ANNUAL FINANCIAL REPORT

OVERTON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2008

TENNESSEE
COMPTROLLER
OF THE TREASURY

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ANNUAL FINANCIAL REPORT

OVERTON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2008

DEPARTMENT OF AUDIT
JOHN G. MORGAN
Comptroller of the Treasury

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

JAMES R. ARNETTE
Director

CARL LOWE, CGFM
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Auditor 4

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State Auditors

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

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Audit Highlights

Annual Financial Report
Overton County, Tennessee
For the Year Ended June 30, 2008

Scope

We have audited the basic financial statements of Overton County as of and for the year ended June 30, 2008.

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements did not include two component units 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 12 findings and recommendations, which we have reviewed with Overton 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:

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

- The Community Development/Industrial Park Fund required material audit adjustments for proper financial statement presentation.
- The office did not deposit amounts withheld from contractor payments ($67,043) into an escrow account as required by state statute.

OFFICE OF HIGHWAY SUPERINTENDENT

- The highway superintendent did not prepare and submit a list of county roads to the County Commission as required by state statute.

OFFICE OF DIRECTOR OF SCHOOLS

- Deficiencies were noted in the maintenance of capital assets records.
- The School Federal Projects Fund had a cash overdraft of $7,040 at June 30, 2008.
- Expenditures exceeded total appropriations approved by the County Commission in the Central Cafeteria Fund by $5,268.

OFFICE OF GENERAL SESSIONS COURT CLERK

- The office did not issue receipts to individuals for traffic school payments.
- The office did not review software audit logs.

OFFICE OF CLERK AND MASTER

- The clerk prepared an execution docket trial balance for Chancery Court; however, this trial balance did not reconcile with general ledger accounts by $56,667.
- The office did not review software audit logs.

OFFICE OF SHERIFF

- The Sheriff's Department had deficiencies in the maintenance of commissary records.

OTHER FINDING

- Duties were not segregated adequately in the Offices of County Mayor, Director of Accounts and Budgets, Highway Superintendent, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.

INTRODUCTORY SECTION

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Overton County Officials
June 30, 2008

Officials

Kenneth Copeland, County Mayor
Charles Parrott, Highway Superintendent
Michael Gilpatrick, Director of Schools
Peggy Clark Smith, Trustee
Larry King, Assessor of Property
Hugh Ogletree, Jr., County Clerk
Johnny Brown, Circuit and General Sessions Courts Clerk
Dorothy Stanton, Clerk and Master
Franklin Smith, Register
W.B. Melton, Sheriff
Debra Maberry, Director of Accounts and Budgets

Board of County Commissioners

Kenneth Copeland, Chairman
Dr. Alan Atnip
Randall Boswell
Stanley Carter, Jr.
Darwin Clark
Ben Danner
Bruce Ledford
Rick Moles
Jean Moore
Gregg Nivens
Billy Parrott
Billie Phipps
Cindy Robbins
Chris Speck
Jeff Staggs
Johnie Webb

Board of Education

Tim Vaughn, Chairman
Patricia Bowman
Tim Coffee
Dolphus Dial
Kelly Hill
Lenard Ledbetter
Mark Peek
Sam Pendergrass
Tonya Sells
Joey Smith

Budget and Purchasing Committee

Randall Boswell, Chairman
Stanley Carter, Jr.
Jean Moore
Chris Speck
Johnie Webb

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FINANCIAL SECTION

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

INDEPENDENT AUDITOR'S REPORT

December 2, 2008

Overton County Mayor and
Board of County Commissioners
Overton 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 Overton County, Tennessee, as of and for the year ended June 30, 2008, which collectively comprise Overton County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Overton 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 Overton County Nursing Home and the Overton/Pickett Emergency Communications District, component units 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 Overton County Nursing Home and the Overton/Pickett

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

In our opinion, except for the effects of not including the financial statements of the Overton County Nursing Home and the Overton/Pickett 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 Overton County, Tennessee, as of June 30, 2008, and the results of operations of the aggregate discretely presented component units, for the year ended, in conformity with accounting principles generally accepted in the United States of America.

In addition, 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 Overton County, Tennessee, as of June 30, 2008, 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 December 2, 2008, on our consideration of Overton 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.

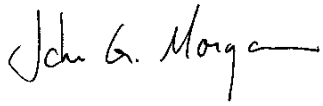
As described in Note V.B., Overton County has implemented the provisions of Government Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. For the first time, the financial statements include the government-wide financial statements. Also, as described in Note V.B., Overton County has adopted the provisions of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; GASB Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and GASB Statement No. 50, Pension Disclosures.

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

The budgetary comparison, pension, and other postemployment benefits information on pages 67 through 73 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 Overton 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 Overton 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 Overton County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,



John G. Morgan
Comptroller of the Treasury

JGM/sb

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Basic Financial Statements

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Exhibit A

Overton County, Tennessee
Statement of Net Assets
June 30, 2008

	Primary Government	Component Unit
	Governmental Activities	Overton County School Department
ASSETS		
Cash	$ 967	$ 1,020
Equity in Pooled Cash and Investments	4,754,305	2,752,166
Inventories	0	46,101
Accounts Receivable	828,894	179
Allowance for Uncollectibles	(314,599)	0
Due from Other Governments	879,481	925,898
Property Taxes Receivable	4,006,695	1,810,873
Allowance for Uncollectible Property Taxes	(72,626)	(33,586)
Capital Assets:		
Assets Not Depreciated:		
Land	1,414,964	460,517
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	8,475,419	16,600,823
Other Capital Assets	1,915,006	1,045,947
Infrastructure	7,407,507	842,639
Total Assets	$ 29,296,013	$ 24,452,577
LIABILITIES		
Accounts Payable	$ 207,649	$ 0
Accrued Payroll	0	46,321
Payroll Deductions Payable	44,278	0
Cash Overdraft	0	7,040
Contracts Payable	49,032	0
Retainage Payable	84,865	0
Claims and Judgments Payable	23,616	0
Accrued Interest Payable	100,717	92,263
Due to State of Tennessee	11,625	0
Deferred Revenue - Current Property Taxes	3,715,756	1,673,509
Noncurrent Liabilities:		
Due Within One Year	993,065	547,455
Due in More Than One Year	9,289,262	12,085,828
Total Liabilities	$ 14,519,865	$ 14,452,416
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	$ 9,300,965	$ 6,684,926
Restricted for:		
Debt Service	1,561,800	250,130
Courthouse and Jail Maintenance	10,579	0
Drug Control	25,929	0
Highway/Public Works	922,441	0
Capital Projects	204,194	0
School Federal Projects	0	64,054
Central Cafeteria	0	331,716
Other Purposes	127,865	1,572,357
Unrestricted	2,622,375	1,096,978
Total Net Assets	$ 14,776,148	$ 10,000,161

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

Exhibit B

Overton County, Tennessee
Statement of Activities
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Unit: Overton County School Department
Primary Government:						
Governmental Activities:						
General Government	$ 1,253,857	$ 129,295	$ 147,746	$ 0	$ (976,816)	$ 0
Finance	537,545	420,019	8,882	0	(108,644)	0
Administration of Justice	568,893	512,576	50,941	0	(5,376)	0
Public Safety	2,701,081	1,080,859	123,280	0	(1,496,942)	0
Public Health and Welfare	2,435,412	1,175,627	69,444	230,000	(960,341)	0
Social, Cultural, and Recreational Services	263,346	0	0	20,646	(242,700)	0
Agriculture and Natural Resources	94,688	0	11,703	0	(82,985)	0
Other Operations	2,260,122	182,357	0	1,656,026	(421,739)	0
Highways/Public Works	2,315,876	2,793	1,670,931	240,780	(401,372)	0
Interest on Long-term Debt	496,094	0	0	0	(496,094)	0
Other Debt Service	20,518	0	0	0	(20,518)	0
Total Primary Government	$ 12,947,432	$ 3,503,526	$ 2,082,927	$ 2,147,452	$ (5,213,527)	$ 0
Component Unit:						
Overton County School Department	$ 25,256,060	$ 633,549	$ 3,319,880	$ 0	$ 0	$ (21,302,631)

(Continued)

Exhibit B

Overton County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Unit: Overton County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					$ 3,049,039	$ 1,693,837
Property Taxes Levied for Debt Service					433,997	0
Local Option Sales Tax					726,139	1,501,034
Wheel Tax					0	557,988
Wholesale Beer Tax					0	118,944
Litigation Tax - General					114,798	0
Litigation Tax - Jail, Workhouse, or Courthouse					105,782	0
Business Tax					156,602	0
Other Local Taxes					27,332	4,667
Grants and Contributions Not Restricted for Specific Programs					649,323	17,213,834
Unrestricted Investment Earnings					417,932	729
Sale of Equipment					0	5,553
Miscellaneous					83,919	14,070
Total General Revenues					$ 5,764,863	$ 21,110,656
Insurance Recovery					$ 6,068	$ 1,770
Change in Net Assets					$ 557,404	$ (190,205)
Net Assets, July 1, 2007					14,218,744	10,190,366
Net Assets, June 30, 2008					$ 14,776,148	$ 10,000,161

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

Exhibit C-1

Overton County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2008

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS						
Cash	$ 0	$ 0	$ 0	$ 0	$ 967	$ 967
Equity in Pooled Cash and Investments	2,018,865	703,560	1,633,883	119,023	278,974	4,754,305
Accounts Receivable	787,278	0	0	0	41,616	828,894
Allowance for Uncollectibles	(314,599)	0	0	0	0	(314,599)
Due from Other Governments	319,373	456,169	0	31,939	72,000	879,481
Due from Other Funds	967	0	0	0	0	967
Property Taxes Receivable	3,117,677	122,904	463,003	0	303,111	4,006,695
Allowance for Uncollectible Property Taxes	(56,266)	(2,295)	(8,901)	0	(5,164)	(72,626)
Total Assets	$ 5,873,295	$ 1,280,338	$ 2,087,985	$ 150,962	$ 691,504	$ 10,084,084
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	$ 1,500	$ 206,149	$ 0	$ 0	$ 0	$ 207,649
Payroll Deductions Payable	26,356	14,674	0	0	3,248	44,278
Contracts Payable	0	0	0	49,032	0	49,032
Retainage Payable	0	0	0	84,865	0	84,865
Claims and Judgments Payable	0	23,616	0	0	0	23,616
Due to Other Funds	0	0	0	0	967	967
Due to State of Tennessee	11,625	0	0	0	0	11,625
Deferred Revenue - Current Property Taxes	2,893,184	113,458	425,468	0	283,646	3,715,756
Deferred Revenue - Delinquent Property Taxes	159,088	6,762	27,078	0	13,524	206,452
Other Deferred Revenues	592,268	138,846	0	0	36,000	767,114
Total Liabilities	$ 3,684,021	$ 503,505	$ 452,546	$ 133,897	$ 337,385	$ 5,111,354
Fund Balances						
Reserved for Encumbrances	$ 16,071	$ 0	$ 0	$ 150,351	$ 264	$ 166,686
Reserved for Alcohol and Drug Treatment	20,029	0	0	0	0	20,029
Reserved for Sexual Offender Registration	3,411	0	0	0	0	3,411
Reserved for Computer System - Register	68,607	0	0	0	0	68,607
Reserved for Automation Purposes - Sheriff	7,798	0	0	0	0	7,798
Reserved for Capital Outlay	28,020	21,014	0	0	4,078	53,112

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Other Govern-mental Funds	Total Govern-mental Funds
LIABILITIES AND FUND BALANCES (Cont.)						
Fund Balances (Cont.)						
Unreserved, Reported In:						
General Fund	$ 2,045,338	$ 0	$ 0	$ 0	$ 0	$ 2,045,338
Special Revenue Funds	0	755,819	0	0	162,648	918,467
Debt Service Funds	0	0	1,635,439	0	0	1,635,439
Capital Projects Funds (Deficit)	0	0	0	(133,286)	187,129	53,843
Total Fund Balances	$ 2,189,274	$ 776,833	$ 1,635,439	$ 17,065	$ 354,119	$ 4,972,730
Total Liabilities and Fund Balances	$ 5,873,295	$ 1,280,338	$ 2,087,985	$ 150,962	$ 691,504	$ 10,084,084

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

Exhibit C-2

Overton County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Assets
June 30, 2008

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)		$ 4,972,730
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 1,414,964	
Add: infrastructure net of accumulated depreciation	7,407,507	
Add: buildings and improvements net of accumulated depreciation	8,475,419	
Add: other capital assets net of accumulated depreciation	1,915,006	19,212,896
(2) Long-term liabilities are not due and payable in the current-period and therefore are not reported in the governmental funds.		
Less: bonds payable	$ (6,690,382)	
Less: notes payable	(3,147,299)	
Less: other loans payable	(74,250)	
Less: accrued interest on bonds, notes, and other loans	(100,717)	
Less: compensated absences payable	(120,339)	
Less: other postemployment benefits obligation	(10,540)	
Less: landfill closure/postclosure care costs	(239,517)	(10,383,044)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		973,566
Net assets of governmental activities (Exhibit A)		$ 14,776,148

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

Exhibit C-3

Overton County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Other Govern-mental Funds	Total Governmental Funds
Revenues						
Local Taxes	$ 3,334,176	$ 189,397	$ 438,244	$ 0	$ 687,173	$ 4,648,990
Licenses and Permits	5,763	0	0	0	0	5,763
Fines, Forfeitures, and Penalties	111,865	0	0	0	72,668	184,533
Charges for Current Services	911,718	0	0	0	194,611	1,106,329
Other Local Revenues	121,051	14,221	884,372	0	99,035	1,118,679
Fees Received from County Officials	802,800	0	0	0	0	802,800
State of Tennessee	1,473,424	1,927,019	437,683	1,081,459	45,126	4,964,711
Federal Government	339,072	0	0	274,567	0	613,639
Other Governments and Citizens Groups	138,170	0	0	182,357	0	320,527
Total Revenues	$ 7,238,039	$ 2,130,637	$ 1,760,299	$ 1,538,383	$ 1,098,613	$ 13,765,971
Expenditures						
Current:						
General Government	$ 1,416,730	$ 0	$ 0	$ 0	$ 73,010	$ 1,489,740
Finance	537,176	0	0	0	685	537,861
Administration of Justice	559,001	0	0	0	2,283	561,284
Public Safety	2,887,991	0	0	0	60,151	2,948,142
Public Health and Welfare	1,373,565	0	0	0	1,019,961	2,393,526
Social, Cultural, and Recreational Services	231,530	0	0	0	0	231,530
Agriculture and Natural Resources	94,778	0	0	0	0	94,778
Other Operations	479,876	0	0	0	42	479,918
Highways	41,311	2,776,066	0	0	0	2,817,377
Debt Service:						
Principal on Debt	0	0	1,728,890	0	0	1,728,890
Interest on Debt	0	0	524,066	0	0	524,066
Other Debt Service	0	0	20,518	0	0	20,518
Capital Projects	0	0	0	1,780,792	6,602	1,787,394
Total Expenditures	$ 7,621,958	$ 2,776,066	$ 2,273,474	$ 1,780,792	$ 1,162,734	$ 15,615,024
Excess (Deficiency) of Revenues Over Expenditures	$ (383,919)	$ (645,429)	$ (513,175)	$ (242,409)	$ (64,121)	$ (1,849,053)

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Other Govern-mental Funds	Total Governmental Funds
Other Financing Sources (Uses)						
Notes Issued	$ 270,000	$ 901,000	$ 0	$ 0	$ 55,000	$ 1,226,000
Other Loans Issued	19,841	0	0	0	0	19,841
Insurance Recovery	6,068	0	0	0	0	6,068
Transfers In	32,000	0	712,577	0	0	744,577
Transfers Out	0	(40,000)	0	0	(704,577)	(744,577)
Total Other Financing Sources (Uses)	$ 327,909	$ 861,000	$ 712,577	$ 0	$ (649,577)	$ 1,251,909
Net Change in Fund Balances	$ (56,010)	$ 215,571	$ 199,402	$ (242,409)	$ (713,698)	$ (597,144)
Fund Balance, July 1, 2007	2,245,284	561,262	1,436,037	259,474	1,067,817	5,569,874
Fund Balance, June 30, 2008	$ 2,189,274	$ 776,833	$ 1,635,439	$ 17,065	$ 354,119	$ 4,972,730

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

Exhibit C-4

Overton 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, 2008

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)		$ (597,144)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	$ 1,527,366	
Less: current year depreciation expense	(583,415)	943,951
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets	$ (39,304)	
Less: revenue for the sale of disposed capital assets	(469,800)	(509,104)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2008	$ 973,566	
Less: deferred delinquent property taxes and other deferred June 30, 2007	(770,969)	202,597
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Less: note proceeds	$ (1,226,000)	
Less: other loan proceeds	(19,841)	
Add: principal payments on notes	1,018,436	
Add: principal payments on bonds	697,074	
Add: principal payments on other loans	13,380	483,049
(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 governmental funds.		
Change in accrued interest on bonds	$ 19,222	
Change in accrued interest on notes	8,750	
Change in closure/postclosure care costs	20,483	
Change in compensated absences payable	(3,860)	
Change in other postemployment benefits obligation	(10,540)	34,055
Change in net assets of governmental activities (Exhibit B)		$ 557,404

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

Exhibit D

Overton County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2008

	Agency Funds
ASSETS	
Cash	$ 884,918
Accounts Receivable	190
Due from Other Governments	126,287
Total Assets	$ 1,011,395
LIABILITIES	
Due to Other Taxing Units	$ 126,287
Due to Litigants, Heirs, and Others	885,108
Total Liabilities	$ 1,011,395

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

OVERTON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overton 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 Overton County:

A. Reporting Entity

Overton County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Overton 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 Overton 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 Overton County School Department operates the public school system in the county, and the voters of Overton 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.

Overton County Nursing Home provides residential nursing care to the citizens of Overton County, and the Overton County Commission appoints its governing body. Patient charges provide the majority of the revenues for the entity. Before the issuance of debt instruments, the entity must obtain the County Commission's approval. The financial statements of the Overton County Nursing Home were not available from other auditors in time for inclusion in this report.

The Overton/Pickett Emergency Communications District was established with the merger of the Pickett County Emergency Communications District

into the Overton County Emergency Communications District. The merger was adopted by both boards with an effective date of February 1, 2002. The board of the district includes 13 members; nine are appointed by the Overton County Commission, and the remaining four are appointed by the Pickett County Commission. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt, the district must obtain the Overton County Commission's approval. The financial statements of the Overton/Pickett Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Industrial Development Authority for Overton County provides assistance in industrial recruitment in Overton County, and the Overton County Commission appoints its seven-member board. The authority acted as a decision-making board and did not have any financial activity during the year.

The Overton County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Overton County Nursing Home and the Overton/Pickett Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Overton County Nursing Home and the Overton/Pickett Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Overton County Nursing Home
418 Bilbrey Street
Livingston, TN 38570

Overton/Pickett Emergency Communications District
255 Industrial Drive
Livingston, TN 38570

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 Overton 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 Overton 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, as are the fiduciary funds financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Overton 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. Overton 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. Overton 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 funds financial statements are reported using the economic resources measurement focus (except for agency funds which have no measurement focus) and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Overton County reports the following major governmental funds:

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

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

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

Community Development/Industrial Park Fund – This fund accounts for financial resources to be used for improving the county's industrial park.

Additionally, Overton 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 Overton 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 Overton County School Department reports the following major governmental fund:

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

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

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

Debt Service Fund – The Education Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

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 Overton 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. Overton County and the 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. <u>Receivables and Payables</u>

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

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

Claims and judgments payable in the Highway/Public Works Fund represent fines imposed by the U.S. Department of Labor following an inspection at the county's quarry. This amount is listed as a current liability by the county; however, the county is considering an appeal of the fines and the amount shown has not been paid as of the date of this report.

Retainage payable in the Community Development/Industrial Park 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 major governmental fund.

