

**ANNUAL FINANCIAL REPORT  
WHITE COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2008**



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**ANNUAL FINANCIAL REPORT  
WHITE COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2008**

*DEPARTMENT OF AUDIT  
JUSTIN P. WILSON  
Comptroller of the Treasury*

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

*JAMES R. ARNETTE  
Director*

*CARL LOWE, CGFM  
Audit Manager*

*STEVE REEDER, CPA, CGFM, CFE  
Auditor 4*

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KELLEY J. McNEAL, CPA, CGFM  
State Auditors*

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

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## WHITE COUNTY, TENNESSEE TABLE OF CONTENTS

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	Exhibit	Page(s)
Audit Highlights		9-10
<u>INTRODUCTORY SECTION</u>		11
White County Officials		13
<u>FINANCIAL SECTION</u>		15
Independent Auditor's Report		17-19
BASIC FINANCIAL STATEMENTS:		21
Government-wide Financial Statements:		
Statement of Net Assets	A	23-24
Statement of Activities	B	25-26
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	27
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	28
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	30
Proprietary Fund:		
Statement of Net Assets	D-1	31
Statement of Revenues, Expenses, and Changes in Net Assets	D-2	32
Statement of Cash Flows	D-3	33
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	34
Notes to the Financial Statements		35-76
REQUIRED SUPPLEMENTARY INFORMATION:		77
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	F-1	79-82
Highway/Public Works Fund	F-2	83
Schedule of Funding Progress – Pension Plan	F-3	84
Schedule of Funding Progress – Pension Plan – Discretely Presented White County Emergency Communications District	F-4	85

	Exhibit	Page(s)
Schedule of Funding Progress – Other Postemployment Benefits Plan – Discretely Presented White County School Department	F-5	86
Notes to the Required Supplementary Information		87
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		89
Nonmajor Governmental Funds:		91
Combining Balance Sheet	G-1	93
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	94
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Industrial/Economic Development Fund	G-3	95
Local Purpose Tax Fund	G-4	96
Drug Control Fund	G-5	97
Major Governmental Fund:		99
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	101
Fiduciary Funds:		103
Combining Statement of Fiduciary Assets and Liabilities	I-1	105
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	106
Component Unit:		
Discretely Presented White County School Department:		107
Statement of Activities	J-1	109
Balance Sheet – Governmental Funds	J-2	110
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	J-3	111
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	112
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	113
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	J-7	115
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	J-8	116-117
School Federal Projects Fund	J-9	118
Central Cafeteria Fund	J-10	119

	Exhibit	Page(s)
Miscellaneous Schedules:		121
Schedule of Changes in Long-term Notes, Other Loans, and Bonds	K-1	123
Schedule of Long-term Debt Requirements by Year	K-2	124-125
Schedule of Investments	K-3	126
Schedule of Notes Receivable	K-4	127
Schedule of Transfers – Primary Government and Discretely Presented White County School Department	K-5	128
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented White County School Department	K-6	129
Schedule of Detailed Revenues – All Governmental Fund Types	K-7	130-133
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented White County School Department	K-8	134-135
Schedule of Detailed Expenditures – All Governmental Fund Types	K-9	136-153
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented White County School Department	K-10	154-164
Schedule of Detailed Revenues and Expenses – Proprietary Fund	K-11	165
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	K-12	166
<u>SINGLE AUDIT SECTION</u>		167
Auditor’s Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		169-171
Auditor’s Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u>		173-175
Schedule of Expenditures of Federal Awards and State Grants		177-178
Schedule of Audit Findings Not Corrected		179
Schedule of Findings and Questioned Costs		181-185
Auditee Reporting Responsibilities		187

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# ***Audit Highlights***

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

## ***Scope***

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

## ***Results***

Our report on White County's financial statements is unqualified.

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

## ***Findings***

The following are summaries of the audit findings:

### **OFFICE OF DIRECTOR OF FINANCE**

- ◆ The Solid Waste Disposal Fund had a deficit in unrestricted net assets of \$1,822,318 at June 30, 2008.

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### **OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

- ◆ The clerk did not post short-term investment account activity to the general ledger in Circuit Court. As a result, the general ledger was understated by \$91,062 at June 30, 2008.
- ◆ The receipting software did not have adequate application controls.

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### **OFFICES OF CLERK AND MASTER AND REGISTER**

- ◆ The Offices of Clerk and Master and Register did not review software audit logs.
-

## **OTHER FINDINGS**

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.
- ◆ The finance director also serves on the Board of Education, which appears to be a conflict of interest.

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## INTRODUCTORY SECTION

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# White County Officials

## June 30, 2008

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### **Officials**

Herd Sullivan, County Mayor  
Robert Weaver, Road Superintendent  
Donny Haley, Director of Schools  
Brenda Officer, Trustee  
Paytina Miller, Assessor of Property  
Connie Jolley, County Clerk  
Beverly Templeton, Circuit and General Sessions Courts Clerk  
Lynda McCoy, Clerk and Master  
Gary Brodgen, Register  
Oddie Shoupe, Sheriff  
Mark Farley, Finance Director

### **Board of County Commissioners**

Jerry Denton, Chairman	Hank Clark
Andy Alley	Joe England
Terry Alley	Dewayne Howard
Jerry Austin	Richard Lane
Wallace Austin	B.K. Luna
Betty Bohannon	Bruce Null
Marion Bumbalough	Denny Wayne Robinson

### **Financial Management Committee**

Wallace Austin, Chairman	
Jerry Denton	B.K. Luna
Joe England	Herd Sullivan
Donny Haley	Robert Weaver

### **Board of Education**

Barbara Jared, Chairperson	
Pam Allison	Donna Jones
Kimberly Danson	Kenneth Robinson
Mark Farley	Rebecca Tubb

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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**

February 9, 2009

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of White County, Tennessee, as of and for the year ended June 30, 2008, which collectively comprise White County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of White County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented White County Emergency Communications District, which represent 1.8 percent and 1.9 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. These financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the White County Emergency Communications District is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the

amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of White County, Tennessee, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 9, 2009, on our consideration of White 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., White County has implemented the provisions of Governmental Accounting Standards Board 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.

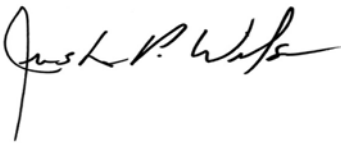
The management of White County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of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

The budgetary comparison, pension, and postemployment benefits information on pages 79 through 87 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 White 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 White 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 White County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a long vertical stroke extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

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

	Primary Government Business-type		Total	Component Units	
	Governmental Activities	Business-type Activities		White County School Department	White County Emergency Communications District
<b>ASSETS</b>					
Cash	\$ 23,637	\$ 879	\$ 24,516	\$ 0	\$ 283,143
Equity in Pooled Cash and Investments	6,007,210	365,018	6,372,228	14,769,076	0
Accounts Receivable	741,141	89,792	830,933	0	22,083
Allowance for Uncollectibles	(276,967)	0	(276,967)	0	0
Due from Other Governments	641,071	3,291	644,362	631,362	8,495
Due from Other Funds	0	1,427	1,427	0	0
Property Taxes Receivable	4,331,451	0	4,331,451	3,229,591	0
Allowance for Uncollectible Property Taxes	(151,365)	0	(151,365)	(112,859)	0
Notes Receivable	218,236	0	218,236	0	0
Prepaid Items	0	0	0	0	23,204
Other Assets	0	0	0	0	350
Capital Assets:					
Assets Not Depreciated:					
Land	1,004,978	580,078	1,585,056	693,842	16,576
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	8,413,706	968,906	9,382,612	18,684,824	69,402
Other Capital Assets	953,575	0	953,575	746,339	281,129
Infrastructure	2,767,215	578,270	3,345,485	0	0
Total Assets	\$ 24,673,888	\$ 2,587,661	\$ 27,261,549	\$ 38,642,175	\$ 704,382

LIABILITIES

Accounts Payable	\$ 45,382	\$ 21,824	\$ 67,206	\$ 0	\$ 2,779
Payroll Deductions Payable	65,726	0	65,726	347,054	0
Due to Other Funds	1,427	0	1,427	0	0
Due to Litigants, Heirs, and Others	14,410	0	14,410	0	0
Deferred Revenue - Current Property Taxes	3,975,546	0	3,975,546	2,964,224	0
Noncurrent Liabilities:					
Due Within One Year	1,567,856	166,367	1,734,223	8,017	7,739
Due in More Than One Year	14,928,810	3,192,466	18,121,276	319,813	0
Total Liabilities	\$ 20,599,157	\$ 3,380,657	\$ 23,979,814	\$ 3,639,108	\$ 10,518

(Continued)

Exhibit A

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

	Primary Government		Total	Component Units	
	Governmental Activities	Business-type Activities		White County School Department	White County Emergency Communications District
\$	4,118,808	1,029,322	5,148,130	\$ 0	\$ 359,367
	0	0	0	20,125,005	0
	0	0	0	351,093	0
	3,107,700	0	3,107,700	0	0
	536,119	0	536,119	0	0
	988,835	0	988,835	0	0
	51,402	0	51,402	0	0
	898,322	0	898,322	0	0
	0	0	0	219,611	0
	80,812	0	80,812	6,730,060	0
	(5,707,267)	(1,822,318)	(7,529,585)	7,577,298	334,497
\$	4,074,731	(792,996)	3,281,735	\$ 35,003,067	\$ 693,864

NET ASSETS

Invested in Capital Assets, Net of Related Debt  
 Invested in Capital Assets  
 Restricted for:  
 Central Cafeteria  
 Debt Service  
 Industrial/Economic Development  
 Local Purpose Tax  
 Drug Control  
 Highway/Public Works  
 School Federal Projects  
 Other Purposes  
 Unrestricted

Total Net Assets

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



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

Exhibit B

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Primary Government Business-type Activities	Total	White County School Department	White County Emergency Communications District	
Primary Government:										
Governmental Activities:										
General Government	\$ 944,143	\$ 200,151	\$ 36,826	\$ 0	\$ (707,166)	\$ 0	\$ (707,166)	\$ 0	\$ 0	\$ 0
Finance	780,112	461,459	10,104	0	(308,549)	0	(308,549)	0	0	0
Administration of Justice	682,782	500,539	67,302	0	(114,941)	0	(114,941)	0	0	0
Public Safety	3,176,206	255,630	102,596	0	(2,817,980)	0	(2,817,980)	0	0	0
Public Health and Welfare	1,272,670	1,082,655	45,315	0	(144,700)	0	(144,700)	0	0	0
Social, Cultural, and Recreational Services	362,748	0	122,800	0	(239,948)	0	(239,948)	0	0	0
Agriculture and Natural Resources	85,122	0	0	0	(85,122)	0	(85,122)	0	0	0
Other Operations	597,298	61,331	0	16,035	(519,932)	0	(519,932)	0	0	0
Highways/Public Works	1,617,827	0	1,659,600	175,431	217,204	0	217,204	0	0	0
Interest on Long-term Debt	798,015	0	0	0	(798,015)	0	(798,015)	0	0	0
Other Debt Service	25,648	0	280,000	0	254,352	0	254,352	0	0	0
Total Governmental Activities	\$ 10,342,571	\$ 2,561,765	\$ 2,324,543	\$ 191,466	\$ (5,264,797)	\$ 0	\$ (5,264,797)	\$ 0	\$ 0	\$ 0
Business-type Activities:										
Solid Waste Disposal	\$ 1,127,991	\$ 1,219,609	\$ 16,792	\$ 0	\$ 0	\$ 108,410	\$ 108,410	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 11,470,562	\$ 3,781,374	\$ 2,341,335	\$ 191,466	\$ (5,264,797)	\$ 108,410	\$ (5,156,387)	\$ 0	\$ 0	\$ 0
Component Units:										
White County School Department	\$ 27,346,534	\$ 722,293	\$ 4,140,524	\$ 261,124	\$ 0	\$ 0	\$ 0	\$ (22,222,593)	\$ 0	\$ 0
Emergency Communications District	517,370	305,924	246,169	0	0	0	0	0	34,723	34,723
Total Component Units	\$ 27,863,904	\$ 1,028,217	\$ 4,386,693	\$ 261,124	\$ 0	\$ 0	\$ 0	\$ (22,222,593)	\$ 34,723	\$ 34,723

(Continued)

Exhibit B

White County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets				
	Program Revenues		Component Units		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	White County School Department	
Expenses	Operating Grants and Contributions	Capital Grants and Contributions	White County School Department	White County Emergency Communications District	
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 3,873,873	\$ 0
Property Taxes Levied for Debt Service				293,450	0
Local Option Sales Taxes				1,136,209	0
Litigation Tax - General				74,975	0
Litigation Tax - Special Purpose				62,842	0
Litigation Tax - Jail, Workhouse, or Courthouse				31,912	0
Wholesale Beer Tax				138,900	0
Mineral Severance Tax				88,256	0
Business Tax				149,635	0
Other Local Taxes				12,508	0
Grants and Contributions Not Restricted to Specific Programs				518,820	0
Unrestricted Investment Earnings				1,024,796	0
Miscellaneous				74,364	0
Total General Revenues				\$ 7,480,540	\$ 5,197
Change in Net Assets				\$ 2,215,743	\$ 39,920
Net Assets, July 1, 2007				1,858,988	653,944
Net Assets, June 30, 2008				\$ 4,074,731	\$ 693,864

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

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Highway /	General	Funds	
		Public	Debt	Other	
	Works	Service	Governmental	Governmental	
			Funds	Funds	
<u>ASSETS</u>					
Cash	\$ 6,351	\$ 0	\$ 0	\$ 17,286	\$ 23,637
Equity in Pooled Cash and Investments	1,065,408	602,547	3,018,282	1,320,973	6,007,210
Accounts Receivable	740,328	0	0	813	741,141
Allowance for Uncollectibles	(276,967)	0	0	0	(276,967)
Due from Other Governments	172,449	295,775	142,217	30,630	641,071
Due from Other Funds	18,099	0	0	20,927	39,026
Property Taxes Receivable	4,027,489	0	303,962	0	4,331,451
Allowance for Uncollectible Property Taxes	(140,743)	0	(10,622)	0	(151,365)
Notes Receivable - Long-term	0	0	0	218,236	218,236
Total Assets	\$ 5,612,414	\$ 898,322	\$ 3,453,839	\$ 1,608,865	\$ 11,573,440
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 45,382	\$ 0	\$ 0	\$ 0	\$ 45,382
Due to Other Funds	20,927	0	1,427	18,099	40,453
Due to Litigants, Heirs, and Others	0	0	0	14,410	14,410
Deferred Revenue - Current Property Taxes	3,696,560	0	278,986	0	3,975,546
Deferred Revenue - Delinquent Property Taxes	164,153	0	12,389	0	176,542
Other Deferred Revenues	434,370	136,766	74,178	16,800	662,114
Total Liabilities	\$ 4,361,392	\$ 136,766	\$ 366,980	\$ 49,309	\$ 4,914,447
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 129,322	\$ 46	\$ 0	\$ 0	\$ 129,368
Reserved for Alcohol and Drug Treatment	11,680	0	0	0	11,680
Reserved for Drug Court	14,206	0	0	0	14,206
Reserved for Computer System - Register	34,253	0	0	0	34,253
Reserved for Automation Purposes - Circuit Court	1,355	0	0	0	1,355
Reserved for Automation Purposes - General Sessions Court	19,318	0	0	0	19,318
Reserved for Loan Program	0	0	0	536,119	536,119
Reserved for Capital Outlay	0	145,118	0	0	145,118
Unreserved, Reported In:					
General Fund	1,040,888	0	0	0	1,040,888
Special Revenue Funds	0	616,392	0	1,023,437	1,639,829
Debt Service Funds	0	0	3,086,859	0	3,086,859
Total Fund Balances	\$ 1,251,022	\$ 761,556	\$ 3,086,859	\$ 1,559,556	\$ 6,658,993
Total Liabilities and Fund Balances	\$ 5,612,414	\$ 898,322	\$ 3,453,839	\$ 1,608,865	\$ 11,573,440

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

Exhibit C-2

White 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)		\$	6,658,993
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,004,978	
Add: infrastructure net of accumulated depreciation		2,767,215	
Add: buildings and improvements net of accumulated depreciation		8,413,706	
Add: other capital assets net of accumulated depreciation		<u>953,575</u>	13,139,474
(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	\$	(920,000)	
Less: notes payable		(2,366,666)	
Less: other loans payable		(13,210,000)	
Less: accrued interest on bonds, notes, other loans, and capital leases		<u>(65,726)</u>	(16,562,392)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>838,656</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>4,074,731</u></u>

