commission	\$ 25,574	
Other Debt Issuance Charges	94,748	
Other Debt Service	<u>875</u>	
Total General Government		<u>121,197</u>

Total General Debt Service Fund		\$ 2,954,039
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General Capital Projects Fund

Capital Projects

General Administration Projects

Engineering Services	\$ 1,800	
Trustee's Commission	9,433	
Building Improvements	<u>83,639</u>	
Total General Administration Projects		\$ 94,872

Public Safety Projects

Architects	\$ 18,021	
Building Improvements	879,600	
Land	95,000	

(Continued)

Exhibit J-7

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Public Safety Projects (Cont.)

Motor Vehicles	\$	67,425	
Site Development		15,716	
Other Capital Outlay		<u>5,000</u>	
Total Public Safety Projects	\$		1,080,762

Public Health and Welfare Projects

Site Development	\$	3,550	
Other Capital Outlay		<u>45,475</u>	
Total Public Health and Welfare Projects			49,025

Social, Cultural, and Recreation Projects

Engineering Services	\$	791	
Matching Share		3,431	
Other Capital Outlay		<u>2,216</u>	
Total Social, Cultural, and Recreation Projects			6,438

Highway & Street Capital Projects

Highway Construction	\$	<u>2,163</u>	
Total Highway & Street Capital Projects			<u>2,163</u>

Total General Capital Projects Fund \$ 1,233,260

Other Capital Projects Fund

Capital Projects

Public Safety Projects

Architects	\$	44,775	
Matching Share		18,150	
Airport Improvement		71,173	
Highway Construction		<u>242</u>	
Total Public Safety Projects	\$		134,340

Education Capital Projects

Contributions	\$	1,500,000	
Building Construction		<u>14,401,699</u>	
Total Education Capital Projects			<u>15,901,699</u>

Total Other Capital Projects Fund 16,036,039

Total Governmental Funds - Primary Government \$ 39,166,639

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 11,130,522	
Career Ladder Program	240,610	
Career Ladder Extended Contracts	62,500	
Homebound Teachers	35,578	
Educational Assistants	355,187	
Other Salaries & Wages	7,362	
Certified Substitute Teachers	70,398	
Non-certified Substitute Teachers	228,708	
Social Security	709,997	
State Retirement	718,513	
Life Insurance	26,110	
Medical Insurance	2,091,422	
Employer Medicare	166,047	
Instructional Supplies and Materials	128,711	
Textbooks	427,092	
Other Supplies and Materials	14,241	
Regular Instruction Equipment	16,320	
Total Regular Instruction Program		\$ 16,429,318

Alternative Instruction Program

Teachers	\$ 144,092	
Social Security	8,818	
State Retirement	8,833	
Life Insurance	244	
Medical Insurance	3,789	
Employer Medicare	2,062	
Total Alternative Instruction Program		167,838

Special Education Program

Teachers	\$ 1,255,972
Career Ladder Program	20,500
Career Ladder Extended Contracts	5,000
Homebound Teachers	30,767
Educational Assistants	63,618
Non-certified Substitute Teachers	30,960
Social Security	83,100
State Retirement	83,742
Life Insurance	3,112
Medical Insurance	239,574

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	19,435	
Contracts with Private Agencies		64,188	
Instructional Supplies and Materials		9,835	
Special Education Equipment		1,968	
Total Special Education Program			\$ 1,911,771

Vocational Education Program

Teachers	\$	1,106,592	
Career Ladder Program		21,500	
Certified Substitute Teachers		330	
Non-certified Substitute Teachers		25,472	
Social Security		67,951	
State Retirement		67,121	
Life Insurance		2,533	
Medical Insurance		221,406	
Employer Medicare		15,892	
Maintenance & Repair Services - Equipment		5,325	
Instructional Supplies and Materials		25,389	
Vocational Instruction Equipment		21,107	
Total Vocational Education Program			1,580,618

Adult Education Program

Teachers	\$	57,836	
Other Salaries & Wages		17,021	
Social Security		4,641	
State Retirement		118	
Employer Medicare		1,085	
Instructional Supplies and Materials		28,330	
Other Equipment		17,408	
Total Adult Education Program			126,439

Support Services

Attendance

Supervisor/Director	\$	34,807	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		2,000	
Clerical Personnel		13,450	
Social Security		3,261	
State Retirement		3,388	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Life Insurance	\$	82	
Medical Insurance		2,067	
Employer Medicare		763	
Total Attendance			\$ 62,818