3. <u>Inventories</u>

Inventories of the discretely presented Overton County School Department consist of expendable supplies held for consumption and are recorded at cost, determined on the first-in, first-out method. The School Department typically reports a reserved fund balance for material balances of inventories.

4. 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 $10,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

Assets	Years
Buildings and Improvements	25-40
Other Capital Assets	5-30
Infrastructure:	
Roads	20-75
Bridges	75

5. Compensated Absences

It is the county's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Overton 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.

The general policy of the School Department permits employees to accumulate vacation and sick days beyond year-end. Non-certified 12-month support personnel earn vacation days that may be accumulated beyond year-end. School year support personnel earn personal days that do not accumulate; these employees are compensated for any unused days before the end of each fiscal year. The general policy of the School Department for professional personnel (teachers) permits the unlimited accumulation of unused sick leave days. There is no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the discretely presented Overton County School Department. 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.

6. 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, claims and judgments, and landfill closure/postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. 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.

On the government-wide statement of net assets (Exhibit A), the account Restricted for Other Purposes for the primary government consists of various restrictions totaling $127,865, with the primary restrictions being for: (1) computer system for the register ($68,607); (2) capital outlay ($28,020); and (3) alcohol and drug treatment ($20,029). For the discretely presented School Department, the account balance in Restricted for Other Purposes ($1,572,357) consists primarily of a restriction for the Basic Education Program ($1,491,626).

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Overton 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 Overton 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 capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the 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 Community Development/Industrial Park Fund had a deficit in unreserved fund balance of $133,286 as of June 30, 2008. This deficit resulted from the recognition of the unperformed portion of construction contracts totaling $150,351 being reserved as encumbrances in the financial statements of this report. Funding for these future expenditures should be received subsequent to year end.

C. Cash Overdraft

The discretely presented School Federal Projects Fund (special revenue fund) had a cash overdraft of $7,040 at June 30, 2008. This cash overdraft resulted from issuing warrants exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2008.

D. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations approved by the County Commission in the discretely presented Central Cafeteria Fund (special revenue fund) by $5,268. Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Overton County and the Overton 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.

Investment Balances. As of June 30, 2008, Overton County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Overton County and the discretely presented Overton County School Department since both pool their deposits and investments through the county trustee.

Investment	Maturities		Cost
State Treasurer's Investment Pool	Daily	$	9,336,665

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Overton County has no investment policy that would further limit its investment choices. As of June 30, 2008, Overton County's investment in the State Treasurer's Investment Pool was unrated.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Overton County does not have a formal policy that limits custodial credit risk for investments.

B. Capital Assets

Capital assets activity for the year ended June 30, 2008, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Capital Assets Not Depreciated:				
Land	$ 1,884,764	$ 0	$ (469,800)	$ 1,414,964
Total Capital Assets Not Depreciated	$ 1,884,764	$ 0	$ (469,800)	$ 1,414,964
Capital Assets Depreciated:				
Buildings and Improvements	$ 10,416,373	$ 336,314	$ 0	$ 10,752,687
Infrastructure	11,043,586	0	0	11,043,586
Other Capital Assets	3,095,342	1,191,052	(152,277)	4,134,117
Total Capital Assets Depreciated	$ 24,555,301	$ 1,527,366	$ (152,277)	$ 25,930,390

Governmental Activities: (Cont.)

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 2,086,490	$ 190,778	$ 0	$ 2,277,268
Infrastructure	3,537,057	99,022	0	3,636,079
Other Capital Assets	2,038,469	293,615	(112,973)	2,219,111
Total Accumulated Depreciation	$ 7,662,016	$ 583,415	$ (112,973)	$ 8,132,458
Total Capital Assets Depreciatied, Net	$ 16,893,285	$ 943,951	$ (39,304)	$ 17,797,932
Governmental Activities Capital Assets, Net	$ 18,778,049	$ 943,951	$ (509,104)	$ 19,212,896

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

Governmental Activities:

General Government	$ 26,971
Administration of Justice	8,438
Public Safety	181,651
Public Health and Welfare	101,817
Social, Cultural, and Recreational Services	31,763
Highways/Public Works	232,775
Total Depreciation Expense - Governmental Activities	$ 583,415

Discretely Presented Overton County School Department

Governmental Activities:

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Capital Assets Not Depreciated:				
Land	$ 460,517	$ 0	$ 0	$ 460,517
Total Capital Assets Not Depreciated	$ 460,517	$ 0	$ 0	$ 460,517

Governmental Activities (Cont.):

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Capital Assets Depreciated:				
Buildings and Improvements	$ 22,890,505	$ 0	$ 0	$ 22,890,505
Infrastructure	963,193	0	0	963,193
Other Capital Assets	2,724,711	9,600	(262,862)	2,471,449
Total Capital Assets Depreciated	$ 26,578,409	$ 9,600	$ (262,862)	$ 26,325,147
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 5,791,721	$ 497,961	$ 0	$ 6,289,682
Infrastructure	99,484	21,070	0	120,554
Other Capital Assets	1,496,039	168,381	(238,918)	1,425,502
Total Accumulated Depreciation	$ 7,387,244	$ 687,412	$ (238,918)	$ 7,835,738
Total Capital Assets Depreciatied, Net	$ 19,191,165	$ (677,812)	$ (23,944)	$ 18,489,409
Governmental Activities Capital Assets, Net	$ 19,651,682	$ (677,812)	$ (23,944)	$ 18,949,926

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

Governmental Activities:

Instruction	$ 529,820
Support Services	157,592
Total Depreciation Expense - Governmental Activities	$ 687,412

C. Construction Commitments

At June 30, 2008, the Community Development/Industrial Park Fund had uncompleted construction contracts of approximately $150,351 for water and sewer improvements and site development at the Industrial Park. Funding for these future expenditures is expected to be received from state and federal grants.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2008, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 967
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	3,747

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.

A portion of the receivable in the General Purpose School Fund ($3,692) was in transit from the Central Cafeteria Fund at June 30, 2008.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2008, consisted of the following amounts:

Primary Government

	Transfers In	
Transfers Out	General Fund	General Debt Service Fund
Highway/Public Works Fund	$ 0	$ 40,000
Nonmajor governmental funds	32,000	672,577
Total	$ 32,000	$ 712,577

Discretely Presented Overton County School Department

Transfers Out	Transfers In: General Purpose School Fund	Transfers In: Nonmajor Govern-mental Funds
General Purpose School Fund	$ 0	$ 898,846
Nonmajor governmental funds	24,750	0
Total	$ 24,750	$ 898,846

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 40 years for bonds, up to 12 years for notes, and up to ten 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 payable from the primary government included in long-term debt as of June 30, 2008, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes and other loans outstanding as of June 30, 2008, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-08
General Obligation Bonds	3.6 to 5.625 %	$ 8,800,000	$ 6,690,382
Capital Outlay Notes	3 to 5.07	4,475,604	3,147,299
Other Loan	variable	135,120	74,250

In prior years, Overton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this agreement, the authority loaned $135,120 to Overton County for an airport runway expansion. This loan is repayable at a tax-exempt variable rate of interest determined by the remarketing agent daily or weekly, depending on the particular program. At June 30, 2008, the variable interest rate was 2.5 percent on this loan. In addition, the county pays various fees (remarketing, administrative, letter of credit, etc.) in connection with this loan, which totals approximately .53 percent of the outstanding loan principal and a trustee fee of $85 per month.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2008, including interest payments and other loan fees, are presented in the following table:

Year Ending June 30	Bonds Principal	Interest	Total
2009	$ 285,398	$ 313,242	$ 598,640
2010	297,519	300,931	598,450
2011	309,742	287,960	597,702
2012	322,068	274,314	596,382
2013	334,506	260,001	594,507
2014-2018	1,923,319	1,054,331	2,977,650
2019-2023	2,423,662	550,094	2,973,756
2024-2027	794,168	58,340	852,508
Total	$ 6,690,382	$ 3,099,213	$ 9,789,595

Year Ending June 30	Notes Principal	Interest	Total
2009	$ 560,478	$ 135,492	$ 695,970
2010	435,944	112,195	548,139
2011	410,945	93,584	504,529
2012	332,611	76,606	409,217
2013	337,611	61,201	398,812
2014-2018	998,877	122,837	1,121,714
2019	70,833	3,642	74,475
Total	$ 3,147,299	$ 605,557	$ 3,752,856

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2009	$ 13,850	$ 1,856	$ 1,414	$ 17,120
2010	14,330	1,510	1,340	17,180
2011	14,830	1,152	1,264	17,246
2012	15,350	781	1,186	17,317
2013	15,890	397	1,104	17,391
Total	$ 74,250	$ 5,696	$ 6,308	$ 86,254

There is $1,635,439 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled $333, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans totaled $493, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2008, was as follows:

Governmental Activities:

	Bonds	Notes	Other Loan
Balance, July 1, 2007	$ 7,387,456	$ 2,939,735	$ 67,789
Additions	0	1,226,000	19,841
Deductions	(697,074)	(1,018,436)	(13,380)
Balance, June 30, 2008	$ 6,690,382	$ 3,147,299	$ 74,250
Balance Due Within One Year	$ 285,398	$ 560,478	$ 13,850

	Other Post-employment Benefits	Compen-sated Absences	Landfill Postclosure Care Costs
Balance, July 1, 2007	$ 0	$ 116,479	$ 260,000
Additions	11,440	204,135	0
Deductions	(900)	(200,275)	(20,483)
Balance, June 30, 2008	$ 10,540	$ 120,339	$ 239,517
Balance Due Within One Year	$ 0	$ 120,339	$ 13,000

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	$ 10,282,327
Less: Balance Due Within One Year	(993,065)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 9,289,262

At year end, claims and judgments payable of $23,616 is not included in the above amounts; it is listed as a current liability in the financial statements. Compensated absences will be paid from the employing funds, primarily the General Fund and the Highway/Public Works Fund. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented Overton County School Department

General Obligation Bonds

The county issues general obligation bonds on behalf of the School Department 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.

These general obligation bonds are direct obligations and pledge the full faith and credit of the government. These general obligation bonds outstanding were issued for original terms of up to 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds payable from the discretely presented Overton County School Department included in long-term debt as of June 30, 2008, will be retired from the Education Debt Service Fund.

General obligation bonds outstanding as of June 30, 2008, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-08
General Obligation Bonds - Refunding	2 to 5 %	$ 12,885,000	$ 12,265,000

The annual requirements to amortize all general obligation bonds of the School Department outstanding as of June 30, 2008, including interest payments are presented in the following table:

Year Ending June 30	Bonds Principal	Interest	Total
2009	$ 535,000	$ 506,106	$ 1,041,106
2010	545,000	493,816	1,038,816
2011	555,000	479,791	1,034,791
2012	570,000	464,228	1,034,228
2013	585,000	446,728	1,031,728
2014-2018	3,400,000	1,770,440	5,170,440
2019-2023	4,170,000	925,235	5,095,235
2024-2025	1,905,000	122,690	2,027,690
Total	$ 12,265,000	$ 5,209,034	$ 17,474,034

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Overton County School Department for the year ended June 30, 2008, was as follows:

Governmental Activities:

	Bonds	Other Post-employment Benefits	Compen-sated Absences
Balance, July 1, 2007	$ 12,790,000	$ 0	$ 80,536
Additions	0	422,560	20,557
Deductions	(525,000)	(142,915)	(12,455)
Balance, June 30, 2008	$ 12,265,000	$ 279,645	$ 88,638
Balance Due Within One Year	$ 535,000	$ 0	$ 12,455

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	$ 12,633,283
Less: Balance Due Within One Year	(547,455)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 12,085,828

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

Defeasance of Prior Debt

In prior years, the discretely presented Overton County School Department defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2008, the following outstanding bonds are considered defeased:

	Amount
1999 School Construction and Renovation	$ 6,960,000

F. On-behalf Payments – Discretely Presented Overton County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Overton County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2008, were $84,110 and $17,663, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Overton County general government's risks of loss relating to general liability, property, casualty, and workers' compensation are covered by participation in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund, which are public entity risk pools established by the Tennessee County Services Association. The county pays annual premiums to the pools for the risk coverage noted above. The creation of these pools provides for them to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding $100,000 for each insured event.

Overton County provides health insurance coverage to its employees through the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of

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

The discretely presented Overton County School Department joined the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays annual premiums 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 School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, TCA, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

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

Provisions of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and Statement No. 50, Pension Disclosures became effective for the year ended June 30, 2008.

GASB Statement No. 45 establishes reporting requirements for Other Postemployment Benefits (OPEB). OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the county's financial statements. In previous years, Overton County and the Overton County School Department had only recognized the current year cost (expense) of

these benefits. GASB Statement No. 45 was implemented prospectively with a zero net OPEB obligation at transition.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions are sales or collateralized borrowings and provides guidance on how to account for sales or pledges of receivables or future revenues. This statement provides additional guidance for sales of receivables and future revenues within the same reporting entity. This statement also requires governments to disclose in the notes to the financial statements the nature of any receivables or future revenues that have been pledged or sold. Tennessee state statutes do not currently allow counties to sell or pledge receivables or sell future revenue streams. Therefore, those provisions of GASB Statement No. 48 that pertain to the sale or pledge receivables or sale of future revenue will not apply to Overton County. GASB Statement No. 48 had no effect on the financial statements of Overton County for the year ended June 30, 2008, since the county has not pledged any of its future revenues. However, it is reasonably expected that Overton County may pledge a future revenue stream toward the payment of debt in subsequent years.

GASB Statement No. 50 amends previous guidance concerning pension information. This statement closely aligns the financial reporting requirements for pensions with those for other postemployment benefits and enhances the information disclosed in the notes to the financial statements or presented as required supplementary information for pension plans. This statement requires Overton County to provide additional and more detailed pension plan note disclosures than in previous years.

C. Subsequent Event

On August 31, 2008, Charles Parrott left the Office of Highway Superintendent and was succeeded by Joe Garrett.

D. Contingent Liabilities

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

E. Landfill Closure/Postclosure Care Costs

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. These closure and postclosure care costs generally are paid near or after the date that the landfill stops accepting waste. Overton County closed its landfill in December 1995. The Solid Waste/Sanitation Fund (special revenue fund) reports the postclosure care costs of the closed landfill as expenditures in each period in which they are incurred. The $239,517 reported as landfill

postclosure care liability at June 30, 2008, represents the net amount reported to date based on 100 percent use of the estimated capacity of the landfill. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Retirement Commitments

Employees

Plan Description

Employees of Overton 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 Overton 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

Overton 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, 2008, was 5.12 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Overton County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2008, Overton County's annual pension cost of $431,600 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 postretirement 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. Overton 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 11 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-08	$431,600	100%	$0
6-30-07	393,760	100	0
6-30-06	310,319	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 97.68 percent funded. The actuarial accrued liability for benefits was $15.32 million, and the actuarial value of assets was $14.96 million, resulting in an unfunded actuarial accrued liability (UAAL) of $0.36 million. The covered payroll (annual payroll of active employees covered by the plan) was $7.53 million, and the ratio of the UAAL to the covered payroll was 4.72 percent.

The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the Actuarial Accrued Liability for benefits.

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

School Teachers

Plan Description

The Overton 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 Overton County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2008, was 6.24 percent of

annual covered payroll. The employer contribution requirement for the Overton 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, 2008, 2007, and 2006, were $737,462, $690,593, and $594,454, respectively, equal to the required contributions for each year.

G. Other Postemployment Benefits (OPEB)

Plan Description

Overton County and the School Department participate in the state-administered Local Education Group Insurance Plan and Medicare Supplement Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, Tennessee Code Annotated (TCA), for teachers and Section 8-27-701, TCA, for the Medicare Supplement. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare supplement plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at http://tennessee.gov/finance/act/cafr.html.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for pre-65 retirees ranges from 55 to 75 percent based on the years of service less a subsidy of up to $1,150 annually, which is paid by the School Department. For retirees that choose the TCRS supplemental insurance to go along with Medicare, the county and the School Department provide monthly support based years of service. During the year ended June 30, 2008, $143,815 was contributed for postemployment benefits by Overton County ($900) and the discretely presented Overton County School Department ($142,915).

Annual OPEB Cost and Net OPEB Obligation

	Medicare Supplement Plan Primary Government	Local Education Group Plan	Medicare Supplement Plan School Department
ARC	$ 11,440	$ 382,000	$ 40,560
Interest on the NPO	0	0	0
Adjustment to the ARC	0	0	0
Annual OPEB cost	$ 11,440	$ 382,000	$ 40,560
Amount of contribution	(900)	(140,215)	(2,700)
Increase/decrease in NPO	$ 10,540	$ 241,785	$ 37,860
Net OPEB obligation - 7-1-07	0	0	0
Net OPEB obligation - 6-30-08	$ 10,540	$ 241,785	$ 37,860

Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Medicare Supplement - Primary Government	$ 11,440	8 %	$ 10,540
6-30-08	Local Education Group	382,000	37	241,785
6-30-08	Medicare Supplement - School Department	40,560	7	37,860

* Data not available for two preceding years.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2008, was as follows:

	Medicare Supplement Plan Primary Government	Local Education Group Plan	Medicare Supplement Plan School Department
Actuarial valuation date	6-30-07	6-30-07	6-30-07
Actuarial accrued liability (AAL)	$ 101,200	$ 3,801,000	$ 358,800
Actuarial value of plan assets	$ 0	$ 0	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 101,200	$ 3,801,000	$ 358,800
Actuarial value of assets as a % of the AAL	0%	0%	0%
Covered payroll (active plan members)	$ 0	$ 11,948,939	$ 0
UAAL as a % of covered payroll	0%	32%	0%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the June 30, 2007, actuarial valuation, the projected unit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of six percent after ten years. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

H. Office of Central Accounting and Budgeting

Office of Director of Accounts and Budgets

Overton County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county mayor and highway superintendent. These funds are maintained in the Office of Central Accounting and Budgeting under the supervision of the director of accounts and budgets.

I. Purchasing Laws

Offices of County Mayor and Highway Superintendent

Purchasing procedures for these offices are governed by provisions of the County Purchasing Law of 1957, Section 5-14-101, et seq., Tennessee Code Annotated (TCA). Purchasing procedures in the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, TCA. These statutes provide for the purchasing agent to make all purchases for these departments, with purchases exceeding $2,500 ($10,000 for the Highway Department) to be made on the basis of competitive bids solicited through public advertisement. The county mayor serves as purchasing agent for Overton County.