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

## Exhibit C-3

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 4,477,672	\$ 88,256	\$ 1,159,869	\$ 207,438	\$ 5,933,235
Licenses and Permits	63,067	0	0	0	63,067
Fines, Forfeitures, and Penalties	128,905	0	0	29,585	158,490
Charges for Current Services	981,597	0	0	8,999	990,596
Other Local Revenues	147,914	7,039	1,019,111	5,685	1,179,749
Fees Received from County Officials	910,637	0	0	0	910,637
State of Tennessee	812,233	1,851,444	19,277	23,567	2,706,521
Federal Government	40,388	0	0	0	40,388
Other Governments and Citizens Groups	170,928	0	280,000	0	450,928
Total Revenues	\$ 7,733,341	\$ 1,946,739	\$ 2,478,257	\$ 275,274	\$ 12,433,611
<u>Expenditures</u>					
Current:					
General Government	\$ 1,008,443	\$ 0	\$ 0	\$ 8,999	\$ 1,017,442
Finance	745,847	0	0	0	745,847
Administration of Justice	674,478	0	0	0	674,478
Public Safety	3,074,118	0	0	61,900	3,136,018
Public Health and Welfare	1,212,156	0	0	0	1,212,156
Social, Cultural, and Recreational Services	338,523	0	0	0	338,523
Agriculture and Natural Resources	85,122	0	0	0	85,122
Other Operations	1,483,475	0	0	9,235	1,492,710
Highways	0	2,380,638	0	0	2,380,638
Debt Service:					
Principal on Debt	0	0	1,246,667	0	1,246,667
Interest on Debt	0	0	799,276	0	799,276
Other Debt Service	0	0	25,648	0	25,648
Total Expenditures	\$ 8,622,162	\$ 2,380,638	\$ 2,071,591	\$ 80,134	\$ 13,154,525
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (888,821)	\$ (433,899)	\$ 406,666	\$ 195,140	\$ (720,914)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 1,300,000	\$ 400,000	\$ 0	\$ 0	\$ 1,700,000
Transfers In	10,400	0	0	0	10,400
Transfers Out	0	(10,400)	0	0	(10,400)
Total Other Financing Sources (Uses)	\$ 1,310,400	\$ 389,600	\$ 0	\$ 0	\$ 1,700,000
Net Change in Fund Balances					
Fund Balance, July 1, 2007	\$ 829,443	\$ (44,299)	\$ 406,666	\$ 195,140	\$ 979,086
Fund Balance, June 30, 2008	\$ 1,251,022	\$ 761,556	\$ 3,086,859	\$ 1,559,556	\$ 6,658,993

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

Exhibit C-4

White 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)		\$ 979,086
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 2,040,847	
Less: current year depreciation expense	<u>(476,821)</u>	1,564,026
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2008	\$ 838,656	
Less: deferred delinquent property taxes and other deferred June 30, 2007	<u>(713,953)</u>	124,703
<p>(3) 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:</p>		
Less: note proceeds	\$ (1,700,000)	
Add: principal payments on notes	366,667	
Add: principal payments on bonds	40,000	
Add: principal payments on other loans	<u>840,000</u>	(453,333)
<p>(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Add: decrease in accrued interest on bonds	\$ 2,037	
Less: increase in accrued interest on notes	(8,264)	
Add: decrease in accrued interest on other loans	<u>7,488</u>	1,261
Change in net assets of governmental activities (Exhibit B)		<u>\$ 2,215,743</u>

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

Exhibit D-1

White County, Tennessee  
Statement of Net Assets  
Proprietary Fund  
June 30, 2008

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash in Bank	\$ 879
Equity in Pooled Cash and Investments	365,018
Accounts Receivable	89,792
Due from Other Governments	3,291
Due from Other Funds	1,427
Total Current Assets	<u>\$ 460,407</u>
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation):	
Land	\$ 580,078
Buildings and Improvements	968,906
Other Capital Assets	578,270
Total Noncurrent Assets	<u>\$ 2,127,254</u>
Total Assets	<u>\$ 2,587,661</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 21,824
Total Current Liabilities	<u>\$ 21,824</u>
Noncurrent Liabilities:	
Due Within One Year	\$ 166,367
Due in More Than One Year	3,192,466
Total Noncurrent Liabilities	<u>\$ 3,358,833</u>
Total Liabilities	<u>\$ 3,380,657</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 1,029,322
Unrestricted	<u>(1,822,318)</u>
Total Net Assets	<u>\$ (792,996)</u>

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

Exhibit D-2

White County, Tennessee  
Statement of Revenues, Expenses, and  
Changes in Net Assets  
Proprietary Fund  
For the Year Ended June 30, 2008

	<u>Major Fund</u> Business-type Activities - Enterprise Fund <hr/> Solid Waste Disposal Fund <hr/>
<u>Operating Revenues</u>	
Charges for Current Services	\$ 1,120,598
Other Local Revenues	99,011
Total Operating Revenues	<u>\$ 1,219,609</u>
<u>Operating Expenses</u>	
Public Health and Welfare	\$ 938,378
Depreciation	124,990
Miscellaneous	11,494
Total Operating Expenses	<u>\$ 1,074,862</u>
Operating Income (Loss)	<u>\$ 144,747</u>
<u>Nonoperating Revenues (Expenses)</u>	
Grants	\$ 16,792
Interest on Notes	(53,129)
Total Nonoperating Revenues (Expenses)	<u>\$ (36,337)</u>
Net Income	\$ 108,410
Net Assets, July 1, 2007	<u>(901,406)</u>
Net Assets, June 30, 2008	<u><u>\$ (792,996)</u></u>

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



Exhibit D-3

White County, Tennessee  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2008

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 1,246,586
Payments to Suppliers	(520,299)
Payments to Employees	(396,255)
Other Payments	(11,494)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 318,538</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Grants Received	\$ 21,635
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 21,635</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Interest Paid on Capital Outlay Notes	\$ (74,129)
Principal Paid on Capital Outlay Notes	(141,967)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (216,096)</u>
Net Increase (Decrease) in Cash	\$ 124,077
Cash, July 1, 2007	<u>241,820</u>
Cash, June 30, 2008	<u><u>\$ 365,897</u></u>
<u>Reconciliation of Net Operating Income (Loss) to Net Cash</u>	
<u>Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 144,747
Adjustment to Reconcile Net Operating Income	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	124,990
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	28,404
Increase (Decrease) in Payroll Deductions Payable	(1,427)
Increase (Decrease) in Accounts Payable	21,824
Net Cash Provided By (Used In) Operating Activities	<u>\$ 318,538</u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 402,961
Investments	1,183,731
Due from Other Governments	<u>288,820</u>
Total Assets	<u>\$ 1,875,512</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 288,820
Due to Litigants, Heirs, and Others	<u>1,586,692</u>
Total Liabilities	<u>\$ 1,875,512</u>

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

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

White 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 White County:

**A. Reporting Entity**

White County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present White 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 White 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 White County School Department operates the public school system in the county, and the voters of White County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The White County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of White County, and the White County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The White County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the White County School Department are included in this report as listed in

the table of contents. Complete financial statements of the White County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

White County Emergency Communications District  
2677 Crossville Highway  
P.O. Box 911  
Sparta, TN 38583

**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. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The White 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.

White County issues all debt for the discretely presented White County School Department.

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. White County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period.

Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

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

White 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.

White County reports the following major proprietary fund:

**Solid Waste Disposal Fund** – This fund accounts for solid waste disposal operations of the White County landfill.

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, a major enterprise fund, used to account for the operations of the county's landfill. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the county's enterprise fund is charges for services.

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 White 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. White 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.

## **2. Receivables and Payables**

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

All ambulance service and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.85 percent of total taxes levied.

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

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable



that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

**3. Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$20,000 or more and an estimated useful life exceeding five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20-40
Other Capital Assets	5-15
Infrastructure:	
Roads	40

#### 4. Compensated Absences

It is the county's policy not to allow for the accumulation of unused vacation days beyond year-end.

County employees may accumulate up to 60 days of sick leave. The granting of sick leave generally has no guaranteed payment attached and is not required to be accrued or recorded. However, county policy allows employees who retire with 30 years of continuous service to receive payment for 100 percent of their accumulated sick days based on their ending daily wage. The county did not determine and record the dollar value of these guaranteed payments for sick leave. Dollar values for compensated absences should be reported in the government-wide statements; however, due to the limited terms under which payment will be required for this leave, the amount would be immaterial to the financial statements of White County.

The general policy of the discretely presented School Department does not allow for the accumulation of vacation days beyond year-end for non-professional personnel. Professional personnel (teachers) receive two vacation days per year, which they are allowed to accumulate beyond year-end. Vacation pay is accrued when incurred in the government-wide financial statements for the discretely presented School Department. A liability for vacation pay is reported in governmental funds only if the amounts have matured, for example, as a result of employee resignations and retirements.

The School Department's policy allows employees to accumulate sick days at varying rates depending upon their position. All professional personnel (teachers) of the School Department are allowed to accumulate unlimited sick leave days. The granting of sick leave for professional personnel has no guaranteed payment attached and therefore is not required to be accrued or recorded. Nonteaching personnel may accumulate up to 60 days sick leave. Based on their daily wage, nonteaching personnel resigning or retiring with ten or more years of service are paid for 50 percent of their accumulated sick leave, while those resigning or retiring with 30 or more years of service receive 100 percent of their accumulated sick leave. All sick days for nonteaching personnel are accrued when incurred in the government-wide statements for the School Department.

A liability for vacation leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Vested or accumulated vacation leave is accrued when incurred in proprietary funds using the accrual basis of accounting. White County's proprietary fund did not have a policy for accruing vested or

accumulated vacation leave when it was incurred. However, these amounts would be immaterial to the financial statements of White County.

**5. Long-term Obligations**

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types 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, landfill closure and postclosure costs, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

**6. Net Assets and Fund Equity**

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

- a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other

governments; or (2) law through constitutional provisions or enabling legislation.

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

As of June 30, 2008, White County has \$7,476,000 in outstanding debt for capital purposes for the discretely presented White County School Department. This debt is a liability of White County; however, the capital assets acquired are reported in the financial statements of the School Department. Therefore, White County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

**Primary Government**

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

**Discretely Presented White County School Department**

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

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

**Primary Government**

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

## **Discretely Presented White County School Department**

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

### **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **A. Budgetary Information**

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

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

The budgetary level of control is at the major category level established by the State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, 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. Net Assets Deficit**

The Solid Waste Disposal Fund (enterprise fund) had an unrestricted net assets deficit of \$1,822,318 and a total net assets deficit of \$792,996 at June 30, 2008. This deficit primarily resulted from the recognition of a liability (\$2,260,901) in the financial statements of the Solid Waste Disposal Fund for costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements.

C. **Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the County Commission in the Principal on Debt – Highways and Streets (\$667) and the Interest on Debt – Highways and Streets (\$3,111) major appropriation categories (the legal level of control) of the General Debt Service Fund. 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**

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

**Deposits**

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

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

## Investments

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

**Investment Balances.** As of June 30, 2008, White County had the following investments carried at fair value or cost. The agency fund investments were made on behalf of litigants at the direction of a court order and are held in the Circuit Court Clerk's Office.

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value or Cost</u>
Fiduciary Fund:		
Wachovia Bank Deposit Account	On Demand	\$ 5,693
Wachovia Fixed Income Securities	On Demand	640,541
Wachovia Open End Mutual Funds	On Demand	<u>537,497</u>
Total		<u>\$ 1,183,731</u>

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. White 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. White County has no investment policy that would further limit its investment choices. As of June 30, 2008, White County's investments in Wachovia Bank Deposits, Wachovia Fixed Income Securities, and Wachovia Open End Mutual Funds were 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. White County does not have a formal policy that limits custodial credit risk for investments. Of the \$1,183,731 in mutual funds and money market accounts, the underlying securities for the investments were uninsured and held by the investment's counterparty, not in the name of the county. However, it should be noted that these amounts are invested on behalf of litigants at the order of the court and the county has no custodial credit risk for these investments.

**B. Notes Receivable**

Notes receivable of \$218,236 in the Industrial/Economic Development Fund represents the outstanding balances of loans due White County from local industries at June 30, 2008.

**C. Capital Assets**

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

**Primary Government**

**Governmental Activities:**

	Balance 7-1-07	Increases	Balance 6-30-08
Capital Assets			
Not Depreciated:			
Land	\$ 106,178	\$ 898,800	\$ 1,004,978
Total Capital Assets			
Not Depreciated	\$ 106,178	\$ 898,800	\$ 1,004,978
Capital Assets Depreciated:			
Buildings and			
Improvements	\$ 10,815,704	\$ 92,114	\$ 10,907,818
Infrastructure	2,222,400	732,068	2,954,468
Other Capital Assets	2,237,311	317,865	2,555,176
Total Capital Assets			
Depreciated	\$ 15,275,415	\$ 1,142,047	\$ 16,417,462



**Governmental Activities: (Cont.)**

	Balance 7-1-07	Increases	Balance 6-30-08
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 2,229,320	\$ 264,792	\$ 2,494,112
Infrastructure	123,289	63,964	187,253
Other Capital Assets	1,453,536	148,065	1,601,601
Total Accumulated Depreciation	<u>\$ 3,806,145</u>	<u>\$ 476,821</u>	<u>\$ 4,282,966</u>
Total Capital Assets Depreciated, Net	<u>\$ 11,469,270</u>	<u>\$ 665,226</u>	<u>\$ 12,134,496</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,575,448</u>	<u>\$ 1,564,026</u>	<u>\$ 13,139,474</u>

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

**Governmental Activities:**

General Government	\$ 263,787
Public Safety	46,124
Public Health and Welfare	40,699
Other Operations	1,004
Highways/Public Works	<u>125,207</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 476,821</u>

**Business-type Activities:**

	Balance 7-1-07	Increases	Balance 6-30-08
Capital Assets			
Not Depreciated:			
Land	\$ 580,078	\$ 0	\$ 580,078
Total Capital Assets	<u>\$ 580,078</u>	<u>\$ 0</u>	<u>\$ 580,078</u>
Not Depreciated	<u>\$ 580,078</u>	<u>\$ 0</u>	<u>\$ 580,078</u>
Capital Assets Depreciated:			
Buildings and			
Improvements	\$ 1,775,853	\$ 0	\$ 1,775,853
Other Capital Assets	1,426,702	0	1,426,702
Total Capital Assets	<u>3,202,555</u>	<u>0</u>	<u>3,202,555</u>
Depreciated	<u>\$ 3,202,555</u>	<u>\$ 0</u>	<u>\$ 3,202,555</u>
Less Accumulated			
Depreciation For:			
Buildings and			
Improvements	\$ 772,876	\$ 34,071	\$ 806,947
Other Capital Assets	757,513	90,919	848,432
Total Accumulated	<u>1,530,389</u>	<u>124,990</u>	<u>1,655,379</u>
Depreciation	<u>\$ 1,530,389</u>	<u>\$ 124,990</u>	<u>\$ 1,655,379</u>
Total Capital Assets			
Depreciated, Net	<u>\$ 1,672,166</u>	<u>\$ (124,990)</u>	<u>\$ 1,547,176</u>
Business-type Activities			
Capital Assets, Net	<u>\$ 2,252,244</u>	<u>\$ (124,990)</u>	<u>\$ 2,127,254</u>

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

**Business-type Activities:**

Public Health and Welfare	<u>\$ 124,990</u>
Total Depreciation Expense - Business-type Activities	<u><u>\$ 124,990</u></u>

**Discretely Presented White County School Department**

**Governmental Activities:**

	Balance 7-1-07	Increases	Balance 6-30-08
Capital Assets Not Depreciated:			
Land	\$ 693,842	\$ 0	\$ 693,842
Total Capital Assets Not Depreciated	<u>\$ 693,842</u>	<u>\$ 0</u>	<u>\$ 693,842</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 22,776,571	\$ 3,123,333	\$ 25,899,904
Other Capital Assets	1,609,179	144,588	1,753,767
Total Capital Assets Depreciated	<u>\$ 24,385,750</u>	<u>\$ 3,267,921</u>	<u>\$ 27,653,671</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 6,663,893	\$ 551,187	\$ 7,215,080
Other Capital Assets	884,910	122,518	1,007,428
Total Accumulated Depreciation	<u>\$ 7,548,803</u>	<u>\$ 673,705</u>	<u>\$ 8,222,508</u>
Total Capital Assets Depreciated, Net	<u>\$ 16,836,947</u>	<u>\$ 2,594,216</u>	<u>\$ 19,431,163</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,530,789</u>	<u>\$ 2,594,216</u>	<u>\$ 20,125,005</u>

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

**Governmental Activities:**

Instruction	\$ 551,187
Support Services	<u>122,518</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 673,705</u>

**D. Interfund Receivables, Payables, and Transfers**

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

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 18,099
Nonmajor governmental	General	20,927
Solid Waste/Disposal	General Debt Service	1,427

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.