Health Services

Medical Personnel	\$	97,855	
Other Salaries & Wages		26,874	
Social Security		7,218	
State Retirement		7,072	
Life Insurance		255	
Medical Insurance		23,194	
Employer Medicare		1,688	
Travel		4,730	
Drugs and Medical Supplies		2,458	
Other Supplies and Materials		33,832	
Total Health Services			205,176

Other Student Support

Career Ladder Program	\$	11,000	
Guidance Personnel		503,004	
Career Ladder Extended Contracts		3,500	
Social Workers		14,677	
Attendants		46,836	
Other Salaries & Wages		162,250	
Social Security		44,246	
State Retirement		44,903	
Life Insurance		1,084	
Medical Insurance		82,272	
Employer Medicare		10,348	
Contracts with Government Agencies		2,685	
Evaluation and Testing		21,268	
Other Contracted Services		93,966	
Total Other Student Support			1,042,039

Regular Instruction Program

Supervisor/Director	\$	135,109
Career Ladder Program		11,500
Librarians		386,625

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Materials Supervisor	\$	40,598	
Instructional Computer Personnel		88,213	
Secretary(ies)		26,899	
Educational Assistants		33,565	
Other Salaries & Wages		6,000	
In-Service Training		13,500	
Social Security		43,912	
State Retirement		47,123	
Life Insurance		1,387	
Medical Insurance		103,461	
Employer Medicare		10,250	
Maintenance & Repair Services - Equipment		32,829	
Travel		12,209	
Library Books/Media		46,804	
Other Supplies and Materials		101,814	
In Service/Staff Development		3,783	
Other Charges		48,984	
Other Equipment		146,959	
Total Regular Instruction Program			\$ 1,341,524

Special Education Program

Supervisor/Director	\$	69,614	
Career Ladder Program		5,000	
Psychological Personnel		44,136	
Assessment Personnel		97,272	
Clerical Personnel		51,070	
Social Security		16,135	
State Retirement		16,852	
Life Insurance		435	
Medical Insurance		22,374	
Employer Medicare		3,774	
Maintenance & Repair Services - Equipment		4,997	
Travel		20,100	
Other Supplies and Materials		891	
Other Charges		10,614	
Total Special Education Program			363,264

Vocational Education Program

Supervisor/Director	\$	69,614	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Career Ladder Program	\$	2,000	
Career Ladder Extended Contracts		2,000	
Secretary(ies)		26,899	
Other Salaries & Wages		4,390	
Social Security		6,376	
State Retirement		6,712	
Life Insurance		143	
Medical Insurance		4,134	
Employer Medicare		1,491	
Travel		15,499	
Other Supplies and Materials		5,042	
In Service/Staff Development		13,500	
Other Charges		1,667	
Total Vocational Education Program			\$ 159,467

Adult Programs

Clerical Personnel	\$	23,588	
Social Security		1,356	
State Retirement		1,663	
Life Insurance		71	
Medical Insurance		3,482	
Employer Medicare		317	
Travel		3,500	
In Service/Staff Development		2,336	
Other Charges		14,473	
Total Adult Programs			50,786

Board of Education

Secretary to Board	\$	6,000	
Other Salaries & Wages		6,680	
Board and Committee Members Fees		63,032	
Social Security		4,674	
State Retirement		1,154	
Life Insurance		442	
Medical Insurance		40,651	
Employer Medicare		1,093	
Audit Services		10,400	
Dues and Memberships		6,207	
Legal Services		79,340	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Travel	\$	19,689	
Other Contracted Services		3,400	
Liability Insurance		77,230	
Premiums on Corporate Surety Bonds		298	
Trustee's Commission		195,092	
Workers' Compensation Insurance		218,975	
Criminal Investigation of Applicants - TBI		6,144	
Other Charges		5,191	
Total Board of Education			\$ 745,692

Director of Schools

County Official/Administrative Officer	\$	97,963	
Assistant(s)		2,000	
Career Ladder Program		3,000	
Secretary(ies)		26,899	
Clerical Personnel		23,037	
Other Salaries & Wages		2,400	
Social Security		8,976	
State Retirement		9,989	
Life Insurance		203	
Medical Insurance		7,239	
Unemployment Compensation		35,961	
Employer Medicare		2,262	
Communication		10,693	
Dues and Memberships		2,267	
Postal Charges		4,486	
Travel		1,165	
Other Contracted Services		4,174	
Office Supplies		4,750	
Total Director of Schools			247,464