Office of Director of Schools

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

REQUIRED SUPPLEMENTARY INFORMATION

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Exhibit E-1

Overton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 3,334,176	$ 0	$ 3,334,176	$ 3,315,205	$ 3,315,205	$ 18,971
Licenses and Permits	5,763	0	5,763	3,000	3,000	2,763
Fines, Forfeitures, and Penalties	111,865	0	111,865	116,305	116,305	(4,440)
Charges for Current Services	911,718	0	911,718	1,008,000	1,008,000	(96,282)
Other Local Revenues	121,051	0	121,051	43,500	53,404	67,647
Fees Received from County Officials	802,800	0	802,800	891,000	891,000	(88,200)
State of Tennessee	1,473,424	0	1,473,424	1,114,913	1,383,520	89,904
Federal Government	339,072	0	339,072	513,000	518,355	(179,283)
Other Governments and Citizens Groups	138,170	0	138,170	30,000	30,000	108,170
Total Revenues	$ 7,238,039	$ 0	$ 7,238,039	$ 7,034,923	$ 7,318,789	$ (80,750)
Expenditures						
General Government						
County Commission	$ 80,644	$ 0	$ 80,644	$ 105,977	$ 105,977	$ 25,333
Board of Equalization	1,200	0	1,200	1,600	1,600	400
County Mayor/Executive	175,004	120	175,124	182,727	182,727	7,603
County Attorney	4,034	0	4,034	52,918	52,918	48,884
Election Commission	134,392	0	134,392	149,715	153,518	19,126
Register of Deeds	145,357	0	145,357	162,923	162,923	17,566
Planning	11,586	0	11,586	17,350	17,350	5,764
County Buildings	326,210	0	326,210	317,186	345,295	19,085
Other General Administration	538,303	0	538,303	810,775	816,214	277,911
Finance						
Accounting and Budgeting	47,086	0	47,086	47,088	47,088	2
Property Assessor's Office	146,520	0	146,520	146,886	147,733	1,213
Reappraisal Program	33,374	0	33,374	34,465	33,618	244
County Trustee's Office	129,008	0	129,008	131,338	131,338	2,330

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)						
Finance (Cont.)						
County Clerk's Office	$ 181,188	$ 0	$ 181,188	$ 187,735	$ 187,735	$ 6,547
Administration of Justice						
Circuit Court	250,391	0	250,391	242,732	256,138	5,747
General Sessions Court	121,111	0	121,111	122,541	122,541	1,430
Chancery Court	155,141	0	155,141	167,740	167,740	12,599
Juvenile Court	13,883	0	13,883	15,150	15,150	1,267
Judicial Commissioners	18,475	0	18,475	18,882	18,882	407
Public Safety						
Sheriff's Department	1,182,899	58	1,182,957	1,193,852	1,272,198	89,241
Jail	1,368,543	6,492	1,375,035	1,349,368	1,458,129	83,094
Fire Prevention and Control	103,043	0	103,043	98,100	103,100	57
Civil Defense	23,666	0	23,666	9,292	27,432	3,766
Rescue Squad	5,000	0	5,000	5,000	5,000	0
Other Emergency Management	180,000	0	180,000	180,000	180,000	0
County Coroner/Medical Examiner	24,840	0	24,840	20,000	28,340	3,500
Public Health and Welfare						
Local Health Center	63,961	7,291	71,252	51,900	74,837	3,585
Ambulance/Emergency Medical Services	1,302,073	2,110	1,304,183	1,312,447	1,391,197	87,014
Alcohol and Drug Programs	724	0	724	5,000	5,000	4,276
Regional Mental Health Center	6,327	0	6,327	6,327	6,327	0
Aid to Dependent Children	480	0	480	500	500	20
Social, Cultural, and Recreational Services						
Senior Citizens Assistance	20,653	0	20,653	26,115	26,115	5,462
Libraries	107,127	0	107,127	116,338	116,338	9,211
Other Social, Cultural, and Recreational	103,750	0	103,750	49,500	109,750	6,000

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)						
Agriculture and Natural Resources						
Agriculture Extension Service	$ 55,491	$ 0	$ 55,491	$ 56,340	$ 56,340	$ 849
Soil Conservation	39,287	0	39,287	34,859	40,214	927
Other Operations						
Industrial Development	23,686	0	23,686	69,500	69,500	45,814
Other Economic and Community Development	349,224	0	349,224	500,000	500,000	150,776
Airport	50,750	0	50,750	56,000	56,000	5,250
Veterans' Services	45,539	0	45,539	48,299	48,299	2,760
Contributions to Other Agencies	10,677	0	10,677	10,678	10,678	1
Highways						
Traffic Control	9,046	0	9,046	11,939	11,939	2,893
Litter and Trash Collection	32,265	0	32,265	33,568	33,568	1,303
Total Expenditures	$ 7,621,958	$ 16,071	$ 7,638,029	$ 8,160,650	$ 8,597,286	$ 959,257
Excess (Deficiency) of Revenues Over Expenditures	$ (383,919)	$ (16,071)	$ (399,990)	$ (1,125,727)	$ (1,278,497)	$ 878,507
Other Financing Sources (Uses)						
Notes Issued	$ 270,000	$ 0	$ 270,000	$ 270,000	$ 270,000	$ 0
Other Loans Issued	19,841	0	19,841	0	0	19,841
Insurance Recovery	6,068	0	6,068	0	4,405	1,663
Transfers In	32,000	0	32,000	32,000	32,000	0
Total Other Financing Sources (Uses)	$ 327,909	$ 0	$ 327,909	$ 302,000	$ 306,405	$ 21,504
Net Change in Fund Balance	$ (56,010)	$ (16,071)	$ (72,081)	$ (823,727)	$ (972,092)	$ 900,011
Fund Balance, July 1, 2007	2,245,284	0	2,245,284	2,315,354	2,315,354	(70,070)
Fund Balance, June 30, 2008	$ 2,189,274	$ (16,071)	$ 2,173,203	$ 1,491,627	$ 1,343,262	$ 829,941

Exhibit E-2

Overton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 189,397	$ 190,418	$ 190,418	$ (1,021)
Other Local Revenues	14,221	1,100	1,100	13,121
State of Tennessee	1,927,019	2,235,704	2,235,704	(308,685)
Total Revenues	$ 2,130,637	$ 2,427,222	$ 2,427,222	$ (296,585)
Expenditures				
Highways				
Administration	$ 109,246	$ 116,992	$ 116,992	$ 7,746
Highway and Bridge Maintenance	906,798	1,104,640	1,104,640	197,842
Operation and Maintenance of Equipment	270,554	277,000	277,000	6,446
Quarry Operations	149,398	228,865	228,865	79,467
Other Charges	202,727	222,473	222,473	19,746
Employee Benefits	236,659	260,555	260,555	23,896
Capital Outlay	900,684	1,276,652	1,294,852	394,168
Total Expenditures	$ 2,776,066	$ 3,487,177	$ 3,505,377	$ 729,311
Excess (Deficiency) of Revenues Over Expenditures	$ (645,429)	$ (1,059,955)	$ (1,078,155)	$ 432,726
Other Financing Sources (Uses)				
Notes Issued	$ 901,000	$ 901,000	$ 901,000	$ 0
Transfers Out	(40,000)	(40,000)	(40,000)	0
Total Other Financing Sources (Uses)	$ 861,000	$ 861,000	$ 861,000	$ 0
Net Change in Fund Balance	$ 215,571	$ (198,955)	$ (217,155)	$ 432,726
Fund Balance, July 1, 2007	561,262	563,149	563,149	(1,887)
Fund Balance, June 30, 2008	$ 776,833	$ 364,194	$ 345,994	$ 430,839

Exhibit E-3

Overton County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2008

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-07	$ 14,966	$ 15,322	$ 356	97.68 %	$ 7,535	4.72 %

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the year; therefore, only the most current year is presented.

Exhibit E-4

Overton County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Primary Government and Discretely Presented Overton County School Department
June 30, 2008

(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)
Medicare Supplement Plan - Primary Government	6-30-07	$ 0	$ 101	$ 101	0 %	$ 0	0 %
Local Education Group Plan	6-30-07	0	3,801	3,801	0	11,949	32
Medicare Supplement Plan - School Department	6-30-07	0	359	359	0	0	0

* Data not available for two preceding years.

OVERTON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2008

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 Overton 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 Overton County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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Nonmajor Governmental Funds

Special Revenue Funds

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.

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation.

Public Library Fund – The Public Library Fund is used to account for donations for the new public library.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions involving solid waste collection.

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 of the county.

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Exhibit F-1

Overton County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

	Special Revenue Funds					Capital Projects Fund	
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects	Total Nonmajor Governmental Funds
ASSETS							
Cash	$ 0	$ 0	$ 0	$ 967	$ 967	$ 0	$ 967
Equity in Pooled Cash and Investments	10,579	54,988	26,278	0	91,845	187,129	278,974
Accounts Receivable	0	41,616	0	0	41,616	0	41,616
Due from Other Governments	0	72,000	0	0	72,000	0	72,000
Property Taxes Receivable	0	303,111	0	0	303,111	0	303,111
Allowance for Uncollectible Property Taxes	0	(5,164)	0	0	(5,164)	0	(5,164)
Total Assets	$ 10,579	$ 466,551	$ 26,278	$ 967	$ 504,375	$ 187,129	$ 691,504
LIABILITIES AND FUND BALANCES							
Liabilities							
Payroll Deductions Payable	$ 0	$ 2,899	$ 349	$ 0	$ 3,248	$ 0	$ 3,248
Due to Other Funds	0	0	0	967	967	0	967
Deferred Revenue - Current Property Taxes	0	283,646	0	0	283,646	0	283,646
Deferred Revenue - Delinquent Property Taxes	0	13,524	0	0	13,524	0	13,524
Other Deferred Revenues	0	36,000	0	0	36,000	0	36,000
Total Liabilities	$ 0	$ 336,069	$ 349	$ 967	$ 337,385	$ 0	$ 337,385
Fund Balances							
Reserved for Encumbrances	$ 0	$ 264	$ 0	$ 0	$ 264	$ 0	$ 264
Reserved for Capital Outlay	0	4,078	0	0	4,078	0	4,078
Unreserved	10,579	126,140	25,929	0	162,648	187,129	349,777
Total Fund Balances	$ 10,579	$ 130,482	$ 25,929	$ 0	$ 166,990	$ 187,129	$ 354,119
Total Liabilities and Fund Balances	$ 10,579	$ 466,551	$ 26,278	$ 967	$ 504,375	$ 187,129	$ 691,504

Exhibit F-2

Overton County, Tennessee
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

	Special Revenue Funds						Capital Projects Fund	
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects	Total Nonmajor Governmental Funds
Revenues								
Local Taxes	$ 4,178	$ 0	$ 682,995	$ 0	$ 0	$ 687,173	$ 0	$ 687,173
Fines, Forfeitures, and Penalties	0	0	0	72,668	0	72,668	0	72,668
Charges for Current Services	0	0	191,643	0	2,968	194,611	0	194,611
Other Local Revenues	0	20,646	64,739	6,971	0	92,356	6,679	99,035
State of Tennessee	0	0	33,487	11,639	0	45,126	0	45,126
Total Revenues	$ 4,178	$ 20,646	$ 972,864	$ 91,278	$ 2,968	$ 1,091,934	$ 6,679	$ 1,098,613
Expenditures								
Current:								
General Government	$ 4,264	$ 0	$ 68,746	$ 0	$ 0	$ 73,010	$ 0	$ 73,010
Finance	0	0	0	0	685	685	0	685
Administration of Justice	0	0	0	0	2,283	2,283	0	2,283
Public Safety	0	0	0	60,151	0	60,151	0	60,151
Public Health and Welfare	0	0	1,019,961	0	0	1,019,961	0	1,019,961
Other Operations	42	0	0	0	0	42	0	42
Capital Projects	0	2	0	0	0	2	6,600	6,602
Total Expenditures	$ 4,306	$ 2	$ 1,088,707	$ 60,151	$ 2,968	$ 1,156,134	$ 6,600	$ 1,162,734
Excess (Deficiency) of Revenues Over Expenditures	$ (128)	$ 20,644	$ (115,843)	$ 31,127	$ 0	$ (64,200)	$ 79	$ (64,121)
Other Financing Sources (Uses)								
Notes Issued	$ 0	$ 0	$ 55,000	$ 0	$ 0	$ 55,000	$ 0	$ 55,000
Transfers Out	0	(647,577)	(32,000)	(25,000)	0	(704,577)	0	(704,577)
Total Other Financing Sources (Uses)	$ 0	$ (647,577)	$ 23,000	$ (25,000)	$ 0	$ (649,577)	$ 0	$ (649,577)
Net Change in Fund Balances	$ (128)	$ (626,933)	$ (92,843)	$ 6,127	$ 0	$ (713,777)	$ 79	$ (713,698)
Fund Balance, July 1, 2007	10,707	626,933	223,325	19,802	0	880,767	187,050	1,067,817
Fund Balance, June 30, 2008	$ 10,579	$ 0	$ 130,482	$ 25,929	$ 0	$ 166,990	$ 187,129	$ 354,119

Exhibit F-3

Overton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 4,178	$ 4,300	$ 4,300	$ (122)
Total Revenues	$ 4,178	$ 4,300	$ 4,300	$ (122)
Expenditures				
General Government				
County Buildings	$ 4,264	$ 5,000	$ 5,000	$ 736
Other Operations				
Other Charges	42	110	110	68
Total Expenditures	$ 4,306	$ 5,110	$ 5,110	$ 804
Excess (Deficiency) of Revenues Over Expenditures	$ (128)	$ (810)	$ (810)	$ 682
Net Change in Fund Balance	$ (128)	$ (810)	$ (810)	$ 682
Fund Balance, July 1, 2007	10,707	10,691	10,691	16
Fund Balance, June 30, 2008	$ 10,579	$ 9,881	$ 9,881	$ 698

Exhibit F-4

Overton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Public Library Fund
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Other Local Revenues	$ 20,646	$ 647,500	$ 647,500	$ (626,854)
Total Revenues	$ 20,646	$ 647,500	$ 647,500	$ (626,854)
Expenditures				
Principal on Debt				
General Government	$ 0	$ 647,500	$ 0	$ 0
Capital Projects				
General Administration Projects	2	0	0	(2)
Total Expenditures	$ 2	$ 647,500	$ 0	$ (2)
Excess (Deficiency) of Revenues Over Expenditures	$ 20,644	$ 0	$ 647,500	$ (626,856)
Other Financing Sources (Uses)				
Transfers Out	$ (647,577)	$ 0	$ (647,500)	$ (77)
Total Other Financing Sources (Uses)	$ (647,577)	$ 0	$ (647,500)	$ (77)
Net Change in Fund Balance	$ (626,933)	$ 0	$ 0	$ (626,933)
Fund Balance, July 1, 2007	626,933	0	0	626,933
Fund Balance, June 30, 2008	$ 0	$ 0	$ 0	$ 0

Exhibit F-5

Overton 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, 2008

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 682,995	$ 0	$ 682,995	$ 672,979	$ 672,979	$ 10,016
Charges for Current Services	191,643	0	191,643	205,000	205,000	(13,357)
Other Local Revenues	64,739	0	64,739	50,000	50,000	14,739
State of Tennessee	33,487	0	33,487	37,109	37,109	(3,622)
Total Revenues	$ 972,864	$ 0	$ 972,864	$ 965,088	$ 965,088	$ 7,776
Expenditures						
General Government						
Other General Administration	$ 68,746	$ 0	$ 68,746	$ 77,604	$ 77,604	$ 8,858
Public Health and Welfare						
Convenience Centers	176,164	0	176,164	148,045	188,045	11,881
Transfer Stations	766,598	264	766,862	806,011	806,011	39,149
Recycling Center	56,046	0	56,046	65,305	65,305	9,259
Other Waste Disposal	670	0	670	2,000	2,000	1,330
Postclosure Care Costs	20,483	0	20,483	55,300	55,300	34,817
Total Expenditures	$ 1,088,707	$ 264	$ 1,088,971	$ 1,154,265	$ 1,194,265	$ 105,294
Excess (Deficiency) of Revenues Over Expenditures	$ (115,843)	$ (264)	$ (116,107)	$ (189,177)	$ (229,177)	$ 113,070
Other Financing Sources (Uses)						
Notes Issued	$ 55,000	$ 0	$ 55,000	$ 55,000	$ 55,000	$ 0
Transfers Out	(32,000)	0	(32,000)	(32,000)	(32,000)	0
Total Other Financing Sources (Uses)	$ 23,000	$ 0	$ 23,000	$ 23,000	$ 23,000	$ 0
Net Change in Fund Balance	$ (92,843)	$ (264)	$ (93,107)	$ (166,177)	$ (206,177)	$ 113,070
Fund Balance, July 1, 2007	223,325	0	223,325	220,261	220,261	3,064
Fund Balance, June 30, 2008	$ 130,482	$ (264)	$ 130,218	$ 54,084	$ 14,084	$ 116,134

Exhibit F-6

Overton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 72,668	$ 35,000	$ 35,000	$ 37,668
Other Local Revenues	6,971	10,000	10,000	(3,029)
State of Tennessee	11,639	657,000	657,000	(645,361)
Total Revenues	$ 91,278	$ 702,000	$ 702,000	$ (610,722)
Expenditures				
Public Safety				
Drug Enforcement	$ 60,151	$ 304,376	$ 279,376	$ 219,225
Total Expenditures	$ 60,151	$ 304,376	$ 279,376	$ 219,225
Excess (Deficiency) of Revenues Over Expenditures	$ 31,127	$ 397,624	$ 422,624	$ (391,497)
Other Financing Sources (Uses)				
Transfers Out	$ (25,000)	$ 0	$ (25,000)	$ 0
Total Other Financing Sources (Uses)	$ (25,000)	$ 0	$ (25,000)	$ 0
Net Change in Fund Balance	$ 6,127	$ 397,624	$ 397,624	$ (391,497)
Fund Balance, July 1, 2007	19,802	19,801	19,801	1
Fund Balance, June 30, 2008	$ 25,929	$ 417,425	$ 417,425	$ (391,496)

Major Governmental Fund

General Debt Service Fund

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

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Exhibit G

Overton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 438,244	$ 435,443	$ 435,443	$ 2,801
Other Local Revenues	884,372	453,000	903,000	(18,628)
State of Tennessee	437,683	336,000	336,000	101,683
Total Revenues	$ 1,760,299	$ 1,224,443	$ 1,674,443	$ 85,856
Expenditures				
Principal on Debt				
General Government	$ 1,728,890	$ 613,341	$ 1,730,621	$ 1,731
Interest on Debt				
General Government	524,066	486,154	547,317	23,251
Other Debt Service				
General Government	20,518	19,100	20,100	(418)
Total Expenditures	$ 2,273,474	$ 1,118,595	$ 2,298,038	$ 24,564
Excess (Deficiency) of Revenues Over Expenditures	$ (513,175)	$ 105,848	$ (623,595)	$ 110,420
Other Financing Sources (Uses)				
Transfers In	$ 712,577	$ 40,000	$ 712,500	$ 77
Total Other Financing Sources (Uses)	$ 712,577	$ 40,000	$ 712,500	$ 77
Net Change in Fund Balance	$ 199,402	$ 145,848	$ 88,905	$ 110,497
Fund Balance, July 1, 2007	1,436,037	1,533,489	1,533,489	(97,452)
Fund Balance, June 30, 2008	$ 1,635,439	$ 1,679,337	$ 1,622,394	$ 13,045

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Fiduciary Funds

Agency Funds are used to account for assets held by the county in a trustee capacity or 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.