**Interfund Transfers:**

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

**Primary Government**

<u>Transfer Out</u>	<u>Transfer In</u> General Purpose School Fund
Highway/Public Works	\$ 10,400

**Discretely Presented White County School Department**

<u>Transfer Out</u>	<u>Transfer In</u> General Purpose School Fund
Nonmajor governmental fund	\$ 21,116

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. Capital outlay notes are issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 20 years for bonds, up to seven years for notes, and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. General obligation bonds, capital outlay notes, and other loans 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	4 to 4.4 %	\$ 1,000,000	\$ 920,000
Capital Outlay Notes	3.49 to 4.31	2,900,000	2,366,666
Other Loans - Synthetic			
Fixed by Swap	5.72	9,000,000	8,125,000
Other Loans	variable	8,275,000	5,085,000

White County has entered into various loan agreements with the Sevier County Public Building Authority and the Blount County Public Building Authority (PBAs) to finance various capital projects for the county and the White County School Department. Under the loan agreements, the PBAs issued revenue bonds and loaned the proceeds to White County. In addition to repaying the loans, the county pays various other fees (trustee, debt remarketing, etc.). The following table summarizes loan agreements between the county and the PBAs outstanding at June 30, 2008:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-08	Interest Type	Interest Rates as of 6-30-08	Approximate Fee Rates as of 6-30-08	
Sevier County PBA:						
Series G	\$ 7,000,000	\$ 3,810,000	Variable	2.73 %	.5	%
Series IV-A-3	9,000,000	8,125,000	Synthetic Fixed by Swap	5.72	.5	
Blount County PBA:						
Series A-9-C	1,275,000	1,275,000	Variable	2.73	.45	
		<u>\$ 13,210,000</u>				

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2009	\$ 40,000	\$ 38,345	\$ 78,345
2010	40,000	36,745	76,745
2011	45,000	35,145	80,145
2012	45,000	33,345	78,345
2013	45,000	31,545	76,545
2014-2018	255,000	129,325	384,325
2019-2023	305,000	72,143	377,143
2024-2025	145,000	9,680	154,680
Total	<u>\$ 920,000</u>	<u>\$ 386,273</u>	<u>\$ 1,306,273</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2009	\$ 642,856	\$ 95,196	\$ 738,052
2010	642,856	69,649	712,505
2011	509,525	44,104	553,629
2012	142,857	26,041	168,898
2013	142,857	17,786	160,643
2014-2015	285,715	17,785	303,500
Total	\$ 2,366,666	\$ 270,561	\$ 2,637,227

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2009	\$ 885,000	\$ 603,571	\$ 65,413	\$ 1,553,984
2010	930,000	564,610	60,988	1,555,598
2011	985,000	523,673	56,338	1,565,011
2012	1,040,000	480,337	51,413	1,571,750
2013	1,095,000	434,603	46,213	1,575,816
2014-2018	5,840,000	1,402,882	144,200	7,387,082
2019-2020	2,435,000	180,419	17,935	2,633,354
Total	\$ 13,210,000	\$ 4,190,095	\$ 442,500	\$ 17,842,595

There is \$3,086,859 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$40, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans totaled \$714, based on the 2000 federal census.

### **Swap Agreement**

Under its loan agreement, the Public Building Authority of Sevier County, Tennessee, at the request of the county, has entered into an interest rate swap agreement for all of the outstanding Local Government Improvement Bonds, Series IV-A-3.

**Objective of the interest rate swap.** To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the authority, on behalf of the county, entered into an interest rate swap in connection with its \$9 million Series IV-A-3 variable-rate bonds. The intention of the swap was to effectively change the county's variable interest rate on the bonds to a synthetic fixed rate.

**Terms.** Under the swap, the authority pays the counterparty a fixed payment of 5.72 percent and receives a variable payment computed as 100 percent of the rate paid on the outstanding variable rate bond associated to the swap. The swap has a notional amount of \$9 million and the associated variable-rate bond has a \$9 million principal amount. The interest rate swap agreement is based on the same amortization schedule as the outstanding principal of the Series IV-A-3 Bonds. The bonds' variable-rates have historically approximated the Bond Market Association Municipal Index™ (BMA). The bonds, and the related swap agreement, mature on June 1, 2020. As of June 30, 2008, rates were as follows:

	<u>Terms</u>	<u>Rates</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	5.72 %
Variable payment from counterparty		<u>-2.73</u>
Net interest rate swap payments		2.99 %
Variable-rate bond coupon payment		<u>2.73</u>
Synthetic interest rate on bonds		<u><u>5.72 %</u></u>

**Fair value.** As of June 30, 2008, the swap had a negative fair value of \$894,715. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the coupons on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

**Credit risk.** As of June 30, 2008, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk of the derivative's fair value. The swap counterparty was unrated at the time of the swap. To mitigate the potential for credit risk, the authority, on behalf of the county, received a Financial Guarantee Insurance Policy for the swap agreement from Ambac Assurance Corporation, that was rated AA by Standard and Poor's and Aa3 by Moody's Investor Service as of June 30, 2008. If Ambac's credit rating is downgraded, the counterparty is required to post collateral with a third-party custodian.

**Basis risk.** The variable interest payment the county receives from the counterparty is the same as the variable rate interest paid on the outstanding bonds associated to the swap. Therefore, there is no basis risk.

**Termination risk.** The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master



Agreement includes an “additional termination provision.” The authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap’s fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap’s fair value.

**Swap payments and associated debt.** As of June 30, 2008, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Fiscal Year Ending June 30	Variable Rate Bonds		Net Interest	Total
	Principal	Interest	Rate Swap Payment	
2009	\$ 495,000	\$ 221,813	\$ 242,938	\$ 959,751
2010	520,000	208,299	228,137	956,436
2011	550,000	194,103	212,589	956,692
2012	580,000	179,088	196,144	955,232
2013	610,000	163,254	178,802	952,056
2014-2018	3,610,000	546,819	598,897	4,755,716
2019-2020	1,760,000	72,755	79,684	1,912,439
<b>Total</b>	<b>\$ 8,125,000</b>	<b>\$ 1,586,131</b>	<b>\$ 1,737,191</b>	<b>\$ 11,448,322</b>

#### Changes in Long-term Liabilities

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

Governmental Activities:	Bonds	Notes	Other Loans
	Balance, July 1, 2007	\$ 960,000	\$ 1,033,333
Additions	0	1,700,000	0
Deductions	(40,000)	(366,667)	(840,000)
<b>Balance, June 30, 2008</b>	<b>\$ 920,000</b>	<b>\$ 2,366,666</b>	<b>\$ 13,210,000</b>
<b>Balance Due Within One Year</b>	<b>\$ 40,000</b>	<b>\$ 642,856</b>	<b>\$ 885,000</b>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	\$ 16,496,666
Less: Balance Due Within One Year	<u>(1,567,856)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 14,928,810</u>

**White County Solid Waste Disposal Fund (Enterprise Fund)**

The annual requirements to amortize all notes outstanding as of June 30, 2008, including interest payments, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
2009	\$ 141,967	\$ 46,907	\$ 188,874
2010	141,967	40,539	182,506
2011	141,967	34,172	176,139
2012	141,967	27,804	169,771
2013	141,967	21,436	163,403
2014-2016	<u>388,097</u>	<u>26,103</u>	<u>414,200</u>
Total	<u>\$ 1,097,932</u>	<u>\$ 196,961</u>	<u>\$ 1,294,893</u>

Changes in Long-term Liabilities

Long-term liability activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2008, was as follows:

Business-type Activities:	Notes	Closure/ Postclosure Care Costs
Balance, July 1, 2007	\$ 1,239,899	\$ 2,260,901
Deductions	<u>(141,967)</u>	<u>0</u>
Balance, June 30, 2008	<u>\$ 1,097,932</u>	<u>\$ 2,260,901</u>
Balance Due Within One Year	<u>\$ 141,967</u>	<u>\$ 24,400</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	\$ 3,358,833
Less: Balance Due Within One Year	<u>(166,367)</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,192,466</u>
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Debt per capita of the enterprise fund for the notes totaled \$48, based on the 2000 federal census.

**Discretely Presented White County School Department**

Changes in Long-term Liabilities

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

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2007	\$ 138,982	\$ 0
Additions	70,038	339,935
Deductions	<u>(48,680)</u>	<u>(172,445)</u>
Balance, June 30, 2008	<u>\$ 160,340</u>	<u>\$ 167,490</u>
Balance Due Within One Year	<u>\$ 8,017</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	\$ 327,830
Less: Balance Due Within One Year	<u>(8,017)</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 319,813</u>
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Compensated absences will be paid from the employing funds, primarily the General Purpose School and the School Federal Projects funds.

**F. Short-term Debt**

White County issued tax and revenue anticipation notes in advance of property tax collections and the receipt of grant funds. The proceeds of these notes were deposited in the General (\$1,500,000) and the School Federal Projects funds (\$100,000). These notes were necessary to provide temporary operating funds before current collections. Short-term debt activity for the year ended June 30, 2008, was as follows:

	Balance 7-1-07	Issued	Redeemed	Balance 6-30-08
Tax Anticipation Notes	\$ 0	\$ 1,500,000	\$ (1,500,000)	\$ 0
Revenue Anticipation Notes	0	100,000	(100,000)	0

**V. OTHER INFORMATION**

**A. Risk Management**

White County and the discretely presented White 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 county and the School Department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

White County offers its general government employees a select benefits limited health plan purchased through a commercial carrier. This is a fully insured fixed rate limited plan in which all employees are eligible to participate. Settled claims have not exceeded this commercial coverage.

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, Tennessee Code Annotated (TCA), all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

**B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (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, the White 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 White County. GASB Statement No. 48 had no effect on the financial statements of White 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 White 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 White County to provide additional and more detailed pension plan note disclosures than in previous years.

**C. Subsequent Events**

On June 30, 2008, Lynda McCoy retired from the Office of Clerk and Master. Gena Brock was appointed to the office on July 1, 2008.

In July 2008, the General Debt Service Fund issued a \$1,000,000 tax anticipation note to the General Fund for temporary operating funds.

On August 28, 2008, White County issued capital outlay notes totaling \$600,000 for highway infrastructure and vehicles.

White County issued general obligation refunding bonds on October 17, 2008, (\$5,120,000) and on December 2, 2008, (\$8,175,000).

**D. Contingent Liabilities**

The attorney representing White County was not aware of pending or threatened litigation involving the county or any of its departments.

**E. Landfill Closure and 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. The \$2,260,901 reported as landfill closure and postclosure care liability at June 30, 2008, represents the net amount reported to date based on the use of approximately 100 percent of the estimated capacity of the old landfill cell (\$1,631,296), approximately 50 percent of the Class III/IV cell (\$366,000), and approximately 15 percent of the estimated capacity of the current landfill cell (\$263,605). The landfill will recognize the remaining closure/postclosure care cost liability of \$2,260,901 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2008. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Joint Venture**

The Upper Cumberland Regional Airport was established as a joint venture between White County, Putnam County, the City of Cookeville, and the City of Sparta. The Upper Cumberland Regional Airport operates the regional airport for the two-county area. The five-member board of the airport is comprised of one member appointed by each of the four participating governments with the fifth member of the board being the chief executive of one of the participating governments. This fifth board position serves a one-year term and rotates among the four participating governments in a prescribed order. Each participant retains a 25 percent ownership in the airport; however, the participant does not retain an equity interest in the airport. During the year ended June 30, 2008, the county contributed \$28,000 to the operations of the airport. Complete financial statements for the Upper Cumberland Regional Airport can be obtained from the Upper Cumberland Regional Airport's administrative office at 750 Airport Road, Sparta, Tennessee 38583-8077, or from the County Clerk's Office at the White County Courthouse.

**G. Jointly Governed Organization**

The Tri-County Railroad Authority was jointly created by White, Coffee, and Warren counties. The Tri-County Railroad Authority's board comprises the

county executive/mayor of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity.

## **H. Retirement Commitments**

### **Employees**

#### **Plan Description**

Employees of White 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 White 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**

White 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 4.84 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for White County is established and may be amended by the TCRS Board of Trustees.

## Annual Pension Cost

For the year ended June 30, 2008, White County's annual pension cost of \$365,392 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), and (c) projected 3.5 percent annual increase in the Social Security wage base. 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. White County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was ten years. An actuarial valuation was performed as of July 1, 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	\$365,392	100%	\$0
6-30-07	351,259	100	0
6-30-06	253,160	100	0

### Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 92.02 percent funded. The actuarial accrued liability for benefits was \$12.54 million, and the actuarial value of assets was \$11.54 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$7.07 million, and the ratio of the UAAL to the covered payroll was 14.15 percent.

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

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

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the 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 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 \$835,736, \$778,022, and \$672,614, respectively, equal to the required contributions for each year.

## **I. Other Postemployment Benefits (OPEB)**

### Plan Description

The School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, Tennessee Code Annotated for teachers. 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 plan is 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 employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides 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 White County School Department provides postretirement benefits, in accordance with contract provisions, to certified employees who retire from the School Department. The School Department pays each retiree \$1,500 per year until the retiree is eligible for Medicare. This benefit is available to employees who retire after July 1, 1998, with a minimum of 30 years service. During the year examined, 32 retirees met those eligibility requirements, and the School Department contributed \$172,445 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	<u>Local Education Group Plan</u>
ARC	\$ 339,935
Interest on the NPO	0
Adjustment to the ARC	0
Annual OPEB cost	<u>\$ 339,935</u>
Amount of contribution	(172,445)
Increase/decrease in NPO	<u>\$ 167,490</u>
Net OPEB obligation - 7-1-07	<u>0</u>
Net OPEB obligation - 6-30-08	<u><u>\$ 167,490</u></u>

Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group	\$ 339,935	51 %	\$ 167,490

\* 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:

	<u>Local Education Group Plan</u>
Actuarial valuation date	6-30-07
Actuarial accrued liability (AAL)	\$ 4,869,273
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,869,273
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 10,015,755
UAAL as a % of covered payroll	49%

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 RSI 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.

#### **J. Office of Central Accounting and Budgeting**

##### Office of Director of Finance

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

#### **K. Purchasing Law**

Purchasing procedures for all offices are governed by provisions of the County Financial Management System of 1981, Section 5-21-119, Tennessee Code Annotated. Pursuant to provisions of this statute, the Financial Management Committee, together with the finance director, established purchasing procedures for White County. These procedures require a purchase order system and competitive bids for all purchases exceeding \$5,000 (\$10,000 for the Highway Department).

VI. **OTHER NOTES – DISCRETELY PRESENTED WHITE COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

A. **Summary of Significant Accounting Policies**

The White County Emergency Communications District was established on January 21, 1991, by a resolution of the Board of Commissioners of White County, Tennessee, in accordance with the Emergency Communications District Law (9-1-1 Law), Tennessee Code Annotated, Section 7-86-101. The resolution was passed after the voters of White County approved the establishment of such a district on November 6, 1990. The jurisdiction of the district includes all of White County, Tennessee. The White County Emergency Communications District has adopted the following accounting policies:

1. **Reporting Entity**

The White County Emergency Communications District is a component unit of White County, Tennessee. The Board of Directors of the district is appointed by White County's Board of Commissioners and the mayor of the City of Sparta in the same proportion as each entity contributor to the funding of the district. Any shortfall between the district's budgeted revenues and operating expenses are subsidized by White County and the City of Sparta, Tennessee, 75 percent and 25 percent, respectively. Also, the district must obtain the approval of the White County Board of Commissioners before the issuance of most debt instruments.

2. **Basis of Accounting**

The district uses the accrual method of accounting to prepare its financial statements.

The district has elected under Governmental Accounting Standards Board (GASB) Statement No. 20 to adopt all Financial Accounting Standards Board pronouncements applicable to local governments and GASB pronouncements issued through November 30, 1989, and only GASB pronouncements issued after November 30, 1989.

The activities of the district are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The accounting and financial reporting treatment applied to the district is determined by its measurement focus. The transactions of the district are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included on the balance sheet. Net assets (i.e. total assets net of total liabilities) are segregated into invested in capital assets, net of related debt; restricted for capital activity and debt service; and unrestricted components.

**3. Capital Assets**

Capital assets in service are carried at cost and are depreciated over the estimated useful life of the asset using the straight-line method of depreciation. Cost consists of all direct costs related to construction or acquisition of capital assets. In addition, the district capitalizes interest costs related to qualified expenditures for projects under development.

Maintenance and repairs that do not significantly extend the value or life of the property or equipment are expensed as incurred.

Capital assets policy for the district states that items purchased or betterment, not repairs, in excess of \$1,000 and having a useful life of one year or more will be capitalized.

Assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Equipment	3-10
Buildings	10-40
Vehicles	5-10
Furniture and Fixtures	10

**4. Provision for Uncollectible Accounts**

Management has not made an allowance for uncollectible accounts receivable as losses; however, if any are recognized, they are reported on the direct charge-off method.

**5. Cash Equivalents**

For purposes of the statement of cash flows, all highly liquid investments with a maturity date of three months or less when purchased are considered to be cash equivalents.