Office of the Principal

Principals	\$	782,465	
Career Ladder Program		27,500	
Career Ladder Extended Contracts		5,000	
Assistant Principals		466,028	
Secretary(ies)		348,119	
Other Salaries & Wages		56,755	
Social Security		98,956	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

State Retirement	\$	106,979	
Life Insurance		3,249	
Medical Insurance		273,961	
Employer Medicare		23,143	
Other Charges		14,644	
Total Office of the Principal			\$ 2,206,799

Fiscal Services

Other Charges	\$	98,684	
Total Fiscal Services			98,684

Operation of Plant

Custodial Personnel	\$	834,742	
Social Security		46,792	
State Retirement		58,330	
Life Insurance		2,667	
Medical Insurance		239,755	
Employer Medicare		10,943	
Other Contracted Services		14,853	
Custodial Supplies		76,946	
Electricity		956,733	
Natural Gas		207,159	
Water and Sewer		185,122	
Building and Contents Insurance		227,979	
Total Operation of Plant			2,862,021

Maintenance of Plant

Supervisor/Director	\$	38,812	
Maintenance Personnel		265,738	
Social Security		17,060	
State Retirement		20,797	
Life Insurance		729	
Medical Insurance		80,378	
Employer Medicare		3,990	
Maintenance & Repair Services - Buildings		118,640	
Maintenance & Repair Services - Vehicles		2,941	
Other Contracted Services		797	
Gasoline		7,815	
Total Maintenance of Plant			557,697

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	33,525	
Bus Drivers		15,197	
Clerical Personnel		13,450	
Social Security		3,796	
State Retirement		3,311	
Life Insurance		250	
Medical Insurance		33,007	
Employer Medicare		888	
Contracts with Vehicle Owners		987,656	
Maintenance & Repair Services - Vehicles		2,463	
Medical and Dental Services		1,291	
Travel		730	
Gasoline		1,782	
Vehicle and Equipment Insurance		66,725	
Other Charges		3,392	
Transportation Equipment		44,728	
Total Transportation			\$ 1,212,191

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	46,530	
Teachers		29,160	
Educational Assistants		15,120	
Other Salaries & Wages		148,195	
Social Security		14,379	
State Retirement		12,251	
Life Insurance		135	
Medical Insurance		16,634	
Employer Medicare		3,363	
Travel		8,796	
Other Contracted Services		12,836	
Instructional Supplies and Materials		4,670	
Other Supplies and Materials		119,437	
In Service/Staff Development		1,421	
Other Charges		10,318	
Total Community Services			443,245

Early Childhood Education

Teachers	\$	369,064	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Career Ladder Program	\$	8,000	
Educational Assistants		101,109	
Non-certified Substitute Teachers		4,318	
Social Security		27,991	
State Retirement		28,638	
Life Insurance		1,571	
Medical Insurance		126,018	
Employer Medicare		6,546	
Other Contracted Services		500	
Other Supplies and Materials		134,493	
In Service/Staff Development		8,613	
Other Charges		490	
Total Early Childhood Education			\$ 817,351

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	24,710	
Other Charges		179,456	
Building Construction		197,800	
Land		267,500	
Other Capital Outlay		153,029	
Total Regular Capital Outlay			822,495

Other Debt Service

Education

Other Debt Service	\$	1,250,000	
Total Education			<u>1,250,000</u>

Total General Purpose School Fund \$ 34,704,697

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,271,748	
Educational Assistants		124,615	
Other Salaries & Wages		42,288	
Certified Substitute Teachers		688	
Non-certified Substitute Teachers		22,245	
Social Security		85,947	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

State Retirement	\$	87,360	
Life Insurance		3,798	
Medical Insurance		268,325	
Employer Medicare		20,166	
Instructional Supplies and Materials		91,973	
Textbooks		4,010	
Other Supplies and Materials		176,505	
Other Charges		3,630	
Total Regular Instruction Program			\$ 2,203,298

Special Education Program

Teachers	\$	276,863	
Educational Assistants		390,679	
Other Salaries & Wages		17,929	
Social Security		38,728	
State Retirement		43,180	
Life Insurance		2,165	
Medical Insurance		189,198	
Employer Medicare		9,057	
Contracts with Private Agencies		144,270	
Other Supplies and Materials		59,096	
In Service/Staff Development		4,322	
Total Special Education Program			1,175,487