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Exhibit H-1

Overton County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2008

	Agency Funds		
	Cities - Sales Tax	Constitu-tional Officers - Agency	Total
ASSETS			
Cash	$ 0	$ 884,918	$ 884,918
Accounts Receivable	0	190	190
Due from Other Governments	126,287	0	126,287
Total Assets	$ 126,287	$ 885,108	$ 1,011,395
LIABILITIES			
Due to Other Taxing Units	$ 126,287	$ 0	$ 126,287
Due to Litigants, Heirs, and Others	0	885,108	885,108
Total Liabilities	$ 126,287	$ 885,108	$ 1,011,395

Exhibit H-2

Overton County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2008

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 766,126	$ 766,126	$ 0
Due from Other Governments	138,104	126,287	138,104	126,287
Total Assets	$ 138,104	$ 892,413	$ 904,230	$ 126,287
Liabilities				
Due to Other Taxing Units	$ 138,104	$ 892,413	$ 904,230	$ 126,287
Total Liabilities	$ 138,104	$ 892,413	$ 904,230	$ 126,287
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 396,499	$ 5,876,026	$ 5,387,607	$ 884,918
Accounts Receivable	924	190	924	190
Total Assets	$ 397,423	$ 5,876,216	$ 5,388,531	$ 885,108
Liabilities				
Due to Litigants, Heirs, and Others	$ 397,423	$ 5,876,216	$ 5,388,531	$ 885,108
Total Liabilities	$ 397,423	$ 5,876,216	$ 5,388,531	$ 885,108
Totals - All Agency Funds				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 766,126	$ 766,126	$ 0
Cash	396,499	5,876,026	5,387,607	884,918
Accounts Receivable	924	190	924	190
Due from Other Governments	138,104	126,287	138,104	126,287
Total Assets	$ 535,527	$ 6,768,629	$ 6,292,761	$ 1,011,395
Liabilities				
Due to Other Taxing Units	$ 138,104	$ 892,413	$ 904,230	$ 126,287
Due to Litigants, Heirs, and Others	397,423	5,876,216	5,388,531	885,108
Total Liabilities	$ 535,527	$ 6,768,629	$ 6,292,761	$ 1,011,395

Overton County School Department

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

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

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

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

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

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Exhibit I-1

Overton County, Tennessee
Statement of Activities
Discretely Presented Overton County School Department
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Total Governmental Activities
Component Unit:				
Governmental Activities:				
Instruction	$ 14,577,639	$ 97,713	$ 2,175,985	$ (12,303,941)
Support Services	7,364,786	0	0	(7,364,786)
Operation of Non-Instructional Services	2,797,456	535,836	1,143,895	(1,117,725)
Other Debt Service	516,179	0	0	(516,179)
Total Governmental Activities	$ 25,256,060	$ 633,549	$ 3,319,880	$ (21,302,631)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				$ 1,693,837
Local Option Sales Taxes				1,501,034
Wheel Tax				557,988
Wholesale Beer Tax				118,944
Other Local Taxes				4,667
Grants and Contributions Not Restricted for Specific Programs				17,213,834
Interest Income				729
Sale of Equipment				5,553
Miscellaneous				14,070
Total General Revenues				$ 21,110,656
Insurance Recovery				$ 1,770
Change in Net Assets				$ (190,205)
Net Assets, July 1, 2007				10,190,366
Net Assets, June 30, 2008				$ 10,000,161

Exhibit I-2

Overton County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Overton County School Department
June 30, 2008

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS			
Cash	$ 0	$ 1,020	$ 1,020
Equity in Pooled Cash and Investments	2,260,394	488,080	2,748,474
Inventories	0	46,101	46,101
Accounts Receivable	109	70	179
Due from Other Governments	715,911	209,987	925,898
Due from Other Funds	3,747	0	3,747
Property Taxes Receivable	1,810,873	0	1,810,873
Allowance for Uncollectible Property Taxes	(33,586)	0	(33,586)
Total Assets	$ 4,757,448	$ 745,258	$ 5,502,706
LIABILITIES AND FUND BALANCES			
Liabilities			
Accrued Payroll	$ 46,321	$ 0	$ 46,321
Cash Overdraft	0	7,040	7,040
Due to Other Funds	0	55	55
Deferred Revenue - Current Property Taxes	1,673,509	0	1,673,509
Deferred Revenue - Delinquent Property Taxes	98,139	0	98,139
Other Deferred Revenues	389,970	0	389,970
Total Liabilities	$ 2,207,939	$ 7,095	$ 2,215,034
Fund Balances			
Reserved for Encumbrances	$ 599,527	$ 5,582	$ 605,109
Other Local Education Reserves	75,443	46,101	121,544
Reserved for Career Ladder - Extended Contract	1,233	0	1,233
Reserved for Career Ladder Program	4,055	0	4,055
Reserved for Basic Education Program	1,491,626	0	1,491,626
Reserved for Title I Grants to Local Education Agencies	0	14,440	14,440
Reserved for Special Education - Grants to States	0	29,282	29,282
Other Federal Reserves	0	14,750	14,750
Unreserved, Reported In:			
General Fund	377,625	0	377,625
Special Revenue Funds	0	285,615	285,615
Debt Service Funds	0	342,393	342,393
Total Fund Balances	$ 2,549,509	$ 738,163	$ 3,287,672
Total Liabilities and Fund Balances	$ 4,757,448	$ 745,258	$ 5,502,706

Exhibit I-3

Overton County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Overton County School Department
June 30, 2008

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)		$ 3,287,672
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 460,517	
Add: buildings and improvements net of accumulated depreciation	16,600,823	
Add: infrastructure net of accumulated depreciation	842,639	
Add: other capital assets net of accumulated depreciation	1,045,947	18,949,926
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	$ (12,265,000)	
Less: other postemployment benefits obligations	(279,645)	
Less: compensated absences payable	(88,638)	
Less: accrued interest on bonds	(92,263)	(12,725,546)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		488,109
Net assets of governmental activities (Exhibit A)		$ 10,000,161

Exhibit I-4

Overton County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Overton County School Department
For the Year Ended June 30, 2008

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
Revenues			
Local Taxes	$ 3,800,543	$ 97,988	$ 3,898,531
Licenses and Permits	1,586	0	1,586
Charges for Current Services	27,087	535,803	562,890
Other Local Revenues	113,416	13,934	127,350
State of Tennessee	16,928,071	97,301	17,025,372
Federal Government	210,555	2,889,779	3,100,334
Total Revenues	$ 21,081,258	$ 3,634,805	$ 24,716,063
Expenditures			
Current:			
Instruction	$ 12,298,385	$ 1,248,318	$ 13,546,703
Support Services	6,706,920	588,073	7,294,993
Operation of Non-Instructional Services	903,904	1,708,068	2,611,972
Capital Outlay	208,923	0	208,923
Debt Service:			
Principal on Debt	0	525,000	525,000
Interest on Debt	0	517,205	517,205
Other Debt Service	0	1,516	1,516
Total Expenditures	$ 20,118,132	$ 4,588,180	$ 24,706,312
Excess (Deficiency) of Revenues Over Expenditures	$ 963,126	$ (953,375)	$ 9,751
Other Financing Sources (Uses)			
Insurance Recovery	$ 1,770	$ 0	$ 1,770
Transfers In	24,750	898,846	923,596
Transfers Out	(898,846)	(24,750)	(923,596)
Total Other Financing Sources (Uses)	$ (872,326)	$ 874,096	$ 1,770
Net Change in Fund Balances	$ 90,800	$ (79,279)	$ 11,521
Fund Balance, July 1, 2007	2,458,709	817,442	3,276,151
Fund Balance, June 30, 2008	$ 2,549,509	$ 738,163	$ 3,287,672

Exhibit I-5

Overton County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Overton County School Department
For the Year Ended June 30, 2008

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)		$ 11,521
(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	$ 9,600	
Less: current year depreciation expense	(687,412)	(677,812)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets		(23,944)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2008	$ 488,109	
Less: deferred delinquent property taxes and other deferred June 30, 2007	(227,874)	260,235
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on bonds		525,000
(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 governmental funds.		
Change in accrued interest	$ 2,542	
Change in other postemployment benefits obligations	(279,645)	
Change in compensated absences payable	(8,102)	(285,205)
Change in net assets of governmental activities (Exhibit B)		$ (190,205)

Exhibit I-6

Overton County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Overton County School Department
June 30, 2008

	Special Revenue Funds			Debt Service Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Debt Service	Nonmajor Governmental Funds
ASSETS					
Cash	$ 0	$ 1,020	$ 1,020	$ 0	$ 1,020
Equity in Pooled Cash and Investments	0	145,687	145,687	342,393	488,080
Inventories	0	46,101	46,101	0	46,101
Accounts Receivable	0	70	70	0	70
Due from Other Governments	71,149	138,838	209,987	0	209,987
Total Assets	$ 71,149	$ 331,716	$ 402,865	$ 342,393	$ 745,258
LIABILITIES AND FUND BALANCES					
Liabilities					
Cash Overdraft	$ 7,040	$ 0	$ 7,040	$ 0	$ 7,040
Due to Other Funds	55	0	55	0	55
Total Liabilities	$ 7,095	$ 0	$ 7,095	$ 0	$ 7,095
Fund Balances					
Reserved for Encumbrances	$ 5,582	$ 0	$ 5,582	$ 0	$ 5,582
Other Local Education Reserves	0	46,101	46,101	0	46,101
Reserved for Title I Grants to Local Education Agencies	14,440	0	14,440	0	14,440
Reserved for Special Education - Grants to States	29,282	0	29,282	0	29,282
Other Federal Reserves	14,750	0	14,750	0	14,750
Unreserved	0	285,615	285,615	342,393	628,008
Total Fund Balances	$ 64,054	$ 331,716	$ 395,770	$ 342,393	$ 738,163
Total Liabilities and Fund Balances	$ 71,149	$ 331,716	$ 402,865	$ 342,393	$ 745,258

Exhibit I-7

Overton County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Overton County School Department
For the Year Ended June 30, 2008

	Special Revenue Funds			Debt Service Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Debt Service	Nonmajor Governmental Funds
Revenues					
Local Taxes	$ 0	$ 0	$ 0	$ 97,988	$ 97,988
Charges for Current Services	0	535,803	535,803	0	535,803
Other Local Revenues	0	13,934	13,934	0	13,934
State of Tennessee	0	97,301	97,301	0	97,301
Federal Government	1,852,330	1,037,449	2,889,779	0	2,889,779
Total Revenues	$ 1,852,330	$ 1,684,487	$ 3,536,817	$ 97,988	$ 3,634,805
Expenditures					
Current:					
Instruction	$ 1,248,318	$ 0	$ 1,248,318	$ 0	$ 1,248,318
Support Services	588,073	0	588,073	0	588,073
Operation of Non-Instructional Services	0	1,708,068	1,708,068	0	1,708,068
Debt Service:					
Principal on Debt	0	0	0	525,000	525,000
Interest on Debt	0	0	0	517,205	517,205
Other Debt Service	0	0	0	1,516	1,516
Total Expenditures	$ 1,836,391	$ 1,708,068	$ 3,544,459	$ 1,043,721	$ 4,588,180
Excess (Deficiency) of Revenues Over Expenditures	$ 15,939	$ (23,581)	$ (7,642)	$ (945,733)	$ (953,375)
Other Financing Sources (Uses)					
Transfers In	$ 0	$ 0	$ 0	$ 898,846	$ 898,846
Transfers Out	(21,153)	(3,597)	(24,750)	0	(24,750)
Total Other Financing Sources (Uses)	$ (21,153)	$ (3,597)	$ (24,750)	$ 898,846	$ 874,096
Net Change in Fund Balances	$ (5,214)	$ (27,178)	$ (32,392)	$ (46,887)	$ (79,279)
Fund Balance, July 1, 2007	69,268	358,894	428,162	389,280	817,442
Fund Balance, June 30, 2008	$ 64,054	$ 331,716	$ 395,770	$ 342,393	$ 738,163

Exhibit I-8

Overton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Overton County School Department
General Purpose School Fund
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 3,800,543	$ 0	$ 0	$ 3,800,543	$ 3,743,841	$ 3,743,841	$ 56,702
Licenses and Permits	1,586	0	0	1,586	1,510	1,510	76
Charges for Current Services	27,087	0	0	27,087	27,460	27,460	(373)
Other Local Revenues	113,416	0	0	113,416	88,400	88,400	25,016
State of Tennessee	16,928,071	0	0	16,928,071	16,897,622	17,301,745	(373,674)
Federal Government	210,555	0	0	210,555	337,340	337,340	(126,785)
Total Revenues	$ 21,081,258	$ 0	$ 0	$ 21,081,258	$ 21,096,173	$ 21,500,296	$ (419,038)
Expenditures							
Instruction							
Regular Instruction Program	$ 9,992,857	$ (230,274)	$ 288,602	$ 10,051,185	$ 10,611,956	$ 10,312,456	$ 261,271
Alternative Instruction Program	139,541	0	0	139,541	137,511	141,911	2,370
Special Education Program	1,213,747	0	0	1,213,747	1,162,734	1,218,234	4,487
Vocational Education Program	903,476	0	0	903,476	912,477	912,477	9,001
Adult Education Program	48,764	0	0	48,764	58,679	63,479	14,715
Support Services							
Attendance	127,894	0	0	127,894	127,012	130,590	2,696
Health Services	58,135	0	0	58,135	60,579	62,451	4,316
Other Student Support	553,746	(4,360)	9,342	558,728	560,225	586,025	27,297
Regular Instruction Program	622,793	0	1,119	623,912	652,055	633,055	9,143
Special Education Program	150,555	0	0	150,555	92,021	153,292	2,737
Vocational Education Program	72,186	0	0	72,186	73,451	73,451	1,265
Adult Programs	53,357	0	0	53,357	53,849	55,149	1,792
Other Programs	101,773	0	0	101,773	0	101,773	0
Board of Education	293,938	0	0	293,938	355,091	355,091	61,153
Director of Schools	118,531	(1,570)	0	116,961	120,521	120,521	3,560

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Office of the Principal	$ 1,373,833	$ 0	$ 0	$ 1,373,833	$ 1,503,598	$ 1,449,598	$ 75,765
Fiscal Services	284,930	(5,516)	2,682	282,096	242,280	288,170	6,074
Operation of Plant	1,746,255	0	57,248	1,803,503	1,848,133	1,848,133	44,630
Maintenance of Plant	283,872	(7,801)	7,205	283,276	277,627	289,427	6,151
Transportation	865,122	0	214,884	1,080,006	941,456	1,087,546	7,540
Operation of Non-Instructional Services							
Food Service	5,040	0	0	5,040	0	5,040	0
Community Services	434,724	0	144	434,868	0	440,879	6,011
Early Childhood Education	464,140	0	2,801	466,941	473,208	473,208	6,267
Capital Outlay							
Regular Capital Outlay	208,923	0	15,500	224,423	180,000	224,424	1
Total Expenditures	$ 20,118,132	$ (249,521)	$ 599,527	$ 20,468,138	$ 20,444,463	$ 21,026,380	$ 558,242
Excess (Deficiency) of Revenues Over Expenditures	$ 963,126	$ 249,521	$ (599,527)	$ 613,120	$ 651,710	$ 473,916	$ 139,204
Other Financing Sources (Uses)							
Insurance Recovery	$ 1,770	$ 0	$ 0	$ 1,770	$ 0	$ 13,850	$ (12,080)
Transfers In	24,750	0	0	24,750	23,700	23,700	1,050
Transfers Out	(898,846)	0	0	(898,846)	(898,846)	(898,846)	0
Total Other Financing Sources (Uses)	$ (872,326)	$ 0	$ 0	$ (872,326)	$ (875,146)	$ (861,296)	$ (11,030)
Net Change in Fund Balance	$ 90,800	$ 249,521	$ (599,527)	$ (259,206)	$ (223,436)	$ (387,380)	$ 128,174
Fund Balance, July 1, 2007	2,458,709	(249,521)	0	2,209,188	2,206,541	2,206,541	2,647
Fund Balance, June 30, 2008	$ 2,549,509	$ 0	$ (599,527)	$ 1,949,982	$ 1,983,105	$ 1,819,161	$ 130,821

Exhibit I-9

Overton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Overton County School Department
School Federal Projects Fund
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Federal Government	$ 1,852,330	$ 0	$ 0	$ 1,852,330	$ 1,996,738	$ 1,996,738	$ (144,408)
Total Revenues	$ 1,852,330	$ 0	$ 0	$ 1,852,330	$ 1,996,738	$ 1,996,738	$ (144,408)
Expenditures							
Instruction							
Regular Instruction Program	$ 580,082	$ (7,646)	$ 3,483	$ 575,919	$ 587,365	$ 587,365	$ 11,446
Special Education Program	613,467	(142)	0	613,325	676,215	675,296	61,971
Vocational Education Program	54,769	(5,365)	10	49,414	62,227	64,996	15,582
Support Services							
Health Services	11,127	0	0	11,127	14,237	11,426	299
Other Student Support	380,249	(9,348)	1,765	372,666	439,061	436,012	63,346
Regular Instruction Program	116,660	(4,798)	324	112,186	116,463	116,463	4,277
Special Education Program	31,008	0	0	31,008	27,418	31,148	140
Vocational Education Program	3,314	0	0	3,314	3,034	3,314	0
Transportation	45,715	0	0	45,715	45,928	45,928	213
Total Expenditures	$ 1,836,391	$ (27,299)	$ 5,582	$ 1,814,674	$ 1,971,948	$ 1,971,948	$ 157,274
Excess (Deficiency) of Revenues Over Expenditures	$ 15,939	$ 27,299	$ (5,582)	$ 37,656	$ 24,790	$ 24,790	$ 12,866
Other Financing Sources (Uses)							
Transfers Out	$ (21,153)	$ 0	$ 0	$ (21,153)	$ (24,790)	$ (24,790)	$ 3,637
Total Other Financing Sources (Uses)	$ (21,153)	$ 0	$ 0	$ (21,153)	$ (24,790)	$ (24,790)	$ 3,637
Net Change in Fund Balance	$ (5,214)	$ 27,299	$ (5,582)	$ 16,503	$ 0	$ 0	$ 16,503
Fund Balance, July 1, 2007	69,268	(27,299)	0	41,969	0	0	41,969
Fund Balance, June 30, 2008	$ 64,054	$ 0	$ (5,582)	$ 58,472	$ 0	$ 0	$ 58,472

Exhibit I-10

Overton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Overton County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 535,803	$ 588,100	$ 588,100	$ (52,297)
Other Local Revenues	13,934	6,500	6,500	7,434
State of Tennessee	97,301	88,200	88,200	9,101
Federal Government	1,037,449	1,025,000	1,025,000	12,449
Total Revenues	$ 1,684,487	$ 1,707,800	$ 1,707,800	$ (23,313)
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 1,632,020	$ 1,639,600	$ 1,639,600	$ 7,580
Community Services	76,048	63,200	63,200	(12,848)
Total Expenditures	$ 1,708,068	$ 1,702,800	$ 1,702,800	$ (5,268)
Excess (Deficiency) of Revenues Over Expenditures	$ (23,581)	$ 5,000	$ 5,000	$ (28,581)
Other Financing Sources (Uses)				
Transfers Out	$ (3,597)	$ (5,000)	$ (5,000)	$ 1,403
Total Other Financing Sources (Uses)	$ (3,597)	$ (5,000)	$ (5,000)	$ 1,403
Net Change in Fund Balance	$ (27,178)	$ 0	$ 0	$ (27,178)
Fund Balance, July 1, 2007	358,894	328,758	328,758	30,136
Fund Balance, June 30, 2008	$ 331,716	$ 328,758	$ 328,758	$ 2,958

Exhibit I-11

Overton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Overton County School Department
Education Debt Service Fund
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 97,988	$ 87,000	$ 87,000	$ 10,988
Total Revenues	$ 97,988	$ 87,000	$ 87,000	$ 10,988
Expenditures				
Principal on Debt				
Education	$ 525,000	$ 525,000	$ 525,000	$ 0
Interest on Debt				
Education	517,205	517,205	517,205	0
Other Debt Service				
Education	1,516	2,100	2,100	584
Total Expenditures	$ 1,043,721	$ 1,044,305	$ 1,044,305	$ 584
Excess (Deficiency) of Revenues Over Expenditures	$ (945,733)	$ (957,305)	$ (957,305)	$ 11,572
Other Financing Sources (Uses)				
Transfers In	$ 898,846	$ 898,846	$ 898,846	$ 0
Total Other Financing Sources (Uses)	$ 898,846	$ 898,846	$ 898,846	$ 0
Net Change in Fund Balance	$ (46,887)	$ (58,459)	$ (58,459)	$ 11,572
Fund Balance, July 1, 2007	389,280	58,459	58,459	330,821
Fund Balance, June 30, 2008	$ 342,393	$ 0	$ 0	$ 342,393

MISCELLANEOUS SCHEDULES

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Exhibit J-1

Overton County, Tennessee
Schedule of Changes in Long-term Notes, Bonds, and Other Loans
Primary Government and Discretely Presented Overton County School Department
For the Year Ended June 30, 2008