**6. Compensated Absences**

The district does not have a policy for accruing vested or accumulated vacation leave when it is incurred. However, these amounts would be immaterial to the financial statements of the district.

**7. Restricted Assets**

Restricted assets represent cash and investments maintained in accordance with bond resolutions, loan agreements, grant awards, and other resolutions and formal actions of the district or by agreement for the purpose of funding certain debt service payments, depreciation and contingency activities, and improvements and extensions to the system. Restricted assets are generally not available for current operating expenses. The district had no restricted assets at June 30, 2008.

**8. Receivables and Revenues**

Revenues from Ben Lomand Rural Telephone Cooperative, Inc., and Citizens Telecom Company of Tennessee (CTC) are received monthly. Revenues not received by June 30 are accrued.

Operating revenues consist of monies received from Ben Lomand and CTC, shared wireless charge from the State Emergency Communications Board, and other miscellaneous income.

Nonoperating revenues consist of interest income earned on cash investments, noncapital contributions from the primary government and other governments, and noncapital grants from the State Emergency Communications Board.

**9. Expenses**

Operating expenses consist of salaries, wages, and the related employee benefits; fees charged by the telephone companies; materials and supplies; and other general and administrative expenses.

**10. Contributions**

Contributions are recognized in the Statement of Revenues, Expenses, and Changes in Net Assets when earned. Contributions include capacity and support by other districts and federal, state, and local grants in support of district operations.

**11. Net Assets**

Net assets contain the various net earnings from operating and nonoperating revenues, expenses, and contributions of capital. Net assets are classified as invested in capital assets, net of related debt; restricted for capital activity and debt service; and unrestricted net assets. Invested in capital assets, net of related debt, is all capital assets, net of accumulated depreciation and outstanding debt attributable to the acquisition, construction, or improvement of the assets; debt related to unspent proceeds or other restricted cash and investments is not included in this determination. Restricted for capital activity and debt service includes net assets restricted by external parties such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including self-imposed legal mandates. Unrestricted are the net assets that do not meet the definition of capital assets, net of related debt or restricted for capital activity and debt service.

**12. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts and certain claims and judgment liabilities, among other accounts. Actual results may vary from those estimates.

**13. Budgets**

Prior to July 1, the budget is approved by the commissioners and submitted to the state Comptroller's Office as required by state statute. The budget is prepared on the basis where current available funds must be sufficient to meet current expenditures.

The district's budgetary basis of accounting is consistent with generally accepted accounting principles.

**B. Bank Deposits**

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 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 district.

**C. Capital Assets**

Capital assets activity during the year was as follows:

	Balance 7-1-07	Increases	Balance 6-30-08
Capital Assets			
Not Depreciated:			
Land	\$ 16,576	\$ 0	\$ 16,576
Total Capital Assets			
Not Depreciated	\$ 16,576	\$ 0	\$ 16,576
Capital Assets Depreciated:			
Buildings	\$ 99,738	\$ 0	\$ 99,738
Equipment	629,078	0	629,078
Vehicles	20,690	0	20,690
Furniture and Fixtures	7,927	6,159	14,086
Total Capital Assets			
Depreciated	\$ 757,433	\$ 6,159	\$ 763,592

Capital Assets (Cont.)	Balance 7-1-07	Increases	Balance 6-30-08
Less Accumulated Depreciation For:			
Buildings	\$ 27,532	\$ 2,804	\$ 30,336
Equipment	303,796	51,639	355,435
Vehicles	20,171	146	20,317
Furniture and Fixtures	6,014	960	6,974
Total Accumulated Depreciation	<u>\$ 357,513</u>	<u>\$ 55,549</u>	<u>\$ 413,062</u>
Total Capital Assets Depreciated, Net	<u>\$ 399,920</u>	<u>\$ (49,390)</u>	<u>\$ 350,530</u>
Business-type Activities Capital Assets, Net	<u>\$ 416,496</u>	<u>\$ (49,390)</u>	<u>\$ 367,106</u>

**D. Risk Financing Activities**

It is the policy of the district to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, errors and omissions, and workers' compensation. The district also carries commercial insurance to cover the district's vehicles and commercial property. Settled claims have not exceeded this commercial coverage in any of the past three years.

**E. Retirement Plan**

**Plan Description**

Employees of the White County Emergency Communications District 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 the White County Emergency Communications District 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, Tennessee 37243-0230 or can be accessed at <http://www.treasury.state.tn.us/tcrs/PS/>.

### **Funding Policy**

The White County Emergency Communications District requires employees to contribute five percent of earnable compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2008, was 6.04 percent of annual covered payroll. The contribution requirements by plan members are set by state statute. The contribution requirement for the district is established and may be amended by the TCRS Board of Trustees.

### **Annual Pension Cost**

For the year ended June 30, 2008, the White County Emergency Communications District's annual pension cost of \$7,127 to TCRS was equal to the district's required and actual contributions. The required contribution was determined as part of the July 1, 2003, 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), and (c) projected 3.5 percent annual increase in the Social Security wage base. 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. The district's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was ten years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

### Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-08	\$ 7,127	100 %	\$ 0
6-30-07	8,101	100	0
6-30-06	4,855	100	0

**F. Litigation**

There are no lawsuits pending in which the district is involved that could result in any liability to the district.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

White 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)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 4,477,672	\$ 0	\$ 0	\$ 4,477,672	\$ 4,532,967	\$ 4,532,967	\$ (55,295)
Licenses and Permits	63,067	0	0	63,067	26,000	26,000	37,067
Fines, Forfeitures, and Penalties	128,905	0	0	128,905	173,350	190,516	(61,611)
Charges for Current Services	981,597	0	0	981,597	890,000	890,000	91,597
Other Local Revenues	147,914	0	0	147,914	205,000	205,000	(57,086)
Fees Received from County Officials	910,637	0	0	910,637	948,500	948,500	(37,863)
State of Tennessee	812,233	0	0	812,233	879,054	971,905	(159,672)
Federal Government	40,388	0	0	40,388	65,000	65,000	(24,612)
Other Governments and Citizens Groups	170,928	0	0	170,928	252,500	268,162	(97,234)
<b>Total Revenues</b>	<b>\$ 7,733,341</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,733,341</b>	<b>\$ 7,972,371</b>	<b>\$ 8,098,050</b>	<b>\$ (364,709)</b>
<b>Expenditures</b>							
<b>General Government</b>							
County Commission	\$ 63,233	\$ 0	\$ 0	\$ 63,233	\$ 65,178	\$ 65,178	\$ 1,945
County Mayor/Executive	128,680	0	1,637	130,317	135,337	135,337	5,020
County Attorney	14,581	0	0	14,581	25,000	25,000	10,419
Election Commission	128,003	(239)	0	127,764	139,073	139,073	11,309
Register of Deeds	151,436	(4,052)	9,585	156,969	168,772	168,772	11,803
Development	11,250	0	0	11,250	11,250	11,250	0
County Buildings	441,845	(300)	3,522	445,067	454,420	454,420	9,353
Other General Administration	37,865	(40)	37,500	75,325	55,000	80,000	4,675
Preservation of Records	31,550	0	0	31,550	41,868	41,868	10,318
<b>Finance</b>							
Accounting and Budgeting	209,741	(1,172)	1,482	210,051	228,697	217,225	7,174
Property Assessor's Office	164,184	0	0	164,184	196,300	196,300	32,116

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Reappraisal Program	\$ 27,090	\$ 0	\$ 0	\$ 27,090	\$ 36,907	\$ 36,907	\$ 9,817
County Trustee's Office	142,509	(390)	3,000	145,119	148,679	148,679	3,560
County Clerk's Office	202,323	0	807	203,130	204,955	204,955	1,825
<u>Administration of Justice</u>							
Circuit Court	291,908	0	0	291,908	292,089	300,088	8,180
General Sessions Court	182,078	0	0	182,078	185,014	185,014	2,936
Drug Court	16,014	0	0	16,014	35,000	35,000	18,986
Chancery Court	126,204	(685)	0	125,519	121,579	136,218	10,699
Judicial Commissioners	44,008	(100)	0	43,908	43,757	44,057	149
Other Administration of Justice	14,266	0	0	14,266	19,600	19,600	5,334
<u>Public Safety</u>							
Sheriff's Department	1,238,604	(295)	24,232	1,262,541	1,226,234	1,275,062	12,521
Special Patrols	72,440	0	50	72,490	79,609	79,609	7,119
Traffic Control	38,609	0	0	38,609	0	49,063	10,454
Jail	1,344,116	(1,288)	21,307	1,364,135	1,450,541	1,450,541	86,406
Juvenile Services	46,390	0	0	46,390	47,359	47,359	969
Fire Prevention and Control	143,689	0	0	143,689	138,700	143,700	11
Civil Defense	15,512	0	0	15,512	20,860	20,860	5,348
Rescue Squad	9,000	0	0	9,000	9,000	9,000	0
County Coroner/Medical Examiner	29,240	0	0	29,240	10,000	30,000	760
Other Public Safety	136,518	0	0	136,518	136,950	136,950	432
<u>Public Health and Welfare</u>							
Local Health Center	83,918	(22)	1,513	85,409	72,690	88,479	3,070
Rabies and Animal Control	94,486	0	0	94,486	136,198	136,198	41,712

(Continued)



Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Ambulance/Emergency Medical Services	\$ 992,733	\$ (557)	\$ 249	\$ 992,425	\$ 945,791	\$ 1,015,791	\$ 23,366
Crippled Children Services	3,445	0	0	3,445	4,720	4,720	1,275
Other Local Health Services	0	0	0	0	1,250	1,250	1,250
General Welfare Assistance	8,400	0	0	8,400	4,800	9,800	1,400
Other Local Welfare Services	0	0	0	0	1,250	1,250	1,250
Sanitation Education/Information	29,174	0	0	29,174	35,734	35,734	6,560
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	121,391	0	0	121,391	163,062	163,062	41,671
Libraries	150,847	0	2,138	152,985	146,695	158,695	5,710
Parks and Fair Boards	53,285	(4,460)	22,000	70,825	85,400	85,400	14,575
Other Social, Cultural, and Recreational	13,000	0	0	13,000	13,000	13,000	0
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	65,852	0	0	65,852	87,666	87,666	21,814
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	17,270	0	0	17,270	20,185	20,185	2,915
<u>Other Operations</u>							
Tourism	6,000	0	0	6,000	6,000	6,000	0
Industrial Development	977,770	0	0	977,770	1,191,570	1,191,570	213,800
Housing and Urban Development	16,035	0	0	16,035	50,000	50,000	33,965
Airport	28,000	0	0	28,000	28,000	28,000	0
Veterans' Services	34,290	0	0	34,290	36,541	36,541	2,251
Other Charges	274,487	(6,273)	300	268,514	286,232	286,232	17,718
Contributions to Other Agencies	34,824	0	0	34,824	40,860	40,860	6,036
Employee Benefits	12,150	0	0	12,150	30,000	30,000	17,850

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Miscellaneous	\$ 99,919	\$ 0	\$ 0	\$ 99,919	\$ 100,000	\$ 106,000	\$ 6,081
Total Expenditures	\$ 8,622,162	\$ (19,873)	\$ 129,322	\$ 8,731,611	\$ 9,217,372	\$ 9,485,518	\$ 753,907
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (888,821)	\$ 19,873	\$ (129,322)	\$ (998,270)	\$ (1,245,001)	\$ (1,387,468)	\$ 389,198
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 1,300,000	\$ 0	\$ 0	\$ 1,300,000	\$ 1,150,000	\$ 1,150,000	\$ 150,000
Insurance Recovery	0	0	0	0	0	11,000	(11,000)
Transfers In	10,400	0	0	10,400	123,400	110,400	(100,000)
Total Other Financing Sources (Uses)	\$ 1,310,400	\$ 0	\$ 0	\$ 1,310,400	\$ 1,273,400	\$ 1,271,400	\$ 39,000
Net Change in Fund Balance	\$ 421,579	\$ 19,873	\$ (129,322)	\$ 312,130	\$ 28,399	\$ (116,068)	\$ 428,198
Fund Balance, July 1, 2007	829,443	(19,873)	0	809,570	911,288	911,288	(101,718)
Fund Balance, June 30, 2008	\$ 1,251,022	\$ 0	\$ (129,322)	\$ 1,121,700	\$ 939,687	\$ 795,220	\$ 326,480

Exhibit F-2

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 88,256	\$ 0	\$ 0	\$ 88,256	\$ 90,000	\$ 90,000	\$ (1,744)
Other Local Revenues	7,039	0	0	7,039	70,000	70,000	(62,961)
State of Tennessee	1,851,444	0	0	1,851,444	4,061,786	4,061,786	(2,210,342)
<b>Total Revenues</b>	<b>\$ 1,946,739</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,946,739</b>	<b>\$ 4,221,786</b>	<b>\$ 4,221,786</b>	<b>\$ (2,275,047)</b>
<b>Expenditures</b>							
<u>Highways</u>							
Administration	\$ 135,938	\$ 0	\$ 46	\$ 135,984	\$ 140,492	\$ 140,492	\$ 4,508
Highway and Bridge Maintenance	1,360,967	(1,345)	0	1,359,622	1,430,870	1,430,870	71,248
Operation and Maintenance of Equipment	172,655	0	0	172,655	206,000	206,000	33,345
Quarry Operations	156,852	(195)	0	156,657	235,617	235,617	78,960
Other Charges	99,386	0	0	99,386	109,300	109,300	9,914
Employee Benefits	660	0	0	660	10,000	10,000	9,340
Capital Outlay	454,180	(76,049)	0	378,131	2,775,635	2,775,635	2,397,504
<b>Total Expenditures</b>	<b>\$ 2,380,638</b>	<b>\$ (77,589)</b>	<b>\$ 46</b>	<b>\$ 2,303,095</b>	<b>\$ 4,907,914</b>	<b>\$ 4,907,914</b>	<b>\$ 2,604,819</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (433,899)</b>	<b>\$ 77,589</b>	<b>\$ (46)</b>	<b>\$ (356,356)</b>	<b>\$ (686,128)</b>	<b>\$ (686,128)</b>	<b>\$ 329,772</b>
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 400,000	\$ 0	\$ 0	\$ 400,000	\$ 400,000	\$ 400,000	\$ 0
Transfers Out	(10,400)	0	0	(10,400)	(10,400)	(10,400)	0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 389,600</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 389,600</b>	<b>\$ 389,600</b>	<b>\$ 389,600</b>	<b>\$ 0</b>
<b>Net Change in Fund Balance Fund Balance, July 1, 2007</b>	<b>\$ (44,299)</b>	<b>\$ 77,589</b>	<b>\$ (46)</b>	<b>\$ 33,244</b>	<b>\$ (296,528)</b>	<b>\$ (296,528)</b>	<b>\$ 329,772</b>
<b>Fund Balance, July 1, 2007</b>	<b>\$ 805,855</b>	<b>\$ (77,589)</b>	<b>\$ 0</b>	<b>\$ 728,266</b>	<b>\$ 814,672</b>	<b>\$ 814,672</b>	<b>\$ (86,406)</b>
<b>Fund Balance, June 30, 2008</b>	<b>\$ 761,556</b>	<b>\$ 0</b>	<b>\$ (46)</b>	<b>\$ 761,510</b>	<b>\$ 518,144</b>	<b>\$ 518,144</b>	<b>\$ 243,366</b>

Exhibit F-3

White 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	\$ 11,547	\$ 12,548	\$ 1,001	92.02 %	\$ 7,072	14.15 %

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 F-4

White County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Discretely Presented White County Emergency Communications District  
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	\$ 216	\$ 297	\$ 81	72.63 %	\$ 133	61.22 %

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 F-5

White County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plan  
Discretely Presented White 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)
Local Education Group Plan 6-30-07	\$ 0	\$ 4,869	\$ 4,869	0	\$ 10,015	49 %

\* Data not available for two preceding years

**WHITE 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 White County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for transactions involving notes receivable from corporations.

Local Purpose Tax Fund – The Local Purpose Tax Fund accounts for local sales tax collections. These funds are eventually disbursed to other county funds for their operations.