Vocational Education Program

Educational Assistants	\$	21,685	
Other Salaries & Wages		1,700	
Social Security		1,173	
State Retirement		1,633	
Life Insurance		125	
Medical Insurance		13,283	
Employer Medicare		274	
Instructional Supplies and Materials		61,585	
Other Supplies and Materials		7,000	
Vocational Instruction Equipment		21,848	
Total Vocational Education Program			130,306

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services

Attendance

Social Workers	\$	15,868	
Social Security		984	
State Retirement		1,119	
Life Insurance		72	
Employer Medicare		230	
Total Attendance			\$ 18,273

Health Services

Medical Personnel	\$	28,341	
Social Security		1,757	
State Retirement		1,998	
Life Insurance		125	
Employer Medicare		411	
Other Supplies and Materials		678	
Total Health Services			33,310

Other Student Support

Social Workers	\$	36,989	
Other Salaries & Wages		35,888	
Social Security		4,499	
State Retirement		3,227	
Life Insurance		107	
Medical Insurance		11,323	
Employer Medicare		1,052	
Travel		247	
Other Contracted Services		14,867	
Other Supplies and Materials		19,703	
Other Charges		3,591	
Total Other Student Support			131,493

Regular Instruction Program

Supervisor/Director	\$	71,534
Secretary(ies)		26,899
Clerical Personnel		14,286
Other Salaries & Wages		126,441
In-Service Training		14,742
Non-certified Substitute Teachers		1,128
Social Security		14,926
State Retirement		14,254

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Life Insurance	\$	302	
Medical Insurance		34,063	
Employer Medicare		3,579	
Consultants		12,745	
Maintenance & Repair Services - Equipment		2,880	
Travel		22,098	
Other Supplies and Materials		77,079	
In Service/Staff Development		145,097	
Other Charges		888	
Total Regular Instruction Program			\$ 582,941

Special Education Program

Psychological Personnel	\$	89,816	
Clerical Personnel		22,960	
Social Security		6,635	
State Retirement		7,124	
Life Insurance		235	
Medical Insurance		19,801	
Employer Medicare		1,552	
In Service/Staff Development		10,000	
Total Special Education Program			158,123

Vocational Education Program

Travel	\$	40,600	
In Service/Staff Development		9,784	
Total Vocational Education Program			50,384

Maintenance of Plant

Other Supplies and Materials	\$	30,000	
Total Maintenance of Plant			30,000

Transportation

Bus Drivers	\$	29,751	
Other Salaries & Wages		10,905	
Social Security		2,525	
State Retirement		1,468	
Employer Medicare		591	
Maintenance & Repair Services - Vehicles		5,500	
Diesel Fuel		9,742	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Gasoline	\$ 6,515	
Total Transportation		\$ 66,997

Operation of Non-Instructional Services

Community Services

Other Salaries & Wages	\$ 4,200	
Social Security	260	
State Retirement	213	
Employer Medicare	61	
Total Community Services		4,734

Early Childhood Education

Teachers	\$ 65,879	
Educational Assistants	18,549	
Social Security	5,011	
State Retirement	5,346	
Life Insurance	274	
Medical Insurance	15,052	
Employer Medicare	1,172	
Total Early Childhood Education		111,283

Total School Federal Projects Fund		\$ 4,696,629
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Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 67,049
Accountants/Bookkeepers	26,899
Clerical Personnel	44,438
Cafeteria Personnel	922,040
Other Salaries & Wages	80,502
Social Security	66,421
State Retirement	67,629
Life Insurance	4,465
Medical Insurance	232,832
Employer Medicare	15,534
Communication	6,947
Maintenance & Repair Services - Equipment	20,903
Travel	4,122

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Contracted Services	\$	16,593	
Food Preparation Supplies		123,404	
Food Supplies		1,064,278	
Other Supplies and Materials		10,410	
In Service/Staff Development		8,732	
Other Charges		50,687	
Food Service Equipment		119,125	
Total Food Service			\$ 2,953,010

Total Central Cafeteria Fund \$ 2,953,010

Total Governmental Funds - Campbell County School Department \$ 42,354,336

Exhibit J-9

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

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,148,435
Total Cash Receipts	<u>\$ 3,148,435</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,117,206
Trustee's Commission	31,229
Total Cash Disbursements	<u>\$ 3,148,435</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

February 22, 2008

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Campbell County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Campbell County's basic financial statements and have issued our report thereon dated February 22, 2008. Our report on the aggregate discretely presented component units' financial statements was qualified due to not including the financial statements of the Campbell County Emergency Communications District, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Campbell 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 Campbell County's internal control over financial

reporting. Accordingly, we do not express an opinion on the effectiveness of Campbell 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 a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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 deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting: 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 Campbell County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Campbell County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as items 07.01, 07.02, and 07.03.