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-07	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-08
PRIMARY GOVERNMENT								
NOTES PAYABLE								
Payable through General Debt Service Fund								
Volunteer State Community College	$ 500,000	3 %	11-23-04	11-23-16	$ 416,666	$ 0	$ 41,667	$ 374,999
Airport Improvements	125,000	3.9	7-12-05	7-1-08	85,000	0	42,000	43,000
Convenience Center and Library Land	125,000	3.75	9-27-05	9-2-08	83,333	0	41,667	41,666
Library	1,515,000	4.35 to 5	12-21-05	6-30-18	1,415,000	0	752,401	662,599
Patrol Cars	134,604	4.85	6-28-06	6-28-09	89,736	0	44,868	44,868
Industrial Park	850,000	5.07	3-29-07	4-1-19	850,000	0	70,833	779,167
Highway Equipment	901,000	4.31	10-1-07	11-1-16	0	901,000	0	901,000
Patrol Cars and Ambulance Remount	270,000	4.00	10-1-07	10-1-10	0	270,000	25,000	245,000
Backhoe	55,000	4.00	10-1-07	10-1-10	0	55,000	0	55,000
Total Notes Payable					$ 2,939,735	$ 1,226,000	$ 1,018,436	$ 3,147,299
BONDS PAYABLE								
Payable through General Debt Service Fund								
Courthouse Renovation - F.H.A.	450,000	5	Various	1-1-18	$ 225,000	$ 0	$ 15,000	$ 210,000
Senior Citizens Building - F.H.A.	200,000	5.625	2-23-1993	2-23-23	143,421	0	5,894	137,527
General Obligation Bond - Jail Renovation	6,500,000	3.6 to 4.9	12-30-1998	6-1-24	5,435,000	0	215,000	5,220,000
Industrial Park Land - F.H.A.	1,650,000	4.5	4-21-03	8-31-27	1,584,035	0	461,180	1,122,855
Total Bonds Payable					$ 7,387,456	$ 0	$ 697,074	$ 6,690,382
OTHER LOANS PAYABLE								
Montgomery County Public Building Authority								
Payable through General Debt Service Fund								
Airport Runway Expansion	135,120	Variable	8-14-03	8-14-13	$ 67,789	$ 19,841	$ 13,380	$ 74,250

(Continued)

Exhibit J-1

Overton County, Tennessee
Schedule of Changes in Long-term Notes, Bonds, and Other Loans
Primary Government and Discretely Presented Overton County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-07	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-08
DISCRETELY PRESENTED OVERTON COUNTY SCHOOL DEPARTMENT								
BONDS PAYABLE								
Payable through Education Debt Service Fund								
School Refunding Bonds, Series 2004	$ 7,795,000	2 to 5 %	3-26-04	4-1-20	$ 7,770,000	$ 0	$ 485,000	$ 7,285,000
School Refunding Bonds, Series 2005	5,090,000	3.5 to 4.3	7-28-05	6-30-25	5,020,000	0	40,000	4,980,000
Total Bonds Payable					$ 12,790,000	$ 0	$ 525,000	$ 12,265,000

Exhibit J-2

Overton County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Overton County School Department

PRIMARY GOVERNMENT

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2009	$ 560,478	$ 135,492	$ 695,970
2010	435,944	112,195	548,139
2011	410,945	93,584	504,529
2012	332,611	76,606	409,217
2013	337,611	61,201	398,812
2014	290,210	45,685	335,895
2015	212,611	32,539	245,150
2016	212,611	23,324	235,935
2017	212,611	14,007	226,618
2018	70,833	7,282	78,115
2019	70,834	3,642	74,476
Total	$ 3,147,299	$ 605,557	$ 3,752,856

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2009	$ 285,398	$ 313,242	$ 598,640
2010	297,519	300,921	598,440
2011	309,742	287,960	597,702
2012	322,068	274,314	596,382
2013	334,506	260,001	594,507
2014	352,059	245,008	597,067
2015	369,731	228,961	598,692
2016	382,530	211,822	594,352
2017	400,463	193,814	594,277
2018	418,536	174,726	593,262
2019	441,748	154,654	596,402
2020	460,116	133,341	593,457
2021	483,644	111,140	594,784
2022	507,338	87,804	595,142
2023	530,816	63,155	593,971
2024	560,765	37,678	598,443
2025	79,175	10,503	89,678
2026	82,737	6,941	89,678
2027	71,491	3,218	74,709
Total	$ 6,690,382	$ 3,099,203	$ 9,789,585

(Continued)

Exhibit J-2

Overton County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Overton County School Department (Cont.)

PRIMARY GOVERNMENT (Cont.)

Year Ending June 30	Other Loan Principal	Other Loan Interest	Other Loan Fees	Total Other Loan Requirements
2009	$ 13,850	$ 1,856	$ 1,414	$ 17,120
2010	14,330	1,510	1,340	17,180
2011	14,830	1,152	1,264	17,246
2012	15,350	781	1,186	17,317
2013	15,890	397	1,104	17,391
Total	$ 74,250	$ 5,696	$ 6,308	$ 86,254

DISCRETELY PRESENTED
OVERTON COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2009	$ 535,000	$ 506,106	$ 1,041,106
2010	545,000	493,816	1,038,816
2011	555,000	479,791	1,034,791
2012	570,000	464,228	1,034,228
2013	585,000	446,728	1,031,728
2014	615,000	417,878	1,032,878
2015	645,000	387,528	1,032,528
2016	675,000	355,678	1,030,678
2017	715,000	322,328	1,037,328
2018	750,000	287,028	1,037,028
2019	790,000	249,978	1,039,978
2020	820,000	218,378	1,038,378
2021	810,000	185,578	995,578
2022	855,000	153,178	1,008,178
2023	895,000	118,123	1,013,123
2024	935,000	80,980	1,015,980
2025	970,000	41,710	1,011,710
Total	$ 12,265,000	$ 5,209,034	$ 17,474,034

Exhibit J-3

Overton County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Overton County School Department
For the Year Ended June 30, 2008

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
Solid Waste/Sanitation	General	Operations	$ 32,000
Public Library	General Debt Service	Debt retirement	647,577
Highway/Public Works	General Debt Service	"	40,000
Drug Control Fund	General Debt Service	"	25,000
Total Transfers Primary Government			$ 744,577
DISCRETELY PRESENTED OVERTON COUNTY SCHOOL DEPARTMENT			
Central Cafeteria	General Purpose School	Indirect cost	$ 3,597
School Federal Projects	General Purpose School	"	21,153
General Purpose School	Education Debt Service	Debt retirement	898,846
Total Transfers Discretely Presented Overton County School Department			$ 923,596

Exhibit J-4

Overton County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Overton County School Department
For the Year Ended June 30, 2008

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	$ 63,377	$ 100,000	RLI Insurance Company
Highway Superintendent	Section 8-24-102, TCA	60,360	100,000	"
Director of Schools	State Board of Education and County Board of Education	79,015 (1)	(2)	
Trustee	Section 8-24-102, TCA	54,872	724,000	RLI Insurance Company
Assessor of Property	Section 8-24-102, TCA	54,872	10,000	"
County Clerk	Section 8-24-102, TCA	54,872	50,000	Western Surety Company
Circuit Court Clerk	Section 8-24-102, TCA	54,872	50,000	RLI Insurance Company
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	54,872 (3)	75,000	"
Register	Section 8-24-102, TCA	54,872	25,000	Western Surety Company
Sheriff	Section 8-24-102, TCA	60,360 (4)	25,000	RLI Insurance Company

Employee Blanket Bonds:		
Public Employees Dishonesty - County Departments	150,000	Local Government Property and Casualty
Public Employees Dishonesty - School Department	150,000	Tennessee Risk Management Trust

(1) Includes chief executive officer training supplement of $1,000.
(2) The director of schools is covered under the public employee dishonesty bond.
(3) Does not include special commissioner fees of $13,866.
(4) Does not include a law enforcement training supplement of $600.

Exhibit J-5

Overton County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2008

		Special Revenue Funds			
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control
Local Taxes					
County Property Taxes					
Current Property Tax	$ 2,495,004	$ 0	$ 0	$ 212,343	$ 0
Trustee's Collections - Prior Year	133,287	0	0	12,171	0
Circuit/Clerk & Master Collections - Prior Years	19,578	0	0	1,780	0
Interest and Penalty	23,032	0	0	2,094	0
Payments in-Lieu-of Taxes - Other	2,847	0	0	245	0
County Local Option Taxes					
Local Option Sales Tax	285,526	0	0	450,309	0
Litigation Tax - General	114,561	237	0	0	0
Litigation Tax - Special Purpose	0	3,941	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	23,391	0	0	0	0
Business Tax	105,782	0	0	0	0
Mineral Severance Tax	83,546	0	0	0	0
Statutory Local Taxes					
Bank Excise Tax	47,622	0	0	4,053	0
Total Local Taxes	$ 3,334,176	$ 4,178	$ 0	$ 682,995	$ 0
Licenses and Permits					
Licenses					
Cable TV Franchise	$ 4,763	$ 0	$ 0	$ 0	$ 0
Permits					
Beer Permits	1,000	0	0	0	0
Total Licenses and Permits	$ 5,763	$ 0	$ 0	$ 0	$ 0
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	$ 3,039	$ 0	$ 0	$ 0	$ 0
Officers Costs	3,663	0	0	0	0
Drug Control Fines	0	0	0	0	3,824
Jail Fees	1,740	0	0	0	0
DUI Treatment Fines	570	0	0	0	0
Data Entry Fee - Circuit Court	380	0	0	0	0

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds: Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control
Fines, Forfeitures, and Penalties (Cont.)					
Criminal Court					
Drug Court Fees	$ 1,046	$ 0	$ 0	$ 0	$ 0
General Sessions Court					
Fines	26,047	0	0	0	0
Officers Costs	37,175	0	0	0	0
Drug Control Fines	0	0	0	0	4,253
Drug Court Fees	5,189	0	0	0	0
Jail Fees	19,444	0	0	0	0
DUI Treatment Fines	4,020	0	0	0	0
Data Entry Fee - General Sessions Court	4,611	0	0	0	0
Courtroom Security Fee	50	0	0	0	0
Juvenile Court					
Fines	1,241	0	0	0	0
Chancery Court					
Officers Costs	3,649	0	0	0	0
Courtroom Security Fee	1	0	0	0	0
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	0	0	0	0	64,591
Total Fines, Forfeitures, and Penalties	$ 111,865	$ 0	$ 0	$ 0	$ 72,668
Charges for Current Services					
General Service Charges					
Tipping Fees	$ 0	$ 0	$ 0	$ 191,643	$ 0
Patient Charges	826,998	0	0	0	0
Other General Service Charges	30	0	0	0	0
Service Charges	918	0	0	0	0
Fees					
Copy Fees	945	0	0	0	0
Telephone Commissions	2,063	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Data Processing Fee - Register	9,952	0	0	0	0
Probation Fees	406	0	0	0	0
Data Processing Fee - Sheriff	3,867	0	0	0	0

(Continued)

Exhibit J-5

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

		Special Revenue Funds			
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control
Charges for Current Services (Cont.)					
Fees (Cont.)					
Sexual Offender Registration Fees - Sheriff	$ 1,000	$ 0	$ 0	$ 0	$ 0
Education Charges					
Tuition - Other	65,539	0	0	0	0
Total Charges for Current Services	$ 911,718	$ 0	$ 0	$ 191,643	$ 0
Other Local Revenues					
Recurring Items					
Investment Income	$ 0	$ 0	$ 20,646	$ 0	$ 0
Lease/Rentals	3,200	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0
Commissary Sales	53,140	0	0	0	0
Sale of Recycled Materials	0	0	0	62,449	0
Miscellaneous Refunds	45,461	0	0	2,290	661
Nonrecurring Items					
Sale of Equipment	10,749	0	0	0	0
Sale of Property	6,255	0	0	0	6,310
Damages Recovered from Individuals	746	0	0	0	0
Contributions and Gifts	1,500	0	0	0	0
Total Other Local Revenues	$ 121,051	$ 0	$ 20,646	$ 64,739	$ 6,971
Fees Received from County Officials					
Fees in-Lieu-of Salary					
County Clerk	$ 200,517	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	193,494	0	0	0	0
Clerk and Master	66,321	0	0	0	0
Register	104,502	0	0	0	0
Sheriff	18,464	0	0	0	0
Trustee	219,502	0	0	0	0
Total Fees Received from County Officials	$ 802,800	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit J-5

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

		Special Revenue Funds			
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control
State of Tennessee					
General Government Grants					
Juvenile Services Program	$ 9,000	$ 0	$ 0	$ 0	$ 0
State Reappraisal Grant	8,882	0	0	0	0
Solid Waste Grants	0	0	0	13,699	0
Public Safety Grants					
Law Enforcement Training Programs	13,200	0	0	0	0
Health and Welfare Grants					
Other Health and Welfare Grants	19,485	0	0	0	0
Public Works Grants					
State Aid Program	0	0	0	0	0
Litter Program	25,614	0	0	0	0
Other State Revenues					
Income Tax	89,858	0	0	0	0
Beer Tax	19,312	0	0	0	0
Alcoholic Beverage Tax	37,470	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0
Emergency Hospital - Prisoners	61,812	0	0	0	0
Board of Jurors	3,133	0	0	0	0
Contracted Prisoner Boarding	789,075	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	16,380	0	0	0	0
Other State Grants	122,608	0	0	19,788	0
Other State Revenues	257,595	0	0	0	11,639
Total State of Tennessee	$ 1,473,424	$ 0	$ 0	$ 33,487	$ 11,639
Federal Government					
Federal Through State					
Community Development	$ 300,000	$ 0	$ 0	$ 0	$ 0
Other Federal through State	38,873	0	0	0	0
Direct Federal Revenue					
Other Direct Federal Revenue	199	0	0	0	0
Total Federal Government	$ 339,072	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit J-5

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

		Special Revenue Funds			
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control
Other Governments and Citizens Groups					
Other Governments					
Prisoner Board	$ 135,970	$ 0	$ 0	$ 0	$ 0
Contracted Services	0	0	0	0	0
Citizens Groups					
Donations	2,200	0	0	0	0
Total Other Governments and Citizens Groups	$ 138,170	$ 0	$ 0	$ 0	$ 0
Total	$ 7,238,039	$ 4,178	$ 20,646	$ 972,864	$ 91,278

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
Local Taxes						
County Property Taxes						
Current Property Tax	$ 0	$ 106,171	$ 398,158	$ 0	$ 0	$ 3,211,676
Trustee's Collections - Prior Year	0	6,085	24,335	0	0	175,878
Circuit/Clerk & Master Collections - Prior Years	0	890	3,533	0	0	25,781
Interest and Penalty	0	1,047	4,157	0	0	30,330
Payments in-Lieu-of Taxes - Other	0	122	462	0	0	3,676
County Local Option Taxes						
Local Option Sales Tax	0	0	0	0	0	735,835
Litigation Tax - General	0	0	0	0	0	114,798
Litigation Tax - Special Purpose	0	0	0	0	0	3,941
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	23,391
Business Tax	0	0	0	0	0	105,782
Mineral Severance Tax	0	73,056	0	0	0	156,602
Statutory Local Taxes						
Bank Excise Tax	0	2,026	7,599	0	0	61,300
Total Local Taxes	$ 0	$ 189,397	$ 438,244	$ 0	$ 0	$ 4,648,990
Licenses and Permits						
Licenses						
Cable TV Franchise	$ 0	$ 0	$ 0	$ 0	$ 0	$ 4,763
Permits						
Beer Permits	0	0	0	0	0	1,000
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 0	$ 0	$ 5,763
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,039
Officers Costs	0	0	0	0	0	3,663
Drug Control Fines	0	0	0	0	0	3,824
Jail Fees	0	0	0	0	0	1,740
DUI Treatment Fines	0	0	0	0	0	570
Data Entry Fee - Circuit Court	0	0	0	0	0	380

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
Fines, Forfeitures, and Penalties (Cont.)						
Criminal Court						
Drug Court Fees	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,046
General Sessions Court						
Fines	0	0	0	0	0	26,047
Officers Costs	0	0	0	0	0	37,175
Drug Control Fines	0	0	0	0	0	4,253
Drug Court Fees	0	0	0	0	0	5,189
Jail Fees	0	0	0	0	0	19,444
DUI Treatment Fines	0	0	0	0	0	4,020
Data Entry Fee - General Sessions Court	0	0	0	0	0	4,611
Courtroom Security Fee	0	0	0	0	0	50
Juvenile Court						
Fines	0	0	0	0	0	1,241
Chancery Court						
Officers Costs	0	0	0	0	0	3,649
Courtroom Security Fee	0	0	0	0	0	1
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	0	0	0	64,591
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 0	$ 0	$ 184,533
Charges for Current Services						
General Service Charges						
Tipping Fees	$ 0	$ 0	$ 0	$ 0	$ 0	$ 191,643
Patient Charges	0	0	0	0	0	826,998
Other General Service Charges	0	0	0	0	0	30
Service Charges	0	0	0	0	0	918
Fees						
Copy Fees	0	0	0	0	0	945
Telephone Commissions	0	0	0	0	0	2,063
Constitutional Officers' Fees and Commissions	2,968	0	0	0	0	2,968
Data Processing Fee - Register	0	0	0	0	0	9,952
Probation Fees	0	0	0	0	0	406
Data Processing Fee - Sheriff	0	0	0	0	0	3,867

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
Charges for Current Services (Cont.)						
Fees (Cont.)						
Sexual Offender Registration Fees - Sheriff	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,000
Education Charges						
Tuition - Other	0	0	0	0	0	65,539
Total Charges for Current Services	$ 2,968	$ 0	$ 0	$ 0	$ 0	$ 1,106,329
Other Local Revenues						
Recurring Items						
Investment Income	$ 0	$ 0	$ 411,272	$ 6,660	$ 0	$ 438,578
Lease/Rentals	0	0	3,300	0	0	6,500
Sale of Materials and Supplies	0	2,348	0	0	0	2,348
Commissary Sales	0	0	0	0	0	53,140
Sale of Recycled Materials	0	445	0	0	0	62,894
Miscellaneous Refunds	0	11,144	0	19	0	59,575
Nonrecurring Items						
Sale of Equipment	0	0	0	0	0	10,749
Sale of Property	0	0	469,800	0	0	482,365
Damages Recovered from Individuals	0	284	0	0	0	1,030
Contributions and Gifts	0	0	0	0	0	1,500
Total Other Local Revenues	$ 0	$ 14,221	$ 884,372	$ 6,679	$ 0	$ 1,118,679
Fees Received from County Officials						
Fees in-Lieu-of Salary						
County Clerk	$ 0	$ 0	$ 0	$ 0	$ 0	$ 200,517
Circuit Court Clerk	0	0	0	0	0	193,494
Clerk and Master	0	0	0	0	0	66,321
Register	0	0	0	0	0	104,502
Sheriff	0	0	0	0	0	18,464
Trustee	0	0	0	0	0	219,502
Total Fees Received from County Officials	$ 0	$ 0	$ 0	$ 0	$ 0	$ 802,800

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 0	$ 0	$ 0	$ 0	$ 0	$ 9,000
State Reappraisal Grant	0	0	0	0	0	8,882
Solid Waste Grants	0	0	0	0	0	13,699
Public Safety Grants						
Law Enforcement Training Programs	0	0	0	0	0	13,200
Health and Welfare Grants						
Other Health and Welfare Grants	0	0	0	0	0	19,485
Public Works Grants						
State Aid Program	0	240,780	0	0	0	240,780
Litter Program	0	0	0	0	0	25,614
Other State Revenues						
Income Tax	0	0	0	0	0	89,858
Beer Tax	0	0	0	0	0	19,312
Alcoholic Beverage Tax	0	0	0	0	0	37,470
State Revenue Sharing - T.V.A.	0	0	437,683	0	0	437,683
Emergency Hospital - Prisoners	0	0	0	0	0	61,812
Board of Jurors	0	0	0	0	0	3,133
Contracted Prisoner Boarding	0	0	0	0	0	789,075
Gasoline and Motor Fuel Tax	0	1,670,091	0	0	0	1,670,091
Petroleum Special Tax	0	16,148	0	0	0	16,148
Registrar's Salary Supplement	0	0	0	0	0	16,380
Other State Grants	0	0	0	0	1,081,459	1,223,855
Other State Revenues	0	0	0	0	0	269,234
Total State of Tennessee	$ 0	$ 1,927,019	$ 437,683	$ 0	$ 1,081,459	$ 4,964,711
Federal Government						
Federal Through State						
Community Development	$ 0	$ 0	$ 0	$ 0	$ 0	$ 300,000
Other Federal through State	0	0	0	0	0	38,873
Direct Federal Revenue						
Other Direct Federal Revenue	0	0	0	0	274,567	274,766
Total Federal Government	$ 0	$ 0	$ 0	$ 0	$ 274,567	$ 613,639