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

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

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Exhibit G-1

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

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees		
\$	0 \$	0 \$	0 \$	17,286 \$	17,286	
317,883	958,205	44,885	0	0	1,320,973	
0	0	0	813	0	813	
0	30,630	0	0	0	30,630	
0	0	20,927	0	0	20,927	
218,236	0	0	0	0	218,236	
\$	536,119 \$	988,835 \$	65,812 \$	18,099 \$	1,608,865	

ASSETS

Cash	
Equity in Pooled Cash and Investments	
Accounts Receivable	
Due from Other Governments	
Due from Other Funds	
Notes Receivable - Long-term	

Total Assets

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>					
Due to Other Funds	0 \$	0 \$	0 \$	18,099 \$	18,099
Due to Litigants, Heirs, and Others	0	0	14,410	0	14,410
Other Deferred Revenues	0	16,800	0	0	16,800
Total Liabilities	0 \$	16,800 \$	14,410 \$	18,099 \$	49,309
<u>Fund Balances</u>					
Reserved for Loan Program	536,119 \$	0 \$	0 \$	0 \$	536,119
Unreserved	0	972,035	51,402	0	1,023,437
Total Fund Balances	536,119 \$	972,035 \$	51,402 \$	0 \$	1,559,556
Total Liabilities and Fund Balances	536,119 \$	988,835 \$	65,812 \$	18,099 \$	1,608,865

Exhibit G-2

White 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					Total Nonmajor Governmental Funds
	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees		
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 207,438	\$ 0	\$ 0	\$ 0	\$ 207,438
Fines, Forfeitures, and Penalties	0	0	29,585	0	0	29,585
Charges for Current Services	0	0	0	8,999	0	8,999
Other Local Revenues	5,685	0	0	0	0	5,685
State of Tennessee	0	0	23,567	0	0	23,567
Total Revenues	\$ 5,685	\$ 207,438	\$ 53,152	\$ 8,999	\$ 0	\$ 275,274
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 8,999	\$ 0	\$ 8,999
Public Safety	0	0	61,900	0	0	61,900
Other Operations	0	8,889	346	0	0	9,235
Total Expenditures	\$ 0	\$ 8,889	\$ 62,246	\$ 8,999	\$ 0	\$ 80,134
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,685	\$ 198,549	\$ (9,094)	\$ 0	\$ 0	\$ 195,140
Net Change in Fund Balances Fund Balance, July 1, 2007	\$ 5,685	\$ 198,549	\$ (9,094)	\$ 0	\$ 0	\$ 195,140
	530,434	773,486	60,496	0	0	1,364,416
Fund Balance, June 30, 2008	\$ 536,119	\$ 972,035	\$ 51,402	\$ 0	\$ 0	\$ 1,559,556

Exhibit G-3

White County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Industrial/Economic Development Fund  
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 5,685	\$ 6,000	\$ 6,000	\$ (315)
Total Revenues	\$ 5,685	\$ 6,000	\$ 6,000	\$ (315)
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,685	\$ 6,000	\$ 6,000	\$ (315)
Net Change in Fund Balance	\$ 5,685	\$ 6,000	\$ 6,000	\$ (315)
Fund Balance, July 1, 2007	530,434	528,134	528,134	2,300
Fund Balance, June 30, 2008	\$ 536,119	\$ 534,134	\$ 534,134	\$ 1,985

Exhibit G-4

White County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Local Purpose Tax Fund  
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 207,438	\$ 200,000	\$ 200,000	\$ 7,438
Total Revenues	\$ 207,438	\$ 200,000	\$ 200,000	\$ 7,438
<u>Expenditures</u>				
<u>Other Operations</u>				
Miscellaneous	\$ 8,889	\$ 2,000	\$ 10,000	\$ 1,111
Total Expenditures	\$ 8,889	\$ 2,000	\$ 10,000	\$ 1,111
Excess (Deficiency) of Revenues Over Expenditures	\$ 198,549	\$ 198,000	\$ 190,000	\$ 8,549
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (100,000)	\$ (100,000)	\$ 100,000
Total Other Financing Sources (Uses)	\$ 0	\$ (100,000)	\$ (100,000)	\$ 100,000
Net Change in Fund Balance	\$ 198,549	\$ 98,000	\$ 90,000	\$ 108,549
Fund Balance, July 1, 2007	773,486	800,862	800,862	(27,376)
Fund Balance, June 30, 2008	\$ 972,035	\$ 898,862	\$ 890,862	\$ 81,173



Exhibit G-5

White 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		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 29,585	\$ 55,000	\$ 55,000	\$ (25,415)
State of Tennessee	23,567	10,000	10,000	13,567
Total Revenues	<u>\$ 53,152</u>	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ (11,848)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 61,900	\$ 66,156	\$ 66,156	\$ 4,256
<u>Other Operations</u>				
Miscellaneous	346	1,000	1,000	654
Total Expenditures	<u>\$ 62,246</u>	<u>\$ 67,156</u>	<u>\$ 67,156</u>	<u>\$ 4,910</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (9,094)</u>	<u>\$ (2,156)</u>	<u>\$ (2,156)</u>	<u>\$ (6,938)</u>
Net Change in Fund Balance	\$ (9,094)	\$ (2,156)	\$ (2,156)	\$ (6,938)
Fund Balance, July 1, 2007	<u>60,496</u>	<u>42,595</u>	<u>42,595</u>	<u>17,901</u>
Fund Balance, June 30, 2008	<u>\$ 51,402</u>	<u>\$ 40,439</u>	<u>\$ 40,439</u>	<u>\$ 10,963</u>

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# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit H

White 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		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,159,869	\$ 1,061,000	\$ 1,061,000	\$ 98,869
Other Local Revenues	1,019,111	800,000	800,000	219,111
State of Tennessee	19,277	12,000	12,000	7,277
Other Governments and Citizens Groups	280,000	50,000	300,000	(20,000)
Total Revenues	<u>\$ 2,478,257</u>	<u>\$ 1,923,000</u>	<u>\$ 2,173,000</u>	<u>\$ 305,257</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 442,700	\$ 767,700	\$ 742,700	\$ 300,000
Highways and Streets	250,667	250,000	250,000	(667)
Education	553,300	553,300	553,300	0
<u>Interest on Debt</u>				
General Government	390,123	453,730	453,730	63,607
Highways and Streets	28,611	20,000	25,500	(3,111)
Education	380,542	425,596	425,596	45,054
<u>Other Debt Service</u>				
General Government	25,648	2,000	27,000	1,352
Total Expenditures	<u>\$ 2,071,591</u>	<u>\$ 2,472,326</u>	<u>\$ 2,477,826</u>	<u>\$ 406,235</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 406,666</u>	<u>\$ (549,326)</u>	<u>\$ (304,826)</u>	<u>\$ 711,492</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 250,000	\$ 0	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 250,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 406,666	\$ (299,326)	\$ (304,826)	\$ 711,492
Fund Balance, July 1, 2007	2,680,193	2,665,355	2,665,355	14,838
Fund Balance, June 30, 2008	<u>\$ 3,086,859</u>	<u>\$ 2,366,029</u>	<u>\$ 2,360,529</u>	<u>\$ 726,330</u>

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# Fiduciary Funds

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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.

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

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

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 402,961	\$ 402,961
Investments	0	1,183,731	1,183,731
Due from Other Governments	288,820	0	288,820
Total Assets	<u>\$ 288,820</u>	<u>\$ 1,586,692</u>	<u>\$ 1,875,512</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 288,820	\$ 0	\$ 288,820
Due to Litigants, Heirs, and Others	0	1,586,692	1,586,692
Total Liabilities	<u>\$ 288,820</u>	<u>\$ 1,586,692</u>	<u>\$ 1,875,512</u>

## Exhibit I-2

White 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
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,628,096	\$ 1,628,096	\$ 0
Due from Other Governments	255,477	288,820	255,477	288,820
Total Assets	\$ 255,477	\$ 1,916,916	\$ 1,883,573	\$ 288,820
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 255,477	\$ 1,916,916	\$ 1,883,573	\$ 288,820
Total Liabilities	\$ 255,477	\$ 1,916,916	\$ 1,883,573	\$ 288,820
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 442,260	\$ 4,910,637	\$ 4,949,936	\$ 402,961
Investments	1,106,494	77,237	0	1,183,731
Total Assets	\$ 1,548,754	\$ 4,987,874	\$ 4,949,936	\$ 1,586,692
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,548,754	\$ 4,987,874	\$ 4,949,936	\$ 1,586,692
Total Liabilities	\$ 1,548,754	\$ 4,987,874	\$ 4,949,936	\$ 1,586,692
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,628,096	\$ 1,628,096	\$ 0
Cash	442,260	4,910,637	4,949,936	402,961
Investments	1,106,494	77,237	0	1,183,731
Due from Other Governments	255,477	288,820	255,477	288,820
Total Assets	\$ 1,804,231	\$ 6,904,790	\$ 6,833,509	\$ 1,875,512
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 255,477	\$ 1,916,916	\$ 1,883,573	\$ 288,820
Due to Litigants, Heirs, and Others	1,548,754	4,987,874	4,949,936	1,586,692
Total Liabilities	\$ 1,804,231	\$ 6,904,790	\$ 6,833,509	\$ 1,875,512

# White County School Department

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

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

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

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

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Exhibit J-1

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

Functions/Programs	Program Revenues			Charges for Services	Expenses	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
	Operating Grants and Contributions						
Component Unit:							
Governmental Activities:							
Instruction	\$ 17,601,782	\$ 475	\$ 2,322,246	\$ 0	\$ 0	\$ 0	\$ (15,279,061)
Support Services	7,304,537	8,508	370,146	250,000			(6,675,883)
Operation of Non-Instructional Services	2,210,215	713,310	1,448,132	11,124			(37,649)
Capital Outlay	230,000	0	0	0			(230,000)
Total Governmental Activities	\$ 27,346,534	\$ 722,293	\$ 4,140,524	\$ 261,124	\$ 261,124	\$ 261,124	\$ (22,222,593)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes							\$ 3,105,671
Local Option Sales Taxes							1,398,914
Other Local Taxes							19,285
Grants and Contributions Not Restricted to Specific Programs							18,830,623
Miscellaneous							10,312
Total General Revenues							\$ 23,364,805
Change in Net Assets							\$ 1,142,212
Net Assets, July 1, 2007							33,860,855
Net Assets, June 30, 2008							\$ 35,003,067

Exhibit J-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	<u>General</u>	<u>Other</u>	<u>Total</u>
	<u>Purpose</u>	<u>Govern-</u>	<u>Govern-</u>
	<u>School</u>	<u>mental</u>	<u>mental</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 14,358,795	\$ 410,281	\$ 14,769,076
Due from Other Governments	470,939	160,423	631,362
Property Taxes Receivable	3,229,591	0	3,229,591
Allowance for Uncollectible Property Taxes	(112,859)	0	(112,859)
Total Assets	<u>\$ 17,946,466</u>	<u>\$ 570,704</u>	<u>\$ 18,517,170</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Payroll Deductions Payable	\$ 347,054	\$ 0	\$ 347,054
Deferred Revenue - Current Property Taxes	2,964,224	0	2,964,224
Deferred Revenue - Delinquent Property Taxes	131,633	0	131,633
Other Deferred Revenues	123,707	0	123,707
Total Liabilities	<u>\$ 3,566,618</u>	<u>\$ 0</u>	<u>\$ 3,566,618</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 1,235,526	\$ 0	\$ 1,235,526
Reserved for Vocational Projects	500,000	0	500,000
Reserved for Driver Education	20,423	0	20,423
Reserved for Career Ladder - Extended Contract	38,469	0	38,469
Reserved for Career Ladder Program	8,015	0	8,015
Reserved for Basic Education Program	6,149,602	0	6,149,602
Other State Education Reserves	13,551	0	13,551
Reserved for Title I Grants to Local Education Agencies	0	62,667	62,667
Reserved for Special Education - Grants to States	0	156,944	156,944
Unreserved, Reported In:			
General Fund	6,414,262	0	6,414,262
Special Revenue Funds	0	351,093	351,093
Total Fund Balances	<u>\$ 14,379,848</u>	<u>\$ 570,704</u>	<u>\$ 14,950,552</u>
Total Liabilities and Fund Balances	<u>\$ 17,946,466</u>	<u>\$ 570,704</u>	<u>\$ 18,517,170</u>

Exhibit J-3

White County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets  
Discretely Presented White 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 J-2)		\$ 14,950,552
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 693,842	
Add: buildings and improvements net of accumulated depreciation	18,684,824	
Add: other capital assets net of accumulated depreciation	<u>746,339</u>	20,125,005
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (160,340)	
Less: other postemployment benefits obligations	<u>(167,490)</u>	(327,830)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>255,340</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 35,003,067</u></u>

Exhibit J-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 4,567,937	\$ 0	\$ 4,567,937
Licenses and Permits	3,100	0	3,100
Charges for Current Services	87,628	626,677	714,305
Other Local Revenues	30,757	5,667	36,424
State of Tennessee	19,179,105	23,102	19,202,207
Federal Government	235,781	3,533,944	3,769,725
Other Governments and Citizens Groups	75,000	0	75,000
Total Revenues	<u>\$ 24,179,308</u>	<u>\$ 4,189,390</u>	<u>\$ 28,368,698</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 14,603,134	\$ 1,808,749	\$ 16,411,883
Support Services	6,750,287	691,169	7,441,456
Operation of Non-Instructional Services	357,447	1,735,423	2,092,870
Capital Outlay	3,465,404	0	3,465,404
Debt Service:			
Other Debt Service	230,000	0	230,000
Total Expenditures	<u>\$ 25,406,272</u>	<u>\$ 4,235,341</u>	<u>\$ 29,641,613</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,226,964)</u>	<u>\$ (45,951)</u>	<u>\$ (1,272,915)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 21,116	\$ 0	\$ 21,116
Transfers Out	0	(21,116)	(21,116)
Total Other Financing Sources (Uses)	<u>\$ 21,116</u>	<u>\$ (21,116)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (1,205,848)	\$ (67,067)	\$ (1,272,915)
Fund Balance, July 1, 2007	15,585,696	637,771	16,223,467
Fund Balance, June 30, 2008	<u>\$ 14,379,848</u>	<u>\$ 570,704</u>	<u>\$ 14,950,552</u>



Exhibit J-5

White County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented White 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 J-4)		\$ (1,272,915)
(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	\$ 3,267,921	
Less: current year depreciation expense	<u>(673,705)</u>	2,594,216
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2008	\$ 255,340	
Less: deferred delinquent property taxes and other deferred June 30, 2007	<u>(245,581)</u>	9,759
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Less: increase in other postemployment benefits obligations	\$ (167,490)	
Less: increase in compensated absences payable	<u>(21,358)</u>	<u>(188,848)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,142,212</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 59,188	\$ 351,093	\$ 410,281
Due from Other Governments	160,423	0	160,423
Total Assets	<u>\$ 219,611</u>	<u>\$ 351,093</u>	<u>\$ 570,704</u>
<u>FUND BALANCES</u>			
Reserved for Title I Grants to Local Education Agencies	\$ 62,667	\$ 0	\$ 62,667
Reserved for Special Education - Grants to States	156,944	0	156,944
Unreserved	0	351,093	351,093
Total Fund Balances	<u>\$ 219,611</u>	<u>\$ 351,093</u>	<u>\$ 570,704</u>

Exhibit J-7

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

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 626,677	\$ 626,677
Other Local Revenues	0	5,667	5,667
State of Tennessee	0	23,102	23,102
Federal Government	2,501,381	1,032,563	3,533,944
Total Revenues	<u>\$ 2,501,381</u>	<u>\$ 1,688,009</u>	<u>\$ 4,189,390</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,808,749	\$ 0	\$ 1,808,749
Support Services	691,169	0	691,169
Operation of Non-Instructional Services	0	1,735,423	1,735,423
Total Expenditures	<u>\$ 2,499,918</u>	<u>\$ 1,735,423</u>	<u>\$ 4,235,341</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,463</u>	<u>\$ (47,414)</u>	<u>\$ (45,951)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (21,116)	\$ 0	\$ (21,116)
Total Other Financing Sources (Uses)	<u>\$ (21,116)</u>	<u>\$ 0</u>	<u>\$ (21,116)</u>
Net Change in Fund Balances	\$ (19,653)	\$ (47,414)	\$ (67,067)
Fund Balance, July 1, 2007	239,264	398,507	637,771
Fund Balance, June 30, 2008	<u>\$ 219,611</u>	<u>\$ 351,093</u>	<u>\$ 570,704</u>

Exhibit J-8

White County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented White 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		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 4,567,937	\$ 0	\$ 0	\$ 4,567,937	\$ 4,557,000	\$ 4,557,000	\$ 10,937
Licenses and Permits	3,100	0	0	3,100	3,500	3,500	(400)
Charges for Current Services	87,628	0	0	87,628	129,020	129,020	(41,392)
Other Local Revenues	30,757	0	0	30,757	18,000	19,000	11,757
State of Tennessee	19,179,105	0	0	19,179,105	18,570,800	18,974,154	204,951
Federal Government	235,781	0	0	235,781	507,500	287,605	(51,824)
Other Governments and Citizens Groups	75,000	0	0	75,000	0	75,000	0
<b>Total Revenues</b>	<b>\$ 24,179,308</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 24,179,308</b>	<b>\$ 23,785,820</b>	<b>\$ 24,045,279</b>	<b>\$ 134,029</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Regular Instruction Program	\$ 12,467,828	\$ (40,750)	\$ 16,893	\$ 12,443,971	\$ 13,248,665	\$ 13,248,665	\$ 804,694
Special Education Program	1,358,453	0	0	1,358,453	1,369,000	1,369,000	10,547
Vocational Education Program	670,475	0	0	670,475	685,050	685,050	14,575
Adult Education Program	106,378	(56)	0	106,322	119,200	148,905	42,583
<b>Support Services</b>							
Attendance	24,306	0	0	24,306	80,200	80,200	55,894
Health Services	164,778	0	0	164,778	167,700	177,700	12,922
Other Student Support	561,486	0	12,115	573,601	623,000	623,000	49,399
Regular Instruction Program	681,776	(174)	186	681,788	737,920	737,920	56,132
Special Education Program	86,463	0	0	86,463	91,600	91,600	5,137
Vocational Education Program	57,254	0	0	57,254	60,750	60,750	3,496
Adult Programs	136,343	0	0	136,343	142,750	144,150	7,807
Other Programs	122,304	0	0	122,304	0	122,304	0