We also, noted certain matters that we reported to management of Campbell County in separate communications.

Campbell County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Campbell County's responses and, accordingly, we express no opinion on them.

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

Very truly yours,

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

John G. Morgan
Comptroller of the Treasury

JGM/sb



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

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

February 22, 2008

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

To the County Mayor and Board of County Commissioners:

Compliance

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

In our opinion, Campbell 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 Campbell County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Campbell 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 Campbell 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 Campbell County, Tennessee, as of and for the year ended June 30, 2007, and have issued our report thereon dated February 22, 2008. Our report on the aggregate discretely presented component units' financial statements was qualified due to not including the financial statements of the Campbell County Emergency Communications District, 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 Campbell County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Grants 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.

Campbell County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Campbell County's responses and, accordingly, we express no opinion on them.

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

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan" with a stylized flourish at the end.

John G. Morgan
Comptroller of the Treasury

JGM/sb

Campbell County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
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	\$ 163,571
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	484,146
National School Lunch Program	10.555	N/A	1,413,162
Total U.S. Department of Agriculture			<u>\$ 2,060,879</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
HOME Investment Partnerships Program	14.239	HM-06-08	\$ 3,500
Total U.S. Department of Housing and Urban Development			<u>\$ 3,500</u>
U.S. Department of Justice:			
Passed-through State Department of Finance and Administration:			
Edward Byrne Memorial Formula Grant Program	16.579	Z-99-088462-00	\$ 39,768
Total U.S. Department of Justice			<u>\$ 39,768</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
WIA Cluster:			
WIA Adult Program	17.258	N/A	\$ 118,191
WIA Youth Activities	17.259	N/A	83,977
WIA Dislocated Workers	17.260	N/A	49,067
Total U.S. Department of Labor			<u>\$ 251,235</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Adult Education - State Grant Program	84.002	(2)	\$ 101,834
Title I Grants to Local Educational Agencies	84.010	N/A	2,348,320
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,489,983
Special Education - Preschool Grants	84.173	N/A	12,337
Vocational Education - Basic Grants to States	84.048	N/A	205,613
Safe and Drug Free Schools and Communities - National Grants	84.184	N/A	21,325
Safe and Drug Free Schools and Communities - State Grants	84.186	(2)	52,802
Education Technology State Grants	84.318	(2)	24,159
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	133,914
Rural Education	84.358	N/A	193,118
Improving Teacher Quality State Grants	84.367	N/A	463,746
Hurricane Education Recovery	84.938	N/A	4,010
Total U.S. Department of Education			<u>\$ 5,051,161</u>

(Continued)

Campbell 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:			
Job Opportunities and Basic Skills Training	93.561	(2)	\$ 29,345
Total U.S. Department of Health and Human Services			<u>\$ 29,345</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance	97.036	Z-05-024710-00	\$ 452,414
Homeland Security Grant Program	97.067	Z-05-025136-00	69,864
Total U.S. Department of Homeland Security			<u>\$ 522,278</u>
Total Expenditures of Federal Awards			<u>\$ 7,958,166</u>
<u>State Grants</u>			
		<u>Contract Number</u>	
Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 17,385
Waste Tire Program - State Department of Environment and Conservation	N/A	(2)	36,579
Litter Program - State Department of Transportation	N/A	(2)	35,715
Airport Maintenance - State Department of Transportation	N/A	(2)	7,270
Aging Program - State Commission on Aging	N/A	(2)	10,827
Health Department Programs - State Department of Health	N/A	(2)	469,056
Juvenile Service Program - State Commission on Children and Youth	N/A	(2)	9,000
Safe Schools Act - State Department of Education	N/A	(2)	16,638
Early Childhood Education Program - State Department of Education	N/A	(2)	62,173
Families First State Grant - State Department of Labor	N/A	(2)	13,810
Family Resource Center State Grant - State Department of Education	N/A	(2)	61,722
Lottery for Education: After School Program	N/A	(2)	224,911
Lottery for Education: Preschool	N/A	(2)	179,615
Total State Grants			<u>\$ 1,144,701</u>

CFDA - Catalog of Federal Domestic Assistance

N/A - Not Applicable

(1) Presented in conformity with general accepted accounting principles using the modified accrual basis of accounting.