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
Other Governments and Citizens Groups						
Other Governments						
Prisoner Board	$ 0	$ 0	$ 0	$ 0	$ 0	$ 135,970
Contracted Services	0	0	0	0	182,357	182,357
Citizens Groups						
Donations	0	0	0	0	0	2,200
Total Other Governments and Citizens Groups	$ 0	$ 0	$ 0	$ 0	$ 182,357	$ 320,527
Total	$ 2,968	$ 2,130,637	$ 1,760,299	$ 6,679	$ 1,538,383	$ 13,765,971

Exhibit J-6

Overton County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Overton County School Department
For the Year Ended June 30, 2008

	General Purpose School	School Federal Projects	Central Cafeteria	Education Debt Service	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 1,571,686	$ 0	$ 0	$ 0	$ 1,571,686
Trustee's Collections - Prior Year	79,817	0	0	0	79,817
Circuit/Clerk & Master Collections - Prior Years	12,537	0	0	0	12,537
Interest and Penalty	14,665	0	0	0	14,665
Payments in-Lieu-of Taxes - Other	1,792	0	0	0	1,792
County Local Option Taxes					
Local Option Sales Tax	1,506,544	0	0	0	1,506,544
Wheel Tax	460,000	0	0	97,988	557,988
Other County Local Option Taxes	31	0	0	0	31
Statutory Local Taxes					
Bank Excise Tax	29,891	0	0	0	29,891
Wholesale Beer Tax	118,944	0	0	0	118,944
Interstate Telecommunications Tax	4,636	0	0	0	4,636
Total Local Taxes	$ 3,800,543	$ 0	$ 0	$ 97,988	$ 3,898,531
Licenses and Permits					
Licenses					
Marriage Licenses	$ 1,586	$ 0	$ 0	$ 0	$ 1,586
Total Licenses and Permits	$ 1,586	$ 0	$ 0	$ 0	$ 1,586
Charges for Current Services					
Fees					
Vending Machine Collections	$ 33	$ 0	$ 0	$ 0	$ 33
Education Charges					
Lunch Payments - Children	0	0	262,140	0	262,140
Lunch Payments - Adults	0	0	55,292	0	55,292
Income from Breakfast	0	0	43,116	0	43,116
Special Milk Sales	0	0	3,456	0	3,456
A la carte Sales	0	0	171,799	0	171,799
Receipts from Individual Schools	27,054	0	0	0	27,054
Total Charges for Current Services	$ 27,087	$ 0	$ 535,803	$ 0	$ 562,890
Other Local Revenues					
Recurring Items					
Investment Income	$ 0	$ 0	$ 729	$ 0	$ 729
Refund of Telecommunication and Internet Fees (E-Rate)	70,659	0	0	0	70,659
Miscellaneous Refunds	865	0	13,205	0	14,070
Nonrecurring Items					
Sale of Equipment	5,553	0	0	0	5,553
Contributions and Gifts	36,339	0	0	0	36,339
Total Other Local Revenues	$ 113,416	$ 0	$ 13,934	$ 0	$ 127,350
State of Tennessee					
General Government Grants					
On-Behalf Contributions for OPEB	$ 101,773	$ 0	$ 0	$ 0	$ 101,773
State Education Funds					
Basic Education Program	15,741,070	0	0	0	15,741,070
Early Childhood Education	473,211	0	0	0	473,211

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Debt Service	Total
State of Tennessee (Cont.)					
State Education Funds (Cont.)					
School Food Service	$ 0	$ 0	$ 18,659	$ 0	$ 18,659
Driver Education	13,715	0	0	0	13,715
Other State Education Funds	154,763	0	0	0	154,763
Career Ladder Program	204,891	0	0	0	204,891
Career Ladder - Extended Contract	120,209	0	0	0	120,209
Other State Revenues					
Other State Grants	105,000	0	78,642	0	183,642
Other State Revenues	13,439	0	0	0	13,439
Total State of Tennessee	$ 16,928,071	$ 0	$ 97,301	$ 0	$ 17,025,372
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 727,070	$ 0	$ 727,070
Breakfast	0	0	296,351	0	296,351
USDA - Other	0	0	14,028	0	14,028
Adult Education State Grant Program	62,018	0	0	0	62,018
Vocational Education - Basic Grants to States	0	90,277	0	0	90,277
Title I Grants to Local Education Agencies	0	673,849	0	0	673,849
Innovative Education Program Strategies	0	5,483	0	0	5,483
Special Education - Grants to States	13,537	870,326	0	0	883,863
Special Education Preschool Grants	0	22,965	0	0	22,965
Eisenhower Professional Development State Grants	0	176,762	0	0	176,762
Job Training Partnership Act	20,000	0	0	0	20,000
Other Federal through State	115,000	12,668	0	0	127,668
Total Federal Government	$ 210,555	$ 1,852,330	$ 1,037,449	$ 0	$ 3,100,334
Total	$ 21,081,258	$ 1,852,330	$ 1,684,487	$ 97,988	$ 24,716,063

Exhibit J-7

Overton County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2008

General Fund				
General Government				
County Commission				
Board and Committee Members Fees	$	51,080		
Social Security		3,908		
State Retirement		1,558		
Accounting Services		8,096		
Audit Services		6,291		
Dues and Memberships		8,805		
Travel		906		
Total County Commission			$	80,644
Board of Equalization				
Board and Committee Members Fees	$	1,200		
Total Board of Equalization				1,200
County Mayor/Executive				
County Official/Administrative Officer	$	63,377		
Accountants/Bookkeepers		25,036		
Secretary(ies)		21,571		
Social Security		8,373		
State Retirement		5,631		
Medical Insurance		5,131		
Communication		4,246		
Data Processing Services		7,006		
Legal Notices, Recording, and Court Costs		2,669		
Maintenance and Repair Services - Vehicles		762		
Travel		4,543		
Duplicating Supplies		137		
Office Supplies		8,765		
Other Charges		7,529		
Office Equipment		10,228		
Total County Mayor/Executive				175,004
County Attorney				
Social Security	$	207		
Legal Services		2,700		
Judgments		1,127		
Total County Attorney				4,034
Election Commission				
County Official/Administrative Officer	$	49,385		
Clerical Personnel		19,448		

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
General Government (Cont.)				
Election Commission (Cont.)				
Election Commission	$	3,300		
Election Workers		12,218		
In-Service Training		1,875		
Social Security		5,989		
State Retirement		2,904		
Medical Insurance		3,691		
Communication		1,024		
Data Processing Services		3,020		
Legal Notices, Recording, and Court Costs		1,782		
Maintenance and Repair Services - Buildings		25		
Maintenance and Repair Services - Equipment		5,500		
Printing, Stationery, and Forms		2,432		
Travel		2,991		
Electricity		1,452		
Office Supplies		5,319		
Office Equipment		9,781		
Other Equipment		2,256		
Total Election Commission			$	134,392
Register of Deeds				
County Official/Administrative Officer	$	54,872		
Deputy(ies)		23,007		
Clerical Personnel		22,887		
Part-time Personnel		8,576		
Social Security		7,881		
State Retirement		5,159		
Medical Insurance		7,467		
Communication		2,096		
Data Processing Services		6,967		
Travel		256		
Maintenance and Repair Services - Records		521		
Other Contracted Services		3,358		
Office Supplies		2,310		
Total Register of Deeds				145,357
Planning				
Supervisor/Director	$	700		
Board and Committee Members Fees		1,520		
Social Security		116		
Contracts with Government Agencies		9,250		
Total Planning				11,586

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
General Government (Cont.)				
County Buildings				
Custodial Personnel	$	60,386		
Maintenance Personnel		24,602		
Social Security		6,333		
State Retirement		2,061		
Medical Insurance		10,945		
Communication		3,935		
Maintenance and Repair Services - Buildings		45,465		
Maintenance and Repair Services - Vehicles		1,132		
Custodial Supplies		6,477		
Electricity		85,049		
Gasoline		1,398		
Natural Gas		26,958		
Uniforms		991		
Utilities		3,067		
Other Charges		7,759		
Other Equipment		30,002		
Other Construction		9,650		
Total County Buildings			$	326,210
Other General Administration				
Teachers	$	1,375		
Social Security		105		
Unemployment Compensation		7,496		
Engineering Services		23,731		
Evaluation and Testing		1,716		
Licenses		1,405		
Medical and Dental Services		92		
Remittance of Revenue Collected		5,439		
Other Supplies and Materials		5,961		
Liability Insurance		237,365		
Premiums on Corporate Surety Bonds		6,698		
Trustee's Commission		71,082		
Workers' Compensation Insurance		173,669		
Other Charges		2,169		
Total Other General Administration				538,303
Finance				
Accounting and Budgeting				
County Official/Administrative Officer	$	41,754		
Social Security		3,194		

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Finance (Cont.)				
Accounting and Budgeting (Cont.)				
State Retirement	$	2,138		
Total Accounting and Budgeting			$	47,086
Property Assessor's Office				
County Official/Administrative Officer	$	54,872		
Deputy(ies)		22,765		
Clerical Personnel		18,500		
Social Security		7,354		
State Retirement		4,922		
Medical Insurance		8,719		
Communication		1,935		
Data Processing Services		7,739		
Maintenance and Repair Services - Vehicles		523		
Travel		2,984		
Other Contracted Services		9,250		
Office Supplies		2,477		
Office Equipment		4,480		
Total Property Assessor's Office				146,520
Reappraisal Program				
Assistant(s)	$	22,765		
Social Security		1,587		
State Retirement		1,166		
Medical Insurance		3,691		
Communication		166		
Data Processing Services		3,744		
Postal Charges		255		
Total Reappraisal Program				33,374
County Trustee's Office				
County Official/Administrative Officer	$	54,872		
Deputy(ies)		18,500		
Clerical Personnel		18,500		
Social Security		7,028		
State Retirement		4,704		
Medical Insurance		7,383		
Communication		1,501		
Data Processing Services		5,664		
Legal Notices, Recording, and Court Costs		624		
Travel		23		

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Finance (Cont.)				
County Trustee's Office (Cont.)				
Office Supplies	$	7,545		
Office Equipment		2,664		
Total County Trustee's Office			$	129,008
County Clerk's Office				
County Official/Administrative Officer	$	54,872		
Supervisor/Director		18,500		
Deputy(ies)		40,226		
Accountants/Bookkeepers		23,007		
Social Security		10,450		
State Retirement		6,990		
Medical Insurance		16,449		
Communication		1,369		
Data Processing Services		1,586		
Travel		631		
Office Supplies		6,876		
Office Equipment		232		
Total County Clerk's Office				181,188
Administration of Justice				
Circuit Court				
County Official/Administrative Officer	$	54,872		
Deputy(ies)		22,403		
Clerical Personnel		88,287		
Overtime Pay		1,406		
Board and Committee Members Fees		350		
Jury and Witness Fees		28,605		
Social Security		12,526		
State Retirement		8,549		
Medical Insurance		13,294		
Communication		4,632		
Data Processing Services		7,286		
Travel		107		
Office Supplies		7,826		
Other Equipment		248		
Total Circuit Court				250,391
General Sessions Court				
Judge(s)	$	83,805		
Secretary(ies)		21,627		

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
General Sessions Court (Cont.)				
Social Security	$	8,025		
State Retirement		5,172		
Medical Insurance		1,244		
Travel		175		
Office Supplies		1,063		
Total General Sessions Court			$	121,111
Chancery Court				
County Official/Administrative Officer	$	54,872		
Deputy(ies)		22,644		
Clerical Personnel		40,081		
Social Security		8,327		
State Retirement		2,990		
Medical Insurance		12,214		
Communication		1,970		
Data Processing Services		5,205		
Travel		112		
Office Supplies		6,596		
Office Equipment		130		
Total Chancery Court				155,141
Juvenile Court				
Guidance Personnel	$	8,625		
Social Security		624		
State Retirement		346		
Medical Insurance		238		
Other Contracted Services		4,050		
Total Juvenile Court				13,883
Judicial Commissioners				
County Official/Administrative Officer	$	16,000		
Social Security		1,175		
State Retirement		377		
Medical Insurance		923		
Total Judicial Commissioners				18,475
Public Safety				
Sheriff's Department				
County Official/Administrative Officer	$	60,360		
Deputy(ies)		363,181		

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Investigator(s)	$ 46,349	
Captain(s)	28,539	
Lieutenant(s)	17,108	
Sergeant(s)	117,446	
Salary Supplements	24,600	
Secretary(ies)	18,678	
Overtime Pay	6,830	
Other Salaries and Wages	5,888	
In-Service Training	8,904	
Social Security	52,577	
State Retirement	29,032	
Medical Insurance	25,953	
Communication	13,866	
Maintenance and Repair Services - Equipment	1,770	
Maintenance and Repair Services - Vehicles	8,225	
Other Contracted Services	8,190	
Gasoline	93,451	
Office Supplies	14,804	
Tires and Tubes	4,927	
Uniforms	7,251	
Vehicle Parts	10,267	
Motor Vehicles	133,485	
Office Equipment	3,165	
Other Equipment	78,053	
Total Sheriff's Department		$ 1,182,899
Jail		
County Official/Administrative Officer	$ 29,221	
Sergeant(s)	90,153	
Guards	431,733	
Clerical Personnel	36,874	
Cafeteria Personnel	19,926	
Overtime Pay	19,858	
In-Service Training	1,085	
Social Security	47,933	
State Retirement	25,113	
Medical Insurance	36,972	
Maintenance and Repair Services - Buildings	20,598	
Medical and Dental Services	277,203	
Travel	46	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Jail (Cont.)		
Other Contracted Services	$ 6,469	
Custodial Supplies	32,159	
Electricity	34,705	
Food Supplies	147,142	
Natural Gas	85,619	
Uniforms	7,786	
Other Supplies and Materials	4,501	
Office Equipment	3,834	
Other Equipment	9,613	
Total Jail		$ 1,368,543
Fire Prevention and Control		
Contracts with Government Agencies	$ 1,000	
Contributions	101,000	
Electricity	1,043	
Total Fire Prevention and Control		103,043
Civil Defense		
Supervisor/Director	$ 3,614	
Social Security	276	
Maintenance and Repair Services - Equipment	406	
Electricity	687	
Gasoline	543	
Other Equipment	18,140	
Total Civil Defense		23,666
Rescue Squad		
Contributions	$ 5,000	
Total Rescue Squad		5,000
Other Emergency Management		
Contributions	$ 180,000	
Total Other Emergency Management		180,000
County Coroner/Medical Examiner		
Other Contracted Services	$ 24,840	
Total County Coroner/Medical Examiner		24,840

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Health and Welfare		
Local Health Center		
Other Salaries and Wages	$ 3,524	
Social Security	270	
Advertising	968	
Communication	4,068	
Contracts with Other Public Agencies	17,500	
Contributions	1,500	
Legal Notices, Recording, and Court Costs	1,350	
Maintenance and Repair Services - Buildings	504	
Travel	921	
Custodial Supplies	78	
Drugs and Medical Supplies	1,525	
Instructional Supplies and Materials	6,248	
Office Supplies	1,328	
Utilities	14,294	
Other Supplies and Materials	2,010	
Other Charges	7,145	
Office Equipment	450	
Other Equipment	278	
Total Local Health Center		$ 63,961
Ambulance/Emergency Medical Services		
Supervisor/Director	$ 41,812	
Paraprofessionals	377,318	
Secretary(ies)	25,435	
Attendants	272,243	
Overtime Pay	110,306	
In-Service Training	4,968	
Social Security	60,255	
State Retirement	33,527	
Medical Insurance	58,531	
Communication	6,606	
Legal Services	512	
Licenses	850	
Maintenance and Repair Services - Buildings	4,134	
Maintenance and Repair Services - Equipment	1,090	
Maintenance and Repair Services - Vehicles	17,723	
Other Contracted Services	2,250	
Custodial Supplies	4,413	
Drugs and Medical Supplies	29,748	
Electricity	14,359	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Ambulance/Emergency Medical Services (Cont.)		
Gasoline	$ 39,340	
Natural Gas	8,620	
Office Supplies	12,604	
Tires and Tubes	2,203	
Uniforms	5,595	
In Service/Staff Development	3,673	
Building Construction	18,968	
Motor Vehicles	139,990	
Office Equipment	5,000	
Total Ambulance/Emergency Medical Services		$ 1,302,073
Alcohol and Drug Programs		
Maintenance and Repair Services - Vehicles	$ 412	
Drugs and Medical Supplies	312	
Total Alcohol and Drug Programs		724
Regional Mental Health Center		
Contracts with Other Public Agencies	$ 6,327	
Total Regional Mental Health Center		6,327
Aid to Dependent Children		
Contracts with Other Public Agencies	$ 480	
Total Aid to Dependent Children		480
Social, Cultural, and Recreational Services		
Senior Citizens Assistance		
Contributions	$ 12,500	
Utilities	8,153	
Total Senior Citizens Assistance		20,653
Libraries		
Supervisor/Director	$ 29,486	
Other Salaries and Wages	39,620	
Social Security	5,118	
State Retirement	2,712	
Medical Insurance	3,733	
Maintenance and Repair Services - Buildings	5,061	
Office Supplies	2,038	
Utilities	19,171	
Other Supplies and Materials	188	
Total Libraries		107,127

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Social, Cultural, and Recreational Services (Cont.)				
Other Social, Cultural, and Recreational				
Contributions	$	78,750		
Other Charges		25,000		
Total Other Social, Cultural, and Recreational			$	103,750
Agriculture and Natural Resources				
Agriculture Extension Service				
Salary Supplements	$	44,337		
Other Salaries and Wages		588		
Social Security		603		
Extension Service Medicare		537		
State Retirement		3,588		
Communication		3,263		
Contributions		575		
Office Equipment		2,000		
Total Agriculture Extension Service				55,491
Soil Conservation				
Supervisor/Director	$	18,563		
Temporary Personnel		18,354		
Social Security		1,420		
State Retirement		950		
Total Soil Conservation				39,287
Other Operations				
Industrial Development				
Contributions	$	19,500		
Other Charges		4,186		
Total Industrial Development				23,686
Other Economic and Community Development				
Architects	$	28,475		
Other Charges		21,900		
Building Construction		295,950		
Site Development		2,899		
Total Other Economic and Community Development				349,224
Airport				
Contracts with Government Agencies	$	6,000		
Airport Improvement		44,750		
Total Airport				50,750

(Continued)

Exhibit J-7

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

General Fund (Cont.)			
Other Operations (Cont.)			
Veterans' Services			
Supervisor/Director	$ 12,717		
Secretary(ies)	14,409		
Social Security	2,018		
State Retirement	738		
Communication	1,512		
Contributions	7,846		
Travel	785		
Office Supplies	1,523		
Other Charges	1,600		
Office Equipment	2,391		
Total Veterans' Services		$ 45,539	
Contributions to Other Agencies			
Contributions	$ 10,677		
Total Contributions to Other Agencies		10,677	
Highways			
Traffic Control			
Supervisor/Director	$ 4,633		
Social Security	354		
State Retirement	237		
Maintenance and Repair Services - Vehicles	258		
Road Signs	3,564		
Total Traffic Control		9,046	
Litter and Trash Collection			
Supervisor/Director	$ 21,422		
Social Security	1,688		
State Retirement	1,130		
Medical Insurance	2,769		
Advertising	3,849		
Gasoline	1,407		
Total Litter and Trash Collection		32,265	
Total General Fund			$ 7,621,958
Courthouse and Jail Maintenance Fund			
General Government			
County Buildings			
Maintenance and Repair Services - Buildings	$ 4,264		
Total County Buildings		$ 4,264	

(Continued)