(Continued)

Exhibit J-8

White County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented White 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		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Board of Education	\$ 336,314	\$ 0	\$ 0	\$ 336,314	\$ 395,370	\$ 395,370	\$ 59,056
Director of Schools	126,021	0	0	126,021	132,265	132,265	6,244
Office of the Principal	1,104,598	0	0	1,104,598	1,138,750	1,138,750	34,152
Fiscal Services	98,162	(2,397)	940	96,705	102,700	102,700	5,995
Operation of Plant	1,687,209	0	0	1,687,209	2,020,800	2,020,800	333,591
Maintenance of Plant	351,279	(6,700)	4,349	348,928	405,650	405,650	56,722
Transportation	1,211,994	(136,530)	100	1,075,564	1,202,850	1,202,850	127,286
<u>Operation of Non-Instructional Services</u>							
Community Services	85,270	0	0	85,270	149,600	149,600	64,330
Early Childhood Education	272,177	0	0	272,177	270,000	277,500	5,323
<u>Capital Outlay</u>							
Regular Capital Outlay	3,465,404	(3,059,500)	1,200,943	1,606,847	470,000	1,883,550	276,703
Principal on Debt	0	0	0	0	250,000	0	0
<u>Other Debt Service</u>							
Education	230,000	0	0	230,000	0	250,000	20,000
Total Expenditures	\$ 25,406,272	\$ (3,246,107)	\$ 1,235,526	\$ 23,395,691	\$ 23,863,820	\$ 25,448,279	\$ 2,052,588
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ (1,226,964)	\$ 3,246,107	\$ (1,235,526)	\$ 783,617	\$ (78,000)	\$ (1,403,000)	\$ 2,186,617
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 21,116	\$ 0	\$ 0	\$ 21,116	\$ 78,000	\$ 3,000	\$ 18,116
Total Other Financing Sources (Uses)	\$ 21,116	\$ 0	\$ 0	\$ 21,116	\$ 78,000	\$ 3,000	\$ 18,116
Net Change in Fund Balance	\$ (1,205,848)	\$ 3,246,107	\$ (1,235,526)	\$ 804,733	\$ 0	\$ (1,400,000)	\$ 2,204,733
Fund Balance, July 1, 2007	15,585,696	(3,246,107)	0	12,339,589	12,245,576	12,245,576	94,013
Fund Balance, June 30, 2008	\$ 14,379,848	\$ 0	\$ (1,235,526)	\$ 13,144,322	\$ 12,245,576	\$ 10,845,576	\$ 2,298,746

## Exhibit J-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,501,381	\$ 2,896,495	\$ 3,013,238	\$ (511,857)
Total Revenues	\$ 2,501,381	\$ 2,896,495	\$ 3,013,238	\$ (511,857)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,118,216	\$ 1,305,053	\$ 1,307,159	\$ 188,943
Special Education Program	619,945	815,831	985,510	365,565
Vocational Education Program	70,588	66,155	70,588	0
<u>Support Services</u>				
Other Student Support	15,315	17,486	17,486	2,171
Regular Instruction Program	443,517	626,635	624,529	181,012
Special Education Program	194,278	229,280	229,780	35,502
Vocational Education Program	5,456	5,456	5,456	0
Transportation	32,603	41,564	41,564	8,961
Total Expenditures	\$ 2,499,918	\$ 3,107,460	\$ 3,282,072	\$ 782,154
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,463	\$ (210,965)	\$ (268,834)	\$ 270,297
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (21,116)	\$ (28,299)	\$ (29,723)	\$ 8,607
Total Other Financing Sources (Uses)	\$ (21,116)	\$ (28,299)	\$ (29,723)	\$ 8,607
Net Change in Fund Balance	\$ (19,653)	\$ (239,264)	\$ (298,557)	\$ 278,904
Fund Balance, July 1, 2007	239,264	239,264	298,557	(59,293)
Fund Balance, June 30, 2008	\$ 219,611	\$ 0	\$ 0	\$ 219,611

Exhibit J-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 626,677	\$ 627,000	\$ 627,000	\$ (323)
Other Local Revenues	5,667	5,500	5,500	167
State of Tennessee	23,102	25,000	25,000	(1,898)
Federal Government	1,032,563	970,000	970,000	62,563
Total Revenues	<u>\$ 1,688,009</u>	<u>\$ 1,627,500</u>	<u>\$ 1,627,500</u>	<u>\$ 60,509</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,735,423	\$ 1,768,822	\$ 1,796,422	\$ 60,999
Total Expenditures	<u>\$ 1,735,423</u>	<u>\$ 1,768,822</u>	<u>\$ 1,796,422</u>	<u>\$ 60,999</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (47,414)</u>	<u>\$ (141,322)</u>	<u>\$ (168,922)</u>	<u>\$ 121,508</u>
Net Change in Fund Balance	\$ (47,414)	\$ (141,322)	\$ (168,922)	\$ 121,508
Fund Balance, July 1, 2007	398,507	395,641	395,641	2,866
Fund Balance, June 30, 2008	<u>\$ 351,093</u>	<u>\$ 254,319</u>	<u>\$ 226,719</u>	<u>\$ 124,374</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit K-1

White County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, and Bonds  
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	Matured During Period	Outstanding 6-30-08
<b>NOTES PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
Vehicles/Ambulances/Computers/Roads	\$ 800,000	3.49 %	11-29-04	11-29-10	\$ 533,333	\$ 0	\$ 133,333	\$ 400,000
Road Improvements	200,000	4.18	11-23-05	11-23-07	100,000	0	100,000	0
Road Improvements/Landfill Truck	400,000	4.31	9-21-06	9-21-09	400,000	0	133,334	266,666
Patrol Cars/Ambulances/Road Improvements	700,000	3.95	8-30-07	8-30-10	0	700,000	0	700,000
Industrial Development Land	1,000,000	4.15	6-11-08	6-1-15	0	1,000,000	0	1,000,000
Total Notes Payable					\$ 1,033,333	\$ 1,700,000	\$ 366,667	\$ 2,366,666
<b>OTHER LOANS PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
Sevier County Public Building Authority Loan Agreement:								
School Building Project	7,000,000	Variable	8-1-1996	6-1-16	\$ 4,180,000	\$ 0	\$ 370,000	\$ 3,810,000
School/Judicial Complex Building Project Series IV-A-3	9,000,000 (1)	5.72	12-9-1999	6-1-20	8,595,000	0	470,000	8,125,000
Blount County Public Building Authority Loan Agreement:								
School/Judicial Complex Building Project Series A-9-C	1,275,000	Variable	6-29-04	6-30-20	1,275,000	0	0	1,275,000
Total Other Loans Payable					\$ 14,050,000	\$ 0	\$ 840,000	\$ 13,210,000
<b>BONDS PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
Library	1,000,000	4 to 4.4	6-15-05	6-15-25	\$ 960,000	\$ 0	\$ 40,000	\$ 920,000

(1) This loan was converted from a variable interest rate to a synthetic fixed interest rate by a swap agreement entered into during the year ended June 30, 2002.

Exhibit K-2

White County, Tennessee  
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2009	\$ 642,856	\$ 95,196	\$ 738,052
2010	642,856	69,649	712,505
2011	509,525	44,104	553,629
2012	142,857	26,041	168,898
2013	142,857	17,786	160,643
2014	142,857	11,857	154,714
2015	142,858	5,928	148,786
Total	<u>\$ 2,366,666</u>	<u>\$ 270,561</u>	<u>\$ 2,637,227</u>

Year Ending June 30	Other Loan Principal	Other Loan Interest	Other Loan Fees	Total Other Loan Requirements
2009	\$ 885,000	\$ 603,571	\$ 65,413	\$ 1,553,984
2010	930,000	564,610	60,988	1,555,597
2011	985,000	523,673	56,338	1,565,010
2012	1,040,000	480,337	51,413	1,571,750
2013	1,095,000	434,603	46,213	1,575,816
2014	1,160,000	386,471	40,738	1,587,208
2015	1,220,000	335,517	34,938	1,590,455
2016	1,295,000	281,879	28,838	1,605,717
2017	1,035,000	224,998	22,363	1,282,360
2018	1,130,000	174,018	17,325	1,321,343
2019	1,180,000	119,100	11,838	1,310,937
2020	1,255,000	61,320	6,100	1,322,420
Total	<u>\$ 13,210,000</u>	<u>\$ 4,190,095</u>	<u>\$ 442,501</u>	<u>\$ 17,842,595</u>

(Continued)

Exhibit K-2

White County, Tennessee

Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2009	\$ 40,000	\$ 38,345	\$ 78,345
2010	40,000	36,745	76,745
2011	45,000	35,145	80,145
2012	45,000	33,345	78,345
2013	45,000	31,545	76,545
2014	45,000	29,745	74,745
2015	50,000	27,945	77,945
2016	50,000	25,945	75,945
2017	55,000	23,945	78,945
2018	55,000	21,745	76,745
2019	55,000	19,408	74,408
2020	60,000	17,070	77,070
2021	60,000	14,520	74,520
2022	65,000	11,970	76,970
2023	65,000	9,175	74,175
2024	70,000	6,380	76,380
2025	75,000	3,300	78,300
Total	\$ 920,000	\$ 386,273	\$ 1,306,273

Exhibit K-3

White County, Tennessee  
Schedule of Investments  
June 30, 2008

<u>Fund/Type</u>	<u>Amount</u>
<u>Constitutional Officers - Agency</u>	
Wachovia Bank Deposit Account	\$ 5,693
Wachovia Fixed Income Securities	640,541
Wachovia Open End Mutual Funds	<u>537,497</u>
Total	<u>\$ 1,183,731</u>

Exhibit K-4

White County, Tennessee  
Schedule of Notes Receivable  
For the Year Ended June 30, 2008

Description	Debtor	Original Amount of Note	Interest Rate	Date of Issue	Date of Maturity	Balance 6-30-08
<u>Industrial/Economic Development Fund</u>						
Industrial Development	Norcom, Inc.	\$ 27,552	5 %	11-07	11-14	\$ 25,605
Industrial Development	Norcom, Inc., II	30,000	5	2-03	2-10	8,509
Industrial Development	Casual Apparel	80,288	2	10-03	9-10	41,547
Industrial Development	Bell Fashions	82,397	2	1-04	11-09	19,847
Industrial Development	TLT, Inc.	37,500	2	11-03	11-10	13,087
Industrial Development	K & V Automotive	80,000	2	5-04	5-11	41,398
Industrial Development	Dunn & Bybee	90,000	3	11-04	11-12	47,357
Industrial Development	Casual Apparel	25,000	5	10-06	10-13	20,886

Total

\$ 218,236

Exhibit K-5

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Highway/Public Works	General	Finance Department services	\$ 10,400
Total Transfers Primary Government			<u>\$ 10,400</u>
<u>DISCRETELY PRESENTED WHITE COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 21,116
Total Transfers Discretely Presented White County School Department			<u>\$ 21,116</u>



White County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented White 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, <u>TCA</u>	\$ 67,997	\$ 50,000	Auto Owners Insurance Company
Road Superintendent	Section 8-24-102, <u>TCA</u>	64,760	100,000	RLI Insurance Company
Director of Schools	State Board of Education and and White County Board of Education	91,285 (1)	50,000	Auto Owners Insurance Company
Trustee	Section 8-24-102, <u>TCA</u>	58,872	832,000	"
Assessor of Property	Section 8-24-102, <u>TCA</u>	58,872	10,000	"
Finance Director	County Commission	58,872	50,000	"
County Clerk	Section 8-24-102, <u>TCA</u>	58,872	50,000	RLI Insurance Company
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	58,872 (2)	50,000	RLI Insurance Company
Clerk and Master	Section 8-24-102, <u>TCA</u> , and Chancery Court Judge	58,872 (3)	75,000	Auto Owners Insurance Company
Register	Section 8-24-102, <u>TCA</u>	58,872	25,000	RLI Insurance Company
Sheriff	Section 8-24-102, <u>TCA</u>	64,760 (4)	50,000	RLI Insurance Company
Employee Dishonesty Bond Coverage:				
General County and Highway Employees			150,000	Tennessee Risk Management Trust
School Department Employees			150,000	"

- (1) Includes chief executive officer training supplement of \$1,000.
- (2) Does not include special commissioner fees of \$2,600.
- (3) Does not include special commissioner fees of \$8,269.
- (4) Does not include law enforcement training supplement of \$600.

Exhibit K-7

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<b>Local Taxes</b>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 3,602,757	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 272,002	\$ 3,874,759	
Trustee's Collections - Prior Year	118,708	0	0	0	0	0	10,189	128,897	
Circuit/Clerk & Master Collections - Prior Years	68,740	0	0	0	0	0	5,817	74,557	
Interest and Penalty	22,758	0	0	0	0	0	1,890	24,648	
Payments in-Lieu-of Taxes - Other	9,462	0	0	0	0	0	714	10,176	
<u>County Local Option Taxes</u>									
Local Option Sales Tax	103,718	0	207,438	0	0	0	856,436	1,167,592	
Hotel/Motel Tax	6,254	0	0	0	0	0	6,254	12,508	
Litigation Tax - General	74,975	0	0	0	0	0	0	74,975	
Litigation Tax - Special Purpose	62,842	0	0	0	0	0	0	62,842	
Litigation Tax - Jail, Workhouse, or Courthouse	31,912	0	0	0	0	0	0	31,912	
Business Tax	149,635	0	0	0	0	0	0	149,635	
Mineral Severance Tax	0	0	0	0	0	0	0	88,256	
<u>Statutory Local Taxes</u>									
Bank Excise Tax	87,011	0	0	0	0	0	6,567	93,578	
Wholesale Beer Tax	138,900	0	0	0	0	0	0	138,900	
<b>Total Local Taxes</b>	<b>\$ 4,477,672</b>	<b>\$ 0</b>	<b>\$ 207,438</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 88,256</b>	<b>\$ 1,159,869</b>	<b>\$ 5,933,235</b>	
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Cable TV Franchise	\$ 59,885	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 59,885	
<u>Permits</u>									
Beer Permits	3,182	0	0	0	0	0	0	3,182	
<b>Total Licenses and Permits</b>	<b>\$ 63,067</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 63,067</b>	
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	\$ 8,185	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,185	
Officers Costs	6,144	0	0	0	0	0	0	6,144	
Drug Control Fines	114	0	0	0	0	0	0	114	

(Continued)

Exhibit K-7

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>									
<u>Circuit Court (Cont.)</u>									
Drug Court Fees	\$ 769	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	769	
DUI Treatment Fines	3,528	0	0	0	0	0	0	3,528	
Data Entry Fee - Circuit Court	432	0	0	0	0	0	0	432	
Courtroom Security Fee	1,168	0	0	0	0	0	0	1,168	
<u>General Sessions Court</u>									
Fines	20,886	0	0	0	0	0	0	20,886	
Officers Costs	40,851	0	0	0	0	0	0	40,851	
Game and Fish Fines	812	0	0	0	0	0	0	812	
Drug Control Fines	239	0	0	0	0	0	0	239	
Drug Court Fees	1,759	0	0	0	0	0	0	1,759	
DUI Treatment Fines	2,560	0	0	0	0	0	0	2,560	
Data Entry Fee - General Sessions Court	7,526	0	0	0	0	0	0	7,526	
Courtroom Security Fee	488	0	0	0	0	0	0	488	
<u>Chancery Court</u>									
Officers Costs	1,501	0	0	0	0	0	0	1,501	
<u>Other Courts - In-county</u>									
Drug Control Fines	0	0	0	17,408	0	0	0	17,408	
Jail Fees	20,042	0	0	0	0	0	0	20,042	
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	11,901	0	0	12,177	0	0	0	24,078	
Total Fines, Forfeitures, and Penalties	\$ 128,905	\$ 0	\$ 0	\$ 29,585	\$ 0	\$ 0	\$ 0	\$ 158,490	
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Past Due Collections - Ambulance	\$ 964,859	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 964,859	
<u>Fees</u>									
Constitutional Officers' Fees and Commissions	0	0	0	0	8,999	0	0	8,999	
Data Processing Fee - Register	10,638	0	0	0	0	0	0	10,638	
Data Processing Fee - Sheriff	3,600	0	0	0	0	0	0	3,600	
Sexual Offender Registration Fees - Sheriff	2,500	0	0	0	0	0	0	2,500	
Total Charges for Current Services	\$ 981,597	\$ 0	\$ 0	\$ 0	\$ 8,999	\$ 0	\$ 0	\$ 990,596	