(2) Information not available.

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

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.04	15	Docket trial balances were not reconciled with cash control records

OTHER FINDING

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.07	17	Duties were not segregated adequately in the Offices of Trustee, County Clerk, Clerk and Master, Register, and Sheriff

CAMPBELL 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 Campbell County disclosed one significant deficiency in internal control.
3. The audit disclosed one instance of noncompliance that is material to the financial statements of Campbell County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Title I Grants to Local Education Agencies (CFDA No. 84.010), and the Special Education Cluster: Special Education - Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Campbell County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF ROAD SUPERINTENDENT

FINDING 07.01 **A LIST OF COUNTY ROADS WAS NOT SUBMITTED TO THE COUNTY COMMISSION FOR APPROVAL** (Noncompliance Under Government Auditing Standards)

The road superintendent did not submit a list of county roads to the County Commission as required by state statute. Section 54-10-103, Tennessee Code Annotated, requires the road superintendent to submit a list of county roads to the County Commission for its approval at the January session each year. This list must include the classification, width and distance of each county-maintained road, and a summary of changes from the prior year that provides the road name, date the change was approved by the County Commission, and the reason for the change. Highway Department officials need a current approved list of county roads to determine which roads the department is authorized to work.

RECOMMENDATION

The road superintendent should submit to the County Commission a list of county roads that includes the classification, width, and distance of each road, and a summary of changes as required by state statute.

MANAGEMENT'S RESPONSE – ROAD SUPERINTENDENT

Our office submitted a road list to the County Mayor's Office to be presented to the County Commission for approval. We assumed this was done, but I did not attend the County Commission meeting and did not follow-up to see if it was approved. I was present at the January 22, 2008, meeting to make sure that this was taken care of this year. I am sorry this happened and will assure you it will not happen again.

FINDING 07.02 **EXPENDITURES EXCEEDED APPROPRIATIONS** (Noncompliance Under Government Auditing Standards)

Expenditures exceeded appropriations approved by the County Commission in the Highway and Bridge Maintenance major appropriation category (the legal level of control) in the Highway/Public Works Fund by \$7,435. 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.

MANAGEMENT’S RESPONSE – ROAD SUPERINTENDENT

This expenditure was a paving project ongoing at the end of our fiscal year. Our contractor did not inform us of the overrun in time to prepare an amendment before the fiscal year ended. We are sorry this happened and will watch closer in the future to make sure this does not happen again.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 07.03 **DOCKET TRIAL BALANCES WERE NOT RECONCILED WITH CASH CONTROL RECORDS IN CIRCUIT AND GENERAL SESSIONS COURTS**

(Material Noncompliance Under Government Auditing Standards)

The office’s computerized accounting system generates execution docket trial balance reports as required by Section 18-2-103, Tennessee Code Annotated (TCA). However, the execution docket trial balance reports generated by the computerized accounting system did not reconcile with the general ledgers by significant amounts for either Circuit or General Sessions Courts. Therefore, we were unable to determine if the clerk had complied with provisions of the Unclaimed Property Act, Section 66-29-101, TCA. This statute provides that any funds held by the courts for more than one year and unclaimed by the owner are considered abandoned. Section 66-29-113, TCA, further requires these funds to be reported and paid to the state Treasurer’s Office.

RECOMMENDATION

The clerk should reconcile trial balances of execution docket cause balances with general ledger accounts. To comply with state statutes, the clerk should report and pay to the state Treasurer’s Office any unclaimed funds held for more than one year.

MANAGEMENT’S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

We believe that the cause of the discrepancy between docket trial balances and cash control records has been located. A search of the records shows that the payouts of court held certificates or trust funds in the past were not properly reflected in the accounting software, leading to incorrect trial balances. We are currently taking steps to locate all such instances and correct them. We are also in the process of identifying all remaining unclaimed funds and will turn them over to the state as soon as possible.

OTHER FINDING

FINDING 07.04

DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF TRUSTEE, COUNTY CLERK, CLERK AND MASTER, REGISTER, AND SHERIFF

(Internal Control – Significant Deficiency Under Government Auditing Standards)

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

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

There were no findings and questioned costs for federal awards.

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

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