Exhibit J-7

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

Courthouse and Jail Maintenance Fund (Cont.)			
Other Operations			
Other Charges			
Trustee's Commission	$ 42		
Total Other Charges		$ 42	
Total Courthouse and Jail Maintenance Fund			$ 4,306
Public Library Fund			
Capital Projects			
General Administration Projects			
Trustee's Commission	$ 2		
Total General Administration Projects		$ 2	
Total Public Library Fund			2
Solid Waste/Sanitation Fund			
General Government			
Other General Administration			
Data Processing Services	$ 3,751		
Evaluation and Testing	92		
Legal Notices, Recording, and Court Costs	338		
Travel	565		
Office Supplies	883		
Liability Insurance	20,681		
Trustee's Commission	10,972		
Workers' Compensation Insurance	31,003		
Office Equipment	461		
Total Other General Administration		$ 68,746	
Public Health and Welfare			
Convenience Centers			
Laborers	$ 100,002		
Social Security	7,650		
State Retirement	1,935		
Medical Insurance	7,425		
Communication	3,178		
Maintenance and Repair Services - Equipment	413		
Rentals	5,700		
Custodial Supplies	607		
Electricity	5,698		
Water and Sewer	3,216		
Other Equipment	340		

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)		
Public Health and Welfare (Cont.)		
Convenience Centers (Cont.)		
Other Construction	$ 40,000	
Total Convenience Centers		$ 176,164
Transfer Stations		
Supervisor/Director	$ 31,492	
Equipment Operators	25,975	
Truck Drivers	44,600	
Laborers	16,062	
Attendants	13,971	
Social Security	10,106	
State Retirement	6,763	
Medical Insurance	14,438	
Communication	974	
Maintenance and Repair Services - Equipment	28,317	
Disposal Fees	457,012	
Other Contracted Services	1,150	
Diesel Fuel	28,009	
Lubricants	492	
Tires and Tubes	3,188	
Other Charges	22,290	
Building Construction	9,791	
Other Equipment	51,968	
Total Transfer Stations		766,598
Recycling Center		
Materials Supervisor	$ 19,662	
Social Security	1,504	
State Retirement	1,007	
Communication	1,301	
Maintenance and Repair Services - Buildings	425	
Maintenance and Repair Services - Equipment	1,448	
Custodial Supplies	681	
Electricity	3,506	
Gasoline	1,141	
Uniforms	3,767	
Water and Sewer	284	
Other Supplies and Materials	1,532	
Other Equipment	19,788	
Total Recycling Center		56,046

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)			
Public Health and Welfare (Cont.)			
Other Waste Disposal			
Fertilizer, Lime, and Seed	$ 670		
Total Other Waste Disposal		$ 670	
Postclosure Care Costs			
Testing	$ 20,483		
Total Postclosure Care Costs		20,483	
Total Solid Waste/Sanitation Fund			$ 1,088,707
Drug Control Fund			
Public Safety			
Drug Enforcement			
Investigator(s)	$ 17,385		
Other Salaries and Wages	113		
Social Security	1,339		
State Retirement	896		
Medical Insurance	3,280		
Confidential Drug Enforcement Payments	15,200		
Dues and Memberships	490		
Legal Services	175		
Tow-in Services	1,195		
Veterinary Services	337		
Animal Food and Supplies	429		
Other Supplies and Materials	919		
Trustee's Commission	78		
Motor Vehicles	2,600		
Other Equipment	15,715		
Total Drug Enforcement		$ 60,151	
Total Drug Control Fund			60,151
Constitutional Officers - Fees Fund			
Finance			
County Trustee's Office			
Constitutional Officers' Operating Expenses	$ 685		
Total County Trustee's Office		$ 685	
Administration of Justice			
Chancery Court			
Constitutional Officers' Operating Expenses	$ 2,283		
Total Chancery Court		2,283	
Total Constitutional Officers - Fees Fund			2,968

(Continued)

Exhibit J-7

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

Highway/Public Works Fund				
Highways				
Administration				
County Official/Administrative Officer	$	60,360		
Supervisor/Director		26,726		
Communication		3,732		
Dues and Memberships		2,624		
Evaluation and Testing		610		
Legal Notices, Recording, and Court Costs		78		
Licenses		108		
Maintenance and Repair Services - Buildings		307		
Postal Charges		252		
Travel		35		
Electricity		3,254		
Office Supplies		880		
Utilities		2,952		
Other Charges		500		
Office Equipment		6,740		
Traffic Control Equipment		88		
Total Administration			$	109,246
Highway and Bridge Maintenance				
Supervisor/Director	$	77,562		
Equipment Operators		207,711		
Truck Drivers		62,625		
Laborers		43,593		
Overtime Pay		246		
Freight Expenses		1,092		
Rentals		393		
Other Contracted Services		100		
Asphalt		143,292		
Asphalt - Cold Mix		9,783		
Asphalt - Hot Mix		295,927		
Crushed Stone		40,313		
Pipe		965		
Pipe - Metal		18,113		
Road Signs		1,068		
Other Supplies and Materials		6		
Other Charges		4,009		
Total Highway and Bridge Maintenance				906,798
Operation and Maintenance of Equipment				
Mechanic(s)	$	64,622		

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Operation and Maintenance of Equipment (Cont.)			
Maintenance and Repair Services - Equipment	$ 6,193		
Equipment and Machinery Parts	35,200		
Gasoline	139,101		
Lubricants	5,908		
Small Tools	1,101		
Tires and Tubes	18,429		
Total Operation and Maintenance of Equipment		$ 270,554	
Quarry Operations			
Supervisor/Director	$ 20,676		
Equipment Operators	38,465		
Operating Lease Payments	9,467		
Maintenance Agreements	270		
Maintenance and Repair Services - Equipment	9,213		
Penalties	23,616		
Electricity	30,785		
Equipment and Machinery Parts	12,960		
Lubricants	2,012		
Other Charges	1,934		
Total Quarry Operations		149,398	
Other Charges			
Other Contracted Services	$ 500		
Liability Insurance	128,821		
Trustee's Commission	19,816		
Workers' Compensation Insurance	53,590		
Total Other Charges		202,727	
Employee Benefits			
Social Security	$ 45,069		
State Retirement	26,586		
Medical Insurance	159,331		
Unemployment Compensation	5,673		
Total Employee Benefits		236,659	
Capital Outlay			
Engineering Services	$ 278		
Bridge Construction	18,200		
Communication Equipment	2,220		
Highway Equipment	879,986		
Total Capital Outlay		900,684	
Total Highway/Public Works Fund			$ 2,776,066

(Continued)

Exhibit J-7

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

General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 697,074		
Principal on Notes	1,018,436		
Principal on Other Loans	13,380		
Total General Government		$ 1,728,890	
Interest on Debt			
General Government			
Interest on Bonds	$ 351,131		
Interest on Notes	171,001		
Interest on Other Loans	1,934		
Total General Government		524,066	
Other Debt Service			
General Government			
Fiscal Agent Charges	$ 1,693		
Trustee's Commission	18,825		
Total General Government		20,518	
Total General Debt Service Fund			$ 2,273,474
General Capital Projects Fund			
Capital Projects			
General Administration Projects			
Architects	$ 6,533		
Trustee's Commission	67		
Total General Administration Projects		$ 6,600	
Total General Capital Projects Fund			6,600
Community Development/Industrial Park Fund			
Capital Projects			
Other General Government Projects			
Engineering Services	$ 72,402		
Contracts for Development Costs	1,685,390		
Other Contracted Services	23,000		
Total Other General Government Projects		$ 1,780,792	
Total Community Development/Industrial Park Fund			1,780,792
Total Governmental Funds - Primary Government			$ 15,615,024

Exhibit J-8

Overton County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Overton County School Department
For the Year Ended June 30, 2008

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 6,982,180	
Career Ladder Program	109,135	
Career Ladder Extended Contracts	82,600	
Homebound Teachers	8,042	
Educational Assistants	74,855	
Other Salaries and Wages	105,754	
Certified Substitute Teachers	50,715	
Non-certified Substitute Teachers	118,007	
Social Security	437,014	
State Retirement	450,886	
Life Insurance	3,387	
Medical Insurance	726,756	
Unemployment Compensation	4,539	
Employer Medicare	103,363	
Payments to Retirees	50,799	
Maintenance and Repair Services - Equipment	3,692	
Other Contracted Services	39,564	
Equipment Parts - Light	388	
Instructional Supplies and Materials	59,184	
Textbooks	263,298	
Other Supplies and Materials	50,391	
Fee Waivers	43,925	
Other Charges	3,092	
Regular Instruction Equipment	221,291	
Total Regular Instruction Program		$ 9,992,857
Alternative Instruction Program		
Teachers	$ 64,656	
Career Ladder Program	2,667	
Other Salaries and Wages	44,050	
Social Security	6,547	
State Retirement	6,950	
Life Insurance	58	
Medical Insurance	13,031	
Unemployment Compensation	51	
Employer Medicare	1,531	
Total Alternative Instruction Program		139,541

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Instruction (Cont.)				
Special Education Program				
Teachers	$	905,826		
Career Ladder Program		13,505		
Career Ladder Extended Contracts		3,500		
Homebound Teachers		7,771		
Other Salaries and Wages		42,789		
Non-certified Substitute Teachers		400		
Social Security		57,481		
State Retirement		60,180		
Life Insurance		540		
Medical Insurance		99,282		
Unemployment Compensation		607		
Employer Medicare		13,443		
Contracts with Private Agencies		200		
Other Contracted Services		520		
Instructional Supplies and Materials		2,676		
Other Supplies and Materials		1,610		
Special Education Equipment		3,417		
Total Special Education Program			$	1,213,747
Vocational Education Program				
Teachers	$	625,690		
Career Ladder Program		8,833		
Non-certified Substitute Teachers		3,200		
Social Security		36,775		
State Retirement		39,594		
Life Insurance		398		
Medical Insurance		88,410		
Unemployment Compensation		412		
Employer Medicare		8,601		
Tuition		81,966		
Instructional Supplies and Materials		6,087		
Textbooks		3,076		
Other Supplies and Materials		54		
Vocational Instruction Equipment		380		
Total Vocational Education Program				903,476
Adult Education Program				
Teachers	$	10,485		
Other Salaries and Wages		25,280		

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Instruction (Cont.)				
Adult Education Program (Cont.)				
Social Security	$	2,113		
State Retirement		1,719		
Medical Insurance		3,280		
Unemployment Compensation		44		
Employer Medicare		494		
Instructional Supplies and Materials		3,419		
Other Supplies and Materials		1,533		
Other Equipment		397		
Total Adult Education Program			$	48,764
Support Services				
Attendance				
Supervisor/Director	$	60,894		
Career Ladder Program		2,000		
Other Salaries and Wages		33,821		
Social Security		5,529		
State Retirement		5,924		
Life Insurance		36		
Medical Insurance		12,728		
Unemployment Compensation		42		
Employer Medicare		1,293		
Travel		1,315		
Other Supplies and Materials		501		
Attendance Equipment		3,811		
Total Attendance				127,894
Health Services				
Medical Personnel	$	44,012		
Social Security		2,372		
State Retirement		2,164		
Medical Insurance		7,330		
Unemployment Compensation		40		
Employer Medicare		555		
Travel		1,662		
Total Health Services				58,135
Other Student Support				
Career Ladder Program	$	10,500		
Guidance Personnel		399,662		

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Other Student Support (Cont.)				
Career Ladder Extended Contracts	$	3,500		
Other Salaries and Wages		23,898		
Social Security		25,070		
State Retirement		27,304		
Life Insurance		250		
Medical Insurance		47,288		
Unemployment Compensation		209		
Employer Medicare		5,862		
Evaluation and Testing		7,238		
Other Contracted Services		2,072		
Other Supplies and Materials		893		
Total Other Student Support			$	553,746
Regular Instruction Program				
Supervisor/Director	$	21,872		
Career Ladder Program		14,500		
Career Ladder Extended Contracts		18,200		
Librarians		254,983		
Instructional Computer Personnel		20,872		
Clerical Personnel		14,120		
Other Salaries and Wages		121,318		
Social Security		27,244		
State Retirement		28,697		
Life Insurance		216		
Medical Insurance		37,403		
Unemployment Compensation		196		
Employer Medicare		6,393		
Travel		13,472		
Other Contracted Services		3,392		
Library Books/Media		26,942		
Other Supplies and Materials		1,820		
In Service/Staff Development		6,077		
Other Charges		45		
Other Equipment		5,031		
Total Regular Instruction Program				622,793
Special Education Program				
Supervisor/Director	$	56,180		
Career Ladder Program		4,000		

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Special Education Program (Cont.)				
Psychological Personnel	$	46,597		
Career Ladder Extended Contracts		1,400		
Clerical Personnel		14,120		
Social Security		7,211		
State Retirement		7,469		
Life Insurance		22		
Medical Insurance		8,400		
Unemployment Compensation		52		
Employer Medicare		1,686		
Travel		3,283		
In Service/Staff Development		135		
Total Special Education Program			$	150,555
Vocational Education Program				
Supervisor/Director	$	55,710		
Career Ladder Program		2,000		
Social Security		3,298		
State Retirement		3,601		
Life Insurance		24		
Medical Insurance		6,761		
Unemployment Compensation		21		
Employer Medicare		771		
Total Vocational Education Program				72,186
Adult Programs				
Supervisor/Director	$	27,675		
Career Ladder Program		500		
Clerical Personnel		19,956		
Social Security		1,237		
State Retirement		1,022		
Unemployment Compensation		42		
Employer Medicare		698		
Travel		1,235		
Other Charges		163		
Other Equipment		829		
Total Adult Programs				53,357
Other Programs				
On-Behalf Payments to OPEB	$	101,773		
Total Other Programs				101,773

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Board of Education				
Secretary to Board	$	2,135		
Board and Committee Members Fees		27,460		
Social Security		1,637		
State Retirement		935		
Unemployment Compensation		1		
Employer Medicare		421		
Audit Services		4,575		
Legal Services		3,763		
Travel		665		
Other Contracted Services		3,387		
Other Supplies and Materials		1,052		
Liability Insurance		19,822		
Trustee's Commission		90,626		
Workers' Compensation Insurance		136,187		
In Service/Staff Development		225		
Other Charges		1,047		
Total Board of Education			$	293,938
Director of Schools				
County Official/Administrative Officer	$	78,015		
Career Ladder Program		1,000		
Social Security		4,836		
State Retirement		4,931		
Life Insurance		24		
Medical Insurance		3,958		
Unemployment Compensation		21		
Employer Medicare		1,131		
Communication		6,153		
Dues and Memberships		11,090		
Postal Charges		1,248		
Travel		3,331		
Office Supplies		140		
Other Charges		640		
Administration Equipment		2,013		
Total Director of Schools				118,531
Office of the Principal				
Principals	$	396,399		
Career Ladder Program		12,165		

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Office of the Principal (Cont.)				
Assistant Principals	$	232,970		
Secretary(ies)		399,111		
Other Salaries and Wages		15,313		
Social Security		59,895		
State Retirement		60,909		
Life Insurance		332		
Medical Insurance		104,654		
Unemployment Compensation		697		
Employer Medicare		14,008		
Communication		29,566		
Travel		14,673		
Other Contracted Services		4,130		
Other Supplies and Materials		523		
Excess Risk Insurance		9,204		
In Service/Staff Development		1,912		
Administration Equipment		17,372		
Total Office of the Principal			$	1,373,833
Fiscal Services				
Accountants/Bookkeepers	$	118,628		
Secretary(ies)		54,527		
Other Salaries and Wages		26,740		
Social Security		13,645		
State Retirement		9,451		
Medical Insurance		13,864		
Unemployment Compensation		140		
Employer Medicare		3,255		
Other Fringe Benefits		30,426		
Maintenance and Repair Services - Equipment		150		
Travel		956		
Other Contracted Services		5,801		
Data Processing Supplies		1,902		
Office Supplies		1,265		
Other Supplies and Materials		1,059		
Other Charges		25		
Administration Equipment		3,096		
Total Fiscal Services				284,930

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Operation of Plant		
Custodial Personnel	$ 534,717	
Other Salaries and Wages	16	
Social Security	31,100	
State Retirement	25,922	
Medical Insurance	57,126	
Unemployment Compensation	776	
Employer Medicare	7,273	
Communication	815	
Janitorial Services	7,125	
Laundry Service	666	
Maintenance and Repair Services - Equipment	1,802	
Pest Control	9,560	
Other Contracted Services	51,508	
Custodial Supplies	60,802	
Electricity	638,908	
Natural Gas	125,156	
Propane Gas	4,098	
Water and Sewer	44,632	
Chemicals	19,607	
Other Supplies and Materials	11,902	
Boiler Insurance	4,531	
Building and Contents Insurance	82,619	
Other Charges	272	
Plant Operation Equipment	25,322	
Total Operation of Plant		$ 1,746,255
Maintenance of Plant		
Maintenance Personnel	$ 143,948	
Social Security	8,535	
State Retirement	7,339	
Medical Insurance	14,133	
Unemployment Compensation	91	
Employer Medicare	1,996	
Communication	1,297	
Maintenance and Repair Services - Buildings	9,137	
Maintenance and Repair Services - Equipment	6,799	
Maintenance and Repair Services - Vehicles	395	
Rentals	1,542	
Other Contracted Services	5,285	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Maintenance of Plant (Cont.)		
Crushed Stone	$ 109	
Custodial Supplies	237	
Equipment Parts - Light	22,683	
Equipment and Machinery Parts	7,866	
General Construction Materials	13,319	
Lubricants	63	
Small Tools	8,399	
Uniforms	1,579	
Other Supplies and Materials	7,192	
Vehicle and Equipment Insurance	2,964	
Other Charges	223	
Maintenance Equipment	18,741	
Total Maintenance of Plant		$ 283,872
Transportation		
Supervisor/Director	$ 20,578	
Mechanic(s)	83,251	
Bus Drivers	396,553	
Social Security	28,463	
State Retirement	12,872	
Medical Insurance	15,209	
Unemployment Compensation	777	
Employer Medicare	7,156	
Communication	467	
Contracts with Parents	168	
Maintenance and Repair Services - Equipment	228	
Maintenance and Repair Services - Vehicles	1,936	
Medical and Dental Services	1,282	
Rentals	318	
Tow-in Services	450	
Other Contracted Services	439	
Custodial Supplies	237	
Diesel Fuel	194,243	
Equipment and Machinery Parts	2,023	
Garage Supplies	2,714	
Gasoline	13,467	
General Construction Materials	214	
Lubricants	7,833	
Small Tools	2,821	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Transportation (Cont.)		
Tires and Tubes	$ 15,366	
Uniforms	1,106	
Vehicle Parts	28,118	
Other Supplies and Materials	533	
Vehicle and Equipment Insurance	22,522	
Other Charges	3,688	
Transportation Equipment	90	
Total Transportation		$ 865,122
Operation of Non-Instructional Services		
Food Service		
Food Service Equipment	$ 5,040	
Total Food Service		5,040
Community Services		
Teachers	$ 234,268	
Bus Drivers	40	
Clerical Personnel	522	
Other Salaries and Wages	35,770	
Certified Substitute Teachers	180	
Non-certified Substitute Teachers	1,525	
Social Security	15,303	
State Retirement	15,282	
Unemployment Compensation	212	
Employer Medicare	3,602	
Other Fringe Benefits	1,469	
Travel	2,762	
Other Contracted Services	975	
Other Supplies and Materials	32,764	
In Service/Staff Development	10,118	
Other Charges	13,837	
Regular Instruction Equipment	66,095	
Total Community Services		434,724
Early Childhood Education		
Supervisor/Director	$ 20,872	
Teachers	176,340	
Educational Assistants	74,260	
Certified Substitute Teachers	1,080	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Early Childhood Education (Cont.)			
Non-certified Substitute Teachers	$ 2,650		
Social Security	15,505		
State Retirement	15,595		
Life Insurance	120		
Medical Insurance	24,612		
Unemployment Compensation	279		
Employer Medicare	3,626		
Other Fringe Benefits	1,471		
Communication	331		
Travel	1,829		
Instructional Supplies and Materials	9,170		
Other Supplies and Materials	3,057		
In Service/Staff Development	1,448		
Other Charges	3,431		
Building Improvements	28,277		
Other Equipment	80,187		
Total Early Childhood Education		$ 464,140	
Capital Outlay			
Regular Capital Outlay			
Building Improvements	$ 115,312		
Site Development	93,611		
Total Regular Capital Outlay		208,923	
Total General Purpose School Fund			$ 20,118,132
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 302,489		
Educational Assistants	100,401		
Other Salaries and Wages	30,698		
Social Security	25,173		
State Retirement	25,333		
Life Insurance	184		
Medical Insurance	43,514		
Unemployment Compensation	370		
Employer Medicare	5,887		
Other Fringe Benefits	2,533		