(Continued)

Exhibit K-7

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	\$ 0	\$ 5,685	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,019,111	\$ 1,024,796	
Lease/Rentals	4,400	0	0	0	0	0	0	4,400	
Commissary Sales	14,758	0	0	0	0	0	0	14,758	
Sale of Maps	61,331	0	0	0	0	0	0	61,331	
Miscellaneous Refunds	67,325	0	0	0	7,039	0	0	74,364	
<u>Nonrecurring Items</u>									
Contributions and Gifts	100	0	0	0	0	0	0	100	
Total Other Local Revenues	\$ 147,914	\$ 5,685	\$ 0	\$ 0	\$ 7,039	\$ 1,019,111	\$ 1,179,749		

13

Fees Received from County Officials

<u>Fees in-Lieu-of Salary</u>								
County Clerk	\$ 168,330	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 168,330
Circuit Court Clerk	67,699	0	0	0	0	0	0	67,699
General Sessions Court Clerk	182,872	0	0	0	0	0	0	182,872
Clerk and Master	77,109	0	0	0	0	0	0	77,109
Register	121,753	0	0	0	0	0	0	121,753
Sheriff	3	0	0	0	0	0	0	3
Trustee	292,871	0	0	0	0	0	0	292,871
Total Fees Received from County Officials	\$ 910,637	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 910,637

State of Tennessee

<u>General Government Grants</u>								
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
<u>Public Safety Grants</u>								
Drug Control Grants	13,112	0	0	0	0	0	0	13,112
Other Public Safety Grants	43,337	0	0	0	0	0	0	43,337
<u>Health and Welfare Grants</u>								
Other Health and Welfare Grants	3,149	0	0	0	0	0	0	3,149
<u>Public Works Grants</u>								
State Aid Program	0	0	0	0	175,431	0	0	175,431

(Continued)

Exhibit K-7

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service		
<u>State of Tennessee (Cont.)</u>									
<u>Public Works Grants (Cont.)</u>									
Litter Program	\$ 26,377	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26,377	
<u>Other State Revenues</u>									
Income Tax	90,536	0	0	0	0	0	0	90,536	
Beer Tax	19,312	0	0	0	0	0	0	19,312	
Alcoholic Beverage Tax	40,616	0	0	0	0	0	0	40,616	
State Revenue Sharing - T.V.A.	255,084	0	0	0	0	0	19,277	274,361	
Contracted Prisoner Boarding	240,590	0	0	0	0	0	0	240,590	
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,655,079	0	1,655,079	
Petroleum Special Tax	0	0	0	0	0	20,934	0	20,934	
Reappraisal Program Reimbursement	10,104	0	0	0	0	0	0	10,104	
Registrar's Salary Supplement	16,380	0	0	0	0	0	0	16,380	
Other State Grants	25,963	0	0	0	0	0	0	25,963	
Other State Revenues	18,673	0	0	23,567	0	0	0	42,240	
Total State of Tennessee	\$ 812,233	\$ 0	\$ 0	\$ 23,567	\$ 0	\$ 1,851,444	\$ 19,277	\$ 2,706,521	
<u>Federal Government</u>									
<u>Federal Through State</u>									
Community Development	\$ 16,035	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,035	
Homeland Security Grants	4,580	0	0	0	0	0	0	4,580	
Law Enforcement Grants	18,000	0	0	0	0	0	0	18,000	
Other Federal through State	1,773	0	0	0	0	0	0	1,773	
Total Federal Government	\$ 40,388	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,388	
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Contributions	\$ 24,713	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 280,000	\$ 304,713	
Contracted Services	50,468	0	0	0	0	0	0	50,468	
<u>Citizens Groups</u>									
Donations	11,985	0	0	0	0	0	0	11,985	
Other	83,762	0	0	0	0	0	0	83,762	
Other	170,928	0	0	0	0	0	0	170,928	
Total Other Governments and Citizens Groups	\$ 7,733,341	\$ 5,685	\$ 207,438	\$ 53,152	\$ 8,999	\$ 1,946,739	\$ 2,478,257	\$ 12,433,611	

## Exhibit K-8

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 2,890,023	\$ 0	\$ 0	\$ 2,890,023
Trustee's Collections - Prior Year	101,888	0	0	101,888
Circuit/Clerk & Master Collections - Prior Years	58,540	0	0	58,540
Interest and Penalty	19,099	0	0	19,099
Payments in-Lieu-of Taxes - Other	7,588	0	0	7,588
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,401,741	0	0	1,401,741
<u>Statutory Local Taxes</u>				
Bank Excise Tax	69,773	0	0	69,773
Interstate Telecommunications Tax	19,285	0	0	19,285
Total Local Taxes	\$ 4,567,937	\$ 0	\$ 0	\$ 4,567,937
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 2,356	\$ 0	\$ 0	\$ 2,356
<u>Permits</u>				
Other Permits	744	0	0	744
Total Licenses and Permits	\$ 3,100	\$ 0	\$ 0	\$ 3,100
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Summer School	\$ 475	\$ 0	\$ 0	\$ 475
Lunch Payments - Children	0	0	342,288	342,288
Lunch Payments - Adults	0	0	47,599	47,599
Income from Breakfast	0	0	38,703	38,703
A la carte Sales	0	0	198,087	198,087
Receipts from Individual Schools	48,818	0	0	48,818
Community Service Fees - Adults	970	0	0	970
TBI Criminal Background Fees	4,908	0	0	4,908
<u>Other Charges for Services</u>				
Other Charges for Services	32,457	0	0	32,457
Total Charges for Current Services	\$ 87,628	\$ 0	\$ 626,677	\$ 714,305
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 4,388	\$ 4,388
Lease/Rentals	3,600	0	0	3,600
Miscellaneous Refunds	8,811	0	1,279	10,090
<u>Nonrecurring Items</u>				
Damages Recovered from Individuals	222	0	0	222
Contributions and Gifts	7,000	0	0	7,000
<u>Other Local Revenues</u>				
Other Local Revenues	11,124	0	0	11,124
Total Other Local Revenues	\$ 30,757	\$ 0	\$ 5,667	\$ 36,424

(Continued)

Exhibit K-8

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 122,304	\$ 0	\$ 0	\$ 122,304
<u>State Education Funds</u>				
Basic Education Program	17,669,935	0	0	17,669,935
Early Childhood Education	272,178	0	0	272,178
School Food Service	0	0	23,102	23,102
Driver Education	1,560	0	0	1,560
Other State Education Funds	8,468	0	0	8,468
Career Ladder Program	236,892	0	0	236,892
Career Ladder - Extended Contract	156,945	0	0	156,945
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	204,674	0	0	204,674
Other State Grants	256,149	0	0	256,149
Other State Revenues	250,000	0	0	250,000
Total State of Tennessee	\$ 19,179,105	\$ 0	\$ 23,102	\$ 19,202,207
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 819,830	\$ 819,830
Breakfast	0	0	179,131	179,131
USDA - Other	0	0	33,602	33,602
Adult Education State Grant Program	104,909	0	0	104,909
Vocational Education - Basic Grants to States	0	77,544	0	77,544
Title I Grants to Local Education Agencies	0	739,731	0	739,731
Innovative Education Program Strategies	0	6,518	0	6,518
Special Education - Grants to States	1,577	830,067	0	831,644
Special Education Preschool Grants	0	24,023	0	24,023
Safe and Drug-Free Schools - State Grants	0	17,503	0	17,503
Eisenhower Professional Development State Grants	0	219,228	0	219,228
Job Training Partnership Act	20,000	0	0	20,000
Other Federal through State	57,500	586,767	0	644,267
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	51,795	0	0	51,795
Total Federal Government	\$ 235,781	\$ 2,501,381	\$ 1,032,563	\$ 3,769,725
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 75,000	\$ 0	\$ 0	\$ 75,000
Total Other Governments and Citizens Groups	\$ 75,000	\$ 0	\$ 0	\$ 75,000
Total	\$ 24,179,308	\$ 2,501,381	\$ 1,688,009	\$ 28,368,698

Exhibit K-9

White 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	\$	42,000	
Other Per Diem and Fees		1,350	
Social Security		2,688	
State Retirement		65	
Employer Medicare		629	
Advertising		2,624	
Audit Services		8,526	
Dues and Memberships		1,857	
Travel		768	
Other Supplies and Materials		2,726	
Total County Commission			\$ 63,233

County Mayor/Executive

County Official/Administrative Officer	\$	67,997	
Assistant(s)		29,457	
Part-time Personnel		892	
Social Security		6,023	
State Retirement		4,717	
Employer Medicare		1,408	
Communication		2,685	
Dues and Memberships		2,643	
Maintenance Agreements		2,299	
Postal Charges		1,244	
Travel		4,839	
Office Supplies		3,322	
Office Equipment		1,154	
Total County Mayor/Executive			128,680

County Attorney

County Official/Administrative Officer	\$	12,962	
Social Security		804	
State Retirement		627	
Employer Medicare		188	
Total County Attorney			14,581

Election Commission

County Official/Administrative Officer	\$	52,985	
Deputy(ies)		20,600	
Overtime Pay		594	
Election Commission		1,935	

(Continued)



Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Election Workers	\$	10,011	
Social Security		4,539	
State Retirement		3,590	
Medical Insurance		1,150	
Employer Medicare		1,062	
Communication		1,078	
Legal Notices, Recording, and Court Costs		3,291	
Maintenance and Repair Services - Office Equipment		1,113	
Postal Charges		3,735	
Rentals		100	
Travel		1,679	
Office Supplies		2,178	
Other Supplies and Materials		4,782	
Data Processing Equipment		13,441	
Furniture and Fixtures		140	
Total Election Commission			\$ 128,003

Register of Deeds

County Official/Administrative Officer	\$	58,872	
Deputy(ies)		27,137	
Clerical Personnel		22,813	
Part-time Personnel		4,576	
Social Security		7,031	
State Retirement		5,267	
Employer Medicare		1,644	
Communication		1,051	
Dues and Memberships		512	
Maintenance and Repair Services - Office Equipment		10,822	
Postal Charges		306	
Travel		1,532	
Office Supplies		7,611	
Data Processing Equipment		2,262	
Total Register of Deeds			151,436

Development

Other Contracted Services	\$	11,250	
Total Development			11,250

County Buildings

Other Salaries and Wages	\$	51,870	
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(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Social Security	\$	3,066	
State Retirement		2,030	
Medical Insurance		100	
Employer Medicare		717	
Maintenance and Repair Services - Buildings		62,729	
Maintenance and Repair Services - Equipment		12,189	
Rentals		7,800	
Utilities		69,214	
Other Supplies and Materials		24,537	
Building and Contents Insurance		140,759	
Workers' Compensation Insurance		66,834	
Total County Buildings			\$ 441,845

Other General Administration

Building Improvements	\$	37,865	
Total Other General Administration			37,865

Preservation of Records

Other Salaries and Wages	\$	16,883	
Social Security		1,047	
State Retirement		817	
Employer Medicare		245	
Communication		1,168	
Other Supplies and Materials		11,390	
Total Preservation of Records			31,550

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	58,872	
Assistant(s)		78,248	
Social Security		8,501	
State Retirement		6,797	
Employer Medicare		1,988	
Accounting Services		5,473	
Advertising		2,673	
Communication		2,806	
Postal Charges		10,173	
Travel		1,477	
Other Contracted Services		3,228	
Office Supplies		12,716	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Data Processing Equipment	\$	16,679	
Office Equipment		110	
Total Accounting and Budgeting			\$ 209,741

Property Assessor's Office

County Official/Administrative Officer	\$	58,872	
Deputy(ies)		16,832	
Secretary(ies)		52,111	
Temporary Personnel		3,247	
Board and Committee Members Fees		977	
Social Security		8,096	
State Retirement		5,200	
Employer Medicare		1,893	
Communication		1,790	
Data Processing Services		2,547	
Dues and Memberships		1,076	
Postal Charges		819	
Travel		2,647	
Other Contracted Services		6,399	
Office Supplies		1,520	
Premiums on Corporate Surety Bonds		75	
In Service/Staff Development		50	
Office Equipment		33	
Total Property Assessor's Office			164,184

Reappraisal Program

Secretary(ies)	\$	21,214	
Social Security		1,316	
State Retirement		1,027	
Employer Medicare		308	
Data Processing Services		2,793	
Office Supplies		432	
Total Reappraisal Program			27,090

County Trustee's Office

County Official/Administrative Officer	\$	58,872	
Deputy(ies)		27,932	
Clerical Personnel		23,436	
Part-time Personnel		2,146	
Overtime Pay		1,291	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Social Security	\$	7,015	
State Retirement		5,392	
Employer Medicare		1,641	
Communication		1,142	
Dues and Memberships		532	
Postal Charges		3,386	
Travel		765	
Office Supplies		1,286	
Data Processing Equipment		6,143	
Office Equipment		1,530	
Total County Trustee's Office			\$ 142,509

County Clerk's Office

County Official/Administrative Officer	\$	58,872	
Deputy(ies)		31,067	
Clerical Personnel		73,169	
Part-time Personnel		3,427	
Social Security		10,316	
State Retirement		7,888	
Employer Medicare		2,413	
Communication		2,650	
Dues and Memberships		397	
Postal Charges		4,663	
Office Supplies		2,807	
Data Processing Equipment		4,654	
Total County Clerk's Office			202,323

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	58,872
Deputy(ies)		148,578
Social Security		12,716
State Retirement		10,041
Medical Insurance		3,450
Employer Medicare		2,974
Communication		3,871
Dues and Memberships		607
Maintenance and Repair Services - Office Equipment		3,001
Postal Charges		7,655
Travel		210

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Office Supplies	\$	12,950	
Data Processing Equipment		14,168	
Office Equipment		12,815	
Total Circuit Court			\$ 291,908

General Sessions Court

Judge(s)	\$	128,716	
Secretary(ies)		30,329	
Social Security		8,049	
State Retirement		7,698	
Employer Medicare		2,306	
Communication		1,707	
Travel		952	
Office Supplies		2,321	
Total General Sessions Court			182,078

Drug Court

Contracts with Government Agencies	\$	12,522	
Other Supplies and Materials		3,492	
Total Drug Court			16,014

Chancery Court

County Official/Administrative Officer	\$	58,872	
Deputy(ies)		27,934	
Part-time Personnel		12,414	
Social Security		6,122	
State Retirement		4,216	
Employer Medicare		1,432	
Communication		742	
Dues and Memberships		547	
Postal Charges		4,184	
Other Contracted Services		102	
Office Supplies		3,249	
Premiums on Corporate Surety Bonds		208	
Data Processing Equipment		4,625	
Office Equipment		1,557	
Total Chancery Court			126,204

Judicial Commissioners

County Official/Administrative Officer	\$	39,694	
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(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners (Cont.)

Social Security	\$	2,461	
Employer Medicare		576	
Other Supplies and Materials		1,277	
Total Judicial Commissioners			\$ 44,008

Other Administration of Justice

Other Salaries and Wages	\$	824	
Jury and Witness Fees		13,442	
Total Other Administration of Justice			14,266

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	64,760	
Deputy(ies)		706,054	
Secretary(ies)		27,040	
Other Salaries and Wages		18,526	
Social Security		51,570	
State Retirement		32,825	
Medical Insurance		4,978	
Employer Medicare		12,061	
Communication		23,786	
Dues and Memberships		1,850	
Maintenance and Repair Services - Vehicles		16,903	
Travel		102	
Other Contracted Services		4,589	
Gasoline		100,498	
Uniforms		13,364	
Other Supplies and Materials		29,376	
Premiums on Corporate Surety Bonds		100	
In Service/Staff Development		1,979	
Other Charges		5,000	
Data Processing Equipment		12,555	
Law Enforcement Equipment		26,909	
Motor Vehicles		83,779	
Total Sheriff's Department			1,238,604

Special Patrols

Other Salaries and Wages	\$	60,799	
Social Security		3,471	
State Retirement		1,524	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols (Cont.)

Medical Insurance	\$	1,162	
Employer Medicare		812	
Communication		648	
Office Supplies		158	
Other Supplies and Materials		1,209	
Other Charges		2,657	
Total Special Patrols			\$ 72,440

Traffic Control

Law Enforcement Equipment	\$	38,609	
Total Traffic Control			38,609

Jail

Supervisor/Director	\$	34,438	
Medical Personnel		33,278	
Guards		601,427	
Clerical Personnel		27,379	
Cafeteria Personnel		22,773	
Other Salaries and Wages		30,998	
Social Security		46,078	
State Retirement		22,932	
Employer Medicare		10,776	
Contracts with Other Public Agencies		5,100	
Maintenance Agreements		3,042	
Medical and Dental Services		173,375	
Food Supplies		139,922	
Uniforms		2,144	
Utilities		140,200	
Other Supplies and Materials		48,606	
In Service/Staff Development		1,399	
Law Enforcement Equipment		249	
Total Jail			1,344,116

Juvenile Services

Other Salaries and Wages	\$	39,163	
Social Security		2,428	
State Retirement		1,896	
Employer Medicare		568	
Communication		432	
Travel		1,723	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Office Supplies	\$ 180	
Total Juvenile Services		\$ 46,390

Fire Prevention and Control

Contracts with Government Agencies	\$ 15,000	
Contributions	123,673	
Other Supplies and Materials	5,016	
Total Fire Prevention and Control		143,689

Civil Defense

Other Supplies and Materials	\$ 5,751	
Workers' Compensation Insurance	847	
In Service/Staff Development	483	
Other Equipment	2,767	
Other Capital Outlay	5,664	
Total Civil Defense		15,512

Rescue Squad

Contributions	\$ 9,000	
Total Rescue Squad		9,000

County Coroner/Medical Examiner

Medical Personnel	\$ 29,240	
Total County Coroner/Medical Examiner		29,240

Other Public Safety

Social Security	\$ 141	
Employer Medicare	33	
Contracts with Other Public Agencies	125,000	
Road Signs	11,143	
Other Supplies and Materials	201	
Total Other Public Safety		136,518

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$ 2,840
Social Security	176
Employer Medicare	41
Communication	2,384
Contracts with Government Agencies	39,126

(Continued)



Exhibit K-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Maintenance and Repair Services - Buildings	\$	9,218	
Travel		645	
Instructional Supplies and Materials		13,020	
Utilities		9,223	
Other Supplies and Materials		1,335	
Other Charges		5,910	
Total Local Health Center			\$ 83,918

Rabies and Animal Control

Communication	\$	149	
Other Contracted Services		40	
Other Supplies and Materials		1,364	
Other Construction		92,933	
Total Rabies and Animal Control			94,486

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	47,380	
Paraprofessionals		477,052	
Part-time Personnel		43,025	
Other Salaries and Wages		109,804	
Social Security		41,718	
State Retirement		30,643	
Medical Insurance		3,685	
Employer Medicare		9,757	
Communication		5,301	
Dues and Memberships		450	
Laundry Service		4,146	
Maintenance and Repair Services - Buildings		5,611	
Maintenance and Repair Services - Vehicles		15,542	
Postal Charges		247	
Other Contracted Services		6,908	
Diesel Fuel		48,641	
Drugs and Medical Supplies		47,748	
Office Supplies		4,073	
Uniforms		7,024	
Utilities		6,076	
In Service/Staff Development		10,047	
Motor Vehicles		55,856	
Other Equipment		11,999	
Total Ambulance/Emergency Medical Services			992,733

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Crippled Children Services

Contracts with Government Agencies	\$ 3,445	
Total Crippled Children Services		\$ 3,445

General Welfare Assistance

Pauper Burials	\$ 8,400	
Total General Welfare Assistance		8,400

Sanitation Education/Information

Other Salaries and Wages	\$ 20,948	
Social Security	1,210	
State Retirement	73	
Employer Medicare	283	
Kindergarten Textbooks	6,473	
Other Supplies and Materials	187	
Total Sanitation Education/Information		29,174

Social, Cultural, and Recreational Services

Senior Citizens Assistance

County Official/Administrative Officer	\$ 31,000	
Other Salaries and Wages	48,815	
Social Security	4,949	
State Retirement	3,150	
Employer Medicare	1,157	
Communication	3,071	
Contributions	2,500	
Maintenance and Repair Services - Buildings	2,446	
Postal Charges	502	
Other Contracted Services	2,629	
Office Supplies	55	
Utilities	17,631	
Building and Contents Insurance	3,336	
Other Charges	150	
Total Senior Citizens Assistance		121,391

Libraries

Librarians	\$ 38,566
Clerical Personnel	50,737
Social Security	5,497
State Retirement	2,745
Medical Insurance	1,150

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Employer Medicare	\$	1,285	
Communication		6,429	
Janitorial Services		2,516	
Maintenance Agreements		4,806	
Printing, Stationery, and Forms		142	
Other Contracted Services		1,844	
Library Books/Media		7,259	
Office Supplies		1,107	
Periodicals		111	
Utilities		16,158	
Other Supplies and Materials		193	
In Service/Staff Development		642	
Data Processing Equipment		5,660	
Other Construction		4,000	
Total Libraries			\$ 150,847

Parks and Fair Boards

Other Contracted Services	\$	31,839	
Other Supplies and Materials		2,777	
Other Construction		18,669	
Total Parks and Fair Boards			53,285

Other Social, Cultural, and Recreational

Contributions	\$	13,000	
Total Other Social, Cultural, and Recreational			13,000

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	44,224	
Other Fringe Benefits		8,615	
Communication		2,223	
Contributions		2,500	
Utilities		4,165	
Data Processing Equipment		4,125	
Total Agriculture Extension Service			65,852

Forest Service

Other Contracted Services	\$	2,000	
Total Forest Service			2,000

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Secretary(ies)	\$	14,908	
Social Security		924	
State Retirement		722	
Employer Medicare		216	
Contributions		500	
Total Soil Conservation			\$ 17,270

Other Operations

Tourism

Other Charges	\$	6,000	
Total Tourism			6,000

Industrial Development

Contributions	\$	26,000	
Other Supplies and Materials		1,053	
Other Charges		13,000	
Land		903,800	
Other Construction		33,917	
Total Industrial Development			977,770

Housing and Urban Development

Other Construction	\$	16,035	
Total Housing and Urban Development			16,035

Airport

Maintenance Agreements	\$	28,000	
Total Airport			28,000

Veterans' Services

Supervisor/Director	\$	23,632	
Other Salaries and Wages		4,704	
Social Security		1,757	
State Retirement		1,362	
Employer Medicare		411	
Communication		910	
Postal Charges		423	
Travel		373	
Office Supplies		718	
Total Veterans' Services			34,290

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Supervisor/Director	\$	33,309	
Clerical Personnel		21,558	
Other Salaries and Wages		59,504	
Social Security		6,957	
State Retirement		5,536	
Medical Insurance		3,277	
Employer Medicare		1,627	
Communication		1,660	
Other Contracted Services		4,375	
Equipment Parts - Heavy		84,747	
Garage Supplies		6,639	
Lubricants		4,953	
Office Supplies		876	
Small Tools		2,934	
Tires and Tubes		20,720	
Utilities		11,239	
In Service/Staff Development		59	
Other Equipment		4,517	
Total Other Charges			\$ 274,487

Contributions to Other Agencies

Social Security	\$	336	
Employer Medicare		79	
Contracts with Parents		2,876	
Contracts with Public Carriers		8,465	
Contracts with Vehicle Owners		1,000	
Contributions		15,275	
Other Contracted Services		6,793	
Total Contributions to Other Agencies			34,824

Employee Benefits

Unemployment Compensation	\$	12,150	
Total Employee Benefits			12,150

Miscellaneous

Trustee's Commission	\$	99,919	
Total Miscellaneous			99,919

Total General Fund \$ 8,622,162

(Continued)

Exhibit K-9

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

Local Purpose Tax Fund

Other Operations

Miscellaneous

Other Contracted Services	\$	6,762	
Trustee's Commission		<u>2,127</u>	
Total Miscellaneous			\$ <u>8,889</u>

Total Local Purpose Tax Fund \$ 8,889

Drug Control Fund

Public Safety

Drug Enforcement

Deputy(ies)	\$	29,201	
Overtime Pay		806	
Social Security		1,860	
State Retirement		1,452	
Employer Medicare		435	
Confidential Drug Enforcement Payments		3,000	
Other Supplies and Materials		3,880	
Law Enforcement Equipment		<u>21,266</u>	
Total Drug Enforcement			\$ 61,900

Other Operations

Miscellaneous

Trustee's Commission	\$	<u>346</u>	
Total Miscellaneous			<u>346</u>

Total Drug Control Fund 62,246

Constitutional Officers - Fees Fund

General Government

Other General Administration

Constitutional Officers' Operating Expenses	\$	<u>8,999</u>	
Total Other General Administration			\$ <u>8,999</u>

Total Constitutional Officers - Fees Fund 8,999

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	64,760	
Accountants/Bookkeepers		26,635	
Secretary(ies)		24,984	

(Continued)

Exhibit K-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Other Salaries and Wages	\$	120	
Social Security		7,193	
State Retirement		5,639	
Employer Medicare		1,682	
Dues and Memberships		2,595	
Postal Charges		58	
Office Supplies		1,042	
Other Charges		1,230	
Total Administration			\$ 135,938

Highway and Bridge Maintenance

Foremen	\$	75,527	
Equipment Operators - Heavy		99,451	
Equipment Operators - Light		175,479	
Truck Drivers		74,366	
Laborers		31,360	
Other Salaries and Wages		3,204	
Social Security		27,852	
State Retirement		20,458	
Medical Insurance		10,455	
Employer Medicare		6,514	
Asphalt - Hot Mix		721,159	
Asphalt - Liquid		77,305	
General Construction Materials		261	
Pipe - Metal		13,130	
Road Signs		3,409	
Salt		4,106	
Gravel and Chert		16,931	
Total Highway and Bridge Maintenance			1,360,967

Operation and Maintenance of Equipment

Maintenance and Repair Services - Equipment	\$	52,785	
Maintenance and Repair Services - Vehicles		28,166	
Diesel Fuel		68,544	
Gasoline		23,160	
Total Operation and Maintenance of Equipment			172,655

Quarry Operations

Equipment Operators - Heavy	\$	105,075	
Other Salaries and Wages		1,529	

(Continued)

Exhibit K-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Quarry Operations (Cont.)

Social Security	\$	6,479	
State Retirement		5,159	
Medical Insurance		3,485	
Employer Medicare		1,515	
Maintenance and Repair Services - Equipment		2,379	
Other Contracted Services		8,261	
Electricity		11,459	
Equipment and Machinery Parts		9,879	
Other Supplies and Materials		1,632	
Total Quarry Operations			\$ 156,852

Other Charges

Communication	\$	3,450	
Travel		36	
Electricity		2,686	
Water and Sewer		139	
Trustee's Commission		17,696	
Vehicle and Equipment Insurance		38,859	
Workers' Compensation Insurance		36,520	
Total Other Charges			99,386

Employee Benefits

Unemployment Compensation	\$	660	
Total Employee Benefits			660

Capital Outlay

Bridge Construction	\$	55,924	
Communication Equipment		600	
Highway Equipment		174,141	
State Aid Projects		223,515	
Total Capital Outlay			454,180

Total Highway/Public Works Fund \$ 2,380,638

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	40,000	
Principal on Notes		116,000	
Principal on Other Loans		286,700	
Total General Government			\$ 442,700

(Continued)



Exhibit K-9

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

<u>General Debt Service Fund (Cont.)</u>		
<u>Principal on Debt (Cont.)</u>		
<u>Highways and Streets</u>		
Principal on Notes	\$ 250,667	
Total Highways and Streets		\$ 250,667
<u>Education</u>		
Principal on Other Loans	\$ 553,300	
Total Education		553,300
<u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Bonds	\$ 39,945	
Interest on Notes	19,312	
Interest on Other Loans	330,866	
Total General Government		390,123
<u>Highways and Streets</u>		
Interest on Notes	\$ 28,611	
Total Highways and Streets		28,611
<u>Education</u>		
Interest on Other Loans	\$ 380,542	
Total Education		380,542
<u>Other Debt Service</u>		
<u>General Government</u>		
Trustee's Commission	\$ 25,113	
Other Debt Service	535	
Total General Government		25,648
Total General Debt Service Fund		<u>\$ 2,071,591</u>
Total Governmental Funds - Primary Government		<u>\$ 13,154,525</u>

Exhibit K-10

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 8,417,379	
Career Ladder Program	125,500	
Career Ladder Extended Contracts	124,610	
Homebound Teachers	15,000	
Educational Assistants	495,043	
Certified Substitute Teachers	60,000	
Non-certified Substitute Teachers	105,000	
Social Security	545,902	
State Retirement	561,015	
Medical Insurance	1,053,387	
Unemployment Compensation	23,753	
Employer Medicare	128,256	
Maintenance and Repair Services - Equipment	7,087	
Instructional Supplies and Materials	346,868	
Textbooks	241,680	
Fee Waivers	6,519	
Other Charges	47,755	
Regular Instruction Equipment	163,074	
Total Regular Instruction Program		\$ 12,467,828

Special Education Program

Teachers	\$ 981,692	
Career Ladder Program	27,000	
Homebound Teachers	32,282	
Educational Assistants	21,674	
Other Salaries and Wages	29,610	
Certified Substitute Teachers	915	
Non-certified Substitute Teachers	1,275	
Social Security	65,987	
State Retirement	66,983	
Medical Insurance	110,892	
Employer Medicare	15,446	
Instructional Supplies and Materials	4,697	
Total Special Education Program		1,358,453

Vocational Education Program

Teachers	\$ 499,435
Career Ladder Program	10,000
Non-certified Substitute Teachers	2,325

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Social Security	\$	30,773	
State Retirement		32,000	
Medical Insurance		59,368	
Employer Medicare		7,188	
Maintenance and Repair Services - Equipment		3,000	
Travel		636	
Instructional Supplies and Materials		25,000	
Other Supplies and Materials		750	
Total Vocational Education Program			\$ 670,475

Adult Education Program

Teachers	\$	52,852	
Other Salaries and Wages		13,881	
Social Security		4,137	
State Retirement		1,133	
Employer Medicare		968	
Instructional Supplies and Materials		22,454	
Other Supplies and Materials		1,238	
Other Equipment		9,715	
Total Adult Education Program			106,378

Support Services

Attendance

Supervisor/Director	\$	14,526	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		2,800	
Social Security		1,253	
State Retirement		1,263	
Medical Insurance		1,080	
Employer Medicare		293	
Travel		91	
Total Attendance			24,306

Health Services

Medical Personnel	\$	67,325	
Other Salaries and Wages		37,892	
Social Security		6,226	
State Retirement		6,035	
Medical Insurance		12,575	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Employer Medicare	\$	1,456	
Travel		895	
Drugs and Medical Supplies		3,330	
Other Supplies and Materials		24,957	
Other Charges		1,102	
Health Equipment		2,985	
Total Health Services			\$ 164,778

Other Student Support

Career Ladder Program	\$	7,000	
Guidance Personnel		383,159	
Social Security		23,062	
State Retirement		24,346	
Medical Insurance		45,550	
Employer Medicare		5,393	
Evaluation and Testing		10,931	
Other Contracted Services		62,045	
Total Other Student Support			561,486

Regular Instruction Program

Supervisor/Director	\$	127,370	
Career Ladder Program		12,000	
Career Ladder Extended Contracts		11,700	
Librarians		293,340	
Instructional Computer Personnel		57,175	
Educational Assistants		11,962	
Social Security		31,472	
State Retirement		31,897	
Medical Insurance		34,700	
Employer Medicare		7,360	
Travel		6,184	
Library Books/Media		51,147	
In Service/Staff Development		4,745	
Other Charges		724	
Total Regular Instruction Program			681,776

Special Education Program

Supervisor/Director	\$	60,250	
Career Ladder Program		1,000	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Clerical Personnel	\$	9,522	
Social Security		4,227	
State Retirement		4,277	
Medical Insurance		4,714	
Employer Medicare		988	
Travel		1,485	
Total Special Education Program			\$ 86,463

Vocational Education Program

Supervisor/Director	\$	24,385	
Secretary(ies)		17,369	
Social Security		2,577	
State Retirement		2,360	
Medical Insurance		2,269	
Employer Medicare		603	
Travel		691	
Other Supplies and Materials		2,000	
In Service/Staff Development		5,000	
Total Vocational Education Program			57,254

Adult Programs

Supervisor/Director	\$	91,820	
Career Ladder Program		2,000	
Clerical Personnel		3,000	
Social Security		5,633	
State Retirement		5,995	
Medical Insurance		13,100	
Employer Medicare		1,317	
Travel		1,681	
Other Contracted Services		10,950	
Other Supplies and Materials		277	
In Service/Staff Development		570	
Total Adult Programs			136,343

Other Programs

On-Behalf Payments to OPEB	\$	122,304	
Total Other Programs			122,304

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Board and Committee Members Fees	\$	12,870	
In-Service Training		7,656	
Social Security		798	
Medical Insurance		47,000	
Employer Medicare		187	
Audit Services		5,500	
Contributions		13,000	
Dues and Memberships		8,431	
Liability Insurance		25,755	
Premiums on Corporate