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)				
Instruction (Cont.)				
Regular Instruction Program (Cont.)				
Instructional Supplies and Materials	$	29,892		
Other Equipment		13,608		
Total Regular Instruction Program			$	580,082
Special Education Program				
Teachers	$	74,144		
Educational Assistants		332,282		
Certified Substitute Teachers		60		
Non-certified Substitute Teachers		5,837		
Social Security		23,743		
State Retirement		21,319		
Life Insurance		48		
Medical Insurance		46,094		
Unemployment Compensation		609		
Employer Medicare		5,554		
Other Fringe Benefits		4,421		
Contracts with Private Agencies		6,585		
Instructional Supplies and Materials		80,761		
Other Charges		3,507		
Special Education Equipment		8,503		
Total Special Education Program				613,467
Vocational Education Program				
Travel	$	6,331		
Instructional Supplies and Materials		15,506		
Other Supplies and Materials		999		
Vocational Instruction Equipment		31,933		
Total Vocational Education Program				54,769
Support Services				
Health Services				
Medical Personnel	$	8,887		
Social Security		551		
State Retirement		366		
Unemployment Compensation		16		
Employer Medicare		129		
Travel		701		
Drugs and Medical Supplies		477		
Total Health Services				11,127

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)				
Support Services (Cont.)				
Other Student Support				
Guidance Personnel	$	47,487		
Psychological Personnel		47,691		
Assessment Personnel		121,471		
Attendants		8,134		
Other Salaries and Wages		60,731		
Social Security		16,655		
State Retirement		16,224		
Life Insurance		146		
Medical Insurance		20,973		
Unemployment Compensation		179		
Employer Medicare		3,896		
Other Fringe Benefits		1,618		
Evaluation and Testing		11,400		
Maintenance and Repair Services - Equipment		200		
Travel		4,787		
Other Contracted Services		5,498		
Other Supplies and Materials		1,185		
In Service/Staff Development		3,638		
Other Charges		8,336		
Total Other Student Support			$	380,249
Regular Instruction Program				
Supervisor/Director	$	65,566		
Social Security		3,712		
State Retirement		4,091		
Life Insurance		24		
Medical Insurance		7,304		
Unemployment Compensation		22		
Employer Medicare		868		
Other Fringe Benefits		361		
Evaluation and Testing		4,798		
Travel		5,479		
Tuition		1,794		
Other Supplies and Materials		1,000		
In Service/Staff Development		21,641		
Total Regular Instruction Program				116,660
Special Education Program				
Supervisor/Director	$	5,107		

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Special Education Program (Cont.)			
Social Security	$ 288		
State Retirement	319		
Life Insurance	2		
Medical Insurance	543		
Employer Medicare	67		
Travel	20,547		
In Service/Staff Development	4,135		
Total Special Education Program		$ 31,008	
Vocational Education Program			
Travel	$ 3,314		
Total Vocational Education Program		3,314	
Transportation			
Bus Drivers	$ 33,105		
Social Security	2,032		
State Retirement	518		
Unemployment Compensation	55		
Employer Medicare	477		
Other Fringe Benefits	1,780		
Contracts with Parents	7,748		
Total Transportation		45,715	
Total School Federal Projects Fund			$ 1,836,391
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 27,675		
Clerical Personnel	30,014		
Cafeteria Personnel	590,355		
Temporary Personnel	53,056		
Other Salaries and Wages	13,934		
Social Security	39,725		
State Retirement	30,225		
Medical Insurance	65,415		
Unemployment Compensation	1,204		
Employer Medicare	9,692		
Other Fringe Benefits	19,511		

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Maintenance and Repair Services - Equipment	$ 6,543		
Travel	2,763		
Other Contracted Services	15,739		
Food Supplies	639,765		
Other Supplies and Materials	64,899		
In Service/Staff Development	1,297		
Food Service Equipment	20,208		
Total Food Service		$ 1,632,020	
Community Services			
Supervisor/Director	$ 10,149		
Cafeteria Personnel	20,727		
Social Security	1,836		
State Retirement	1,383		
Life Insurance	4		
Medical Insurance	1,227		
Unemployment Compensation	18		
Employer Medicare	429		
Other Fringe Benefits	3,902		
Travel	2,342		
Other Contracted Services	409		
Food Supplies	29,595		
Other Supplies and Materials	4,027		
Total Community Services		76,048	
Total Central Cafeteria Fund			$ 1,708,068
Education Debt Service Fund			
Principal on Debt			
Education			
Principal on Bonds	$ 525,000		
Total Education		$ 525,000	
Interest on Debt			
Education			
Interest on Bonds	$ 517,205		
Total Education		517,205	

(Continued)

Exhibit J-8

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

Education Debt Service Fund (Cont.)			
Other Debt Service			
Education			
Trustee's Commission	$ 1,016		
Other Debt Service	500		
Total Education		$ 1,516	
Total Education Debt Service Fund			$ 1,043,721
Total Governmental Funds - Overton County School Department			$ 24,706,312

Exhibit J-9

Overton County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2008

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 766,126
Cash Disbursements	
Remittance of Revenues Collected	$ 758,465
Trustee's Commission	7,661
Total Cash Disbursements	$ 766,126
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2007	0
Cash Balance, June 30, 2008	$ 0

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SINGLE AUDIT SECTION

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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

December 2, 2008

Overton County Mayor and
Board of County Commissioners
Overton 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 Overton County, Tennessee, as of and for the year ended June 30, 2008, which collectively comprise Overton County's basic financial statements and have issued our report thereon dated December 2, 2008. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Overton County Nursing Home and the Overton/Pickett 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 Overton 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 Overton County's internal control over financial

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 08.01, 08.04, 08.05, 08.08, 08.10, 08.11, and 08.12.

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 Overton 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, of the significant deficiencies described above, we consider items 08.01 and 08.04 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Overton County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items: 08.02, 08.03, 08.06, 08.07, and 08.09.

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

Overton 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 Overton 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, County Commission, highway superintendent, director of schools, Board of Education, others within Overton 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,

John G. Morgan
Comptroller of the Treasury

JGM/sb

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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

December 2, 2008

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Overton 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, 2008. Overton 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 Overton County's management. Our responsibility is to express an opinion on Overton County's compliance based on our audit.

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

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

In our opinion, Overton 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, 2008.

Internal Control Over Compliance

The management of Overton County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Overton 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 Overton 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 the county's 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

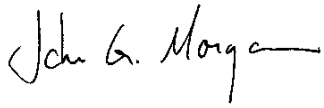
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Overton County as of and for the year ended June 30, 2008, and have issued our report thereon dated December 2, 2008. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Overton County Nursing Home and the Overton/Pickett 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 Overton County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Overton 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 Overton 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, County Commission, highway superintendent, director of schools, Board of Education, others within Overton County, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,



John G. Morgan
Comptroller of the Treasury

JGM/sb

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Overton County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2008

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:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	$ 87,787 (4)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	296,351
National School Lunch Program	10.555	N/A	727,070 (4)
Passed-through State Department of Human Services:			
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	N/A	14,028
Total U.S. Department of Agriculture			$ 1,125,236
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/State's Program	14.228	GG-07-20744-00	$ 300,000
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	Z-06-027601-00	$ 16,721
U.S. Department of Labor:			
Passed-through Upper Cumberland Human Resource Agency:			
WIA Youth Activities	17.259	(2)	$ 20,000
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z-08-024047-00	$ 16,576
U.S. Department of Appalachian Regional Commission:			
Direct Program:			
Appalachian Regional Development	23.001	N/A	$ 274,567
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(2)	$ 62,018
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	671,447
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	879,764
Special Education - Preschool Grants	84.173	N/A	17,896
Vocational Education - Basic Grants to States	84.048	N/A	101,205
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	10,904
Twenty-First Century Community Learning Centers	84.287	(2)	115,000
State Grants for Innovative Programs	84.298	N/A	8,398
Education Technology State Grants	84.318	N/A	7,420
Rural Education	84.358	N/A	1,241
Improving Teacher Quality State Grants	84.367	N/A	172,806
Total U.S. Department of Education			$ 2,048,099
U.S. Elections Assistance Commission:			
Passed-through Tennessee Office of the Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(3)	$ 5,576
Total Expenditures of Federal Awards			$ 3,806,775

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
State Grants			
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	$ 8,882
Rural Local Health Services - State Department of Health	N/A	(2)	19,485
Litter Program - State Department of Transportation	N/A	(2)	25,614
Fasttrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	(2)	1,081,459
Community Enhancement Grants - Tennessee Secretary of State	N/A	(2)	80,667
Youth Services Officer Grant - State Commission on Children and Youth	N/A	(2)	9,000
Law Enforcement Training - State Department of Safety	N/A	(2)	13,200
Used Oil Grant - State Department of Environment and Conservation	N/A	(2)	19,788
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	13,699
Adult Basic Education - State Department of Education	N/A	(2)	34,272
Dropout Prevention Grant - State Department of Education	N/A	(2)	5,999
Safe Schools Act - State Department of Education	N/A	(2)	21,500
Lottery for Education - State Department of Education	N/A	(2)	76,279
Voluntary Pre K for Tennessee - State Department of Education	N/A	(2)	473,211
Courtroom Security Grants - Administrative Office of the Courts	N/A	(2)	41,941
Coordinated School Health - State Department of Education	N/A	(2)	105,000
Total State Grants			$ 2,029,996

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

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) $3,803 - Z-07-037877-00; $1,773 - Z-08-201107-00.
(4) Total for CFDA No. 10.555 is $814,857.

Overton County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2008

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report of Overton County, Tennessee, for the year ended June 30, 2007, which have not been corrected.

OFFICE OF HIGHWAY SUPERINTENDENT

Finding Number	Page Number	Subject
07.05	17	A county road list was not submitted to the County Commission for approval

OFFICE OF DIRECTOR OF SCHOOLS

Finding Number	Page Number	Subject
07.06	18	Expenditures exceeded appropriations approved by the County Commission

OFFICE OF GENERAL SESSIONS COURT CLERK

Finding Number	Page Number	Subject
07.08	19	Receipts were not issued for traffic school payments

OFFICE OF SHERIFF

Finding Number	Page Number	Subject
07.09(A)	19	The Sheriff's Department did not provide auditors a trial balance of inmate accounts in the commissary operation
07.09(B)	19	The official cash journal of the commissary was not properly maintained

OTHER FINDING

Finding Number	Page Number	Subject
07.10	20	Duties were not segregated adequately in the Offices of County Mayor, Director of Accounts and Budgets, Highway Superintendent, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff

OVERTON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2008

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 Overton County disclosed significant deficiencies in internal control. Two of these deficiencies were considered to be material weaknesses.

3. The audit did not disclose any instances of noncompliance that are material to the financial statements of Overton 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: the School Breakfast Program, the National School Lunch Program, and the Summer Food Service Program (CFDA Nos. 10.553, 10.555, and 10.559); Community Development Block Grant/State's Program (CFDA No. 14.228); and the Special Education Cluster: Special Education - Grants to States and the 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. Overton 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 county mayor are paraphrased in this report. Other officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 08.01 **THE COMMUNITY DEVELOPMENT/INDUSTRIAL PARK FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under Government Auditing Standards)

Generally accepted accounting principles require Overton County to have adequate internal controls over the maintenance of its accounting records. At June 30, 2008, certain general ledger account balances in the Community Development/Industrial Park Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Therefore, the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. Although it is permissible for us, as the external auditors, to assist the county in preparing its financial statements, it is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Overton County should have appropriate processes in place to ensure that its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

The Community Development/Industrial Park Fund is a capital projects fund established by Overton County to provide for the financial presentation of the construction (including utilities) of an industrial park. This project was funded by state and federal funds and matching funds provided by Overton County.

Overton County provided their matching share at the beginning of the project through capital outlay notes totaling $850,000 issued in March 2007. The federal funding was to have been received as construction items were completed. Although executed contracts should have been entered into the financial records as a liability before the funding was received for proper presentation, several Tennessee counties, including Overton, have in

the past only reflected the receipt of funding at the time of receipt and the expenditure of funds at the time of payment. Overton County will maintain the Community Development/Industrial Park Fund under the modified accrual accounting method in the future.

FINDING 08.02 **AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT**
(Noncompliance Under Government Auditing Standards)

The office did not deposit amounts withheld from contractor payments ($67,043) into an escrow account. Section 66-11-144, Tennessee Code Annotated (TCA), requires that funds withheld from contractor payments be deposited into an escrow account for contracts of $500,000 or more. Management advised that they were not aware that amounts withheld from contractor payments had to be deposited into an escrow account. This noncompliance could result in the loss of interest earnings for the contractor.

RECOMMENDATION

Amounts withheld from contractor payments on contracts of $500,000 or more should be deposited into an escrow account in compliance with state statute.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

According to officials with the Upper Cumberland Development District assisting Overton County in the application and administration of this project, retainage for applicable contracts funded by state and federal grants is not released until the projects are completed.

AUDITOR'S REBUTTAL

While it is true that certain retainage amounts from state and federal grants are retained by those entities until the project is complete, other retainage amounts ($67,043) held by the county should be deposited with a third party as required by state statute.

OFFICE OF HIGHWAY SUPERINTENDENT

FINDING 08.03 **A COUNTY ROAD LIST WAS NOT SUBMITTED TO THE COUNTY COMMISSION FOR APPROVAL**
(Noncompliance Under Government Auditing Standards)

The highway superintendent did not prepare and 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. This finding can be attributed to management's failure to correct this audit finding noted in prior reports. Highway Department officials need a current approved list of county roads to determine which roads the department is authorized to work.

RECOMMENDATION

The highway 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.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 08.04 **SEVERAL DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF CAPITAL ASSETS RECORDS**
(Internal Control – Material Weakness Under Government Auditing Standards)

Our examination revealed the following deficiencies in the maintenance of capital assets records. These deficiencies can be attributed to management's lack of oversight over capital assets and results in inaccurate financial records.

A. At June 30, 2008, the capital assets records included numerous assets that did not meet the thresholds for capitalization as set forth in the capital assets policy approved by the Board of Education in April 2008. Our examination revealed that seven buildings ($96,022), three infrastructure items ($83,952), and 26 pieces of machinery and equipment ($152,657) were included in the capital assets records; however, these assets did not meet the required thresholds of $25,000 for buildings, $100,000 for infrastructure, and $25,000 for machinery and equipment.

B. We identified three parcels of land owned by the School Department that were not included in the capital assets records. The School Department's capital assets policy requires all land to be recorded.

C. Five buses were sold in March 2008; however, these buses were still reflected in the capital assets records on June 30, 2008.

D. The historical costs of 11 of 100 assets tested were not properly documented. Without adequate documentation, we could not determine if the values assigned to these assets were correct.

RECOMMENDATION

Assets should be capitalized in accordance with the capitalization policy approved by the Board of Education and should be removed from the capital assets records upon their disposal. Officials should have adequate documentation to support the values recorded for all capital assets.

FINDING 08.05 **THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

At June 30, 2008, the School Federal Projects Fund had a cash overdraft of $7,040. Sound business practice dictates that expenditures be held within available funds. This overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. This cash overdraft was liquidated in July 2008.

RECOMMENDATION

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

FINDING 08.06 **EXPENDITURES EXCEEDED APPROPRIATIONS**
(Noncompliance Under Government Auditing Standards)

Expenditures exceeded total appropriations approved by the County Commission in the Central Cafeteria Fund by $5,268. 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." This deficiency existed because management failed to stay within the spending limits authorized by the County Commission and resulted in unauthorized expenditures.

RECOMMENDATION

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

OFFICE OF GENERAL SESSIONS COURT CLERK

FINDING 08.07 **RECEIPTS WERE NOT ISSUED FOR TRAFFIC SCHOOL PAYMENTS**
(Noncompliance Under Government Auditing Standards)

Receipts were not issued for collections received from individuals attending the county's traffic school. The traffic school was conducted at the courthouse after normal business hours, and office employees collected payments at the time the class was conducted. On the day following the class, the payments were receipted in General Sessions Court on a single receipt for the total amount collected. Section 9-2-103, Tennessee Code Annotated, requires that receipts be issued for all collections as they are received. This deficiency exists because management failed to correct the audit finding noted in prior reports.

RECOMMENDATION

Individual receipts should be issued for all traffic school collections when the payments are received as required by state statute.

FINDING 08.08 **THE OFFICE DID NOT REVIEW SOFTWARE AUDIT LOGS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated a daily log that displayed changes made by users. Because this log provided the only audit trail of these changes, it should be reviewed daily for inappropriate activity. Because they did not understand the importance of the log, management did not begin reviewing this log until after the interim exit conference on March 13, 2008. Procedures for reviewing this log are currently in place.

OFFICE OF CLERK AND MASTER

FINDING 08.09 **THE EXECUTION DOCKET TRIAL BALANCE DID NOT RECONCILE WITH GENERAL LEDGER ACCOUNTS**
(Noncompliance Under Government Auditing Standards)

At June 30, 2008, the clerk and master prepared an execution docket trial balance as required by Section 18-2-103, Tennessee Code Annotated (TCA). However, this trial balance did not reconcile with the general ledger accounts by $56,667. Therefore, we were unable to determine if the clerk and master had complied with provisions of the Unclaimed Property Act, Section 66-29-110, TCA, as it relates to the execution docket balances. This statute provides that any funds held by the court for 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 execution docket trial balances should be reconciled with the general ledger accounts. Any funds held by the court for one year and unclaimed by the owner are considered abandoned and should be reported and paid to the state Treasurer's Office in accordance with state statutes.

FINDING 08.10 **THE OFFICE DID NOT REVIEW SOFTWARE AUDIT LOGS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated a daily log that displayed changes made by users. Because this log provided the only audit trail of these changes, it should be reviewed daily for inappropriate activity. Because they did not understand the importance of the log, management did not begin reviewing this log until after the interim exit conference on March 13, 2008. Procedures for reviewing this log are currently in place.

OFFICE OF SHERIFF

FINDING 08.11 **DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF THE COMMISSARY RECORDS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The following deficiencies were noted in the maintenance of the commissary records. These deficiencies can be attributed to the failure of management to correct this audit finding noted in prior reports.

A. The Sheriff's Department did not provide auditors a trial balance of inmates' accounts. Therefore, we were unable to determine if the records accurately reflected the commissary operations.

B. The official cash journal of the commissary was not maintained for August 2007 and for the period December 2007 through June 2008. We verified the account balances of the office at June 30, 2008, using substantive testing and alternative auditing procedures.

RECOMMENDATION

The Sheriff's Department should generate a trial balance of inmate accounts monthly and reconcile the trial balance with the commissary's general ledger. The official cash journal should be properly maintained.

OTHER FINDING AND RECOMMENDATION

FINDING 08.12 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF COUNTY MAYOR, DIRECTOR OF ACCOUNTS AND BUDGETS, HIGHWAY SUPERINTENDENT, DIRECTOR OF SCHOOLS, TRUSTEE, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER, AND SHERIFF**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Offices of County Mayor, Director of Accounts and Budgets, Highway Superintendent, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of managements' decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur. Personnel in these two offices (county mayor and director of accounts and budgets) try to perform additional procedures to offset the weaknesses in internal controls caused by the limited number of personnel.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards.

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OVERTON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2008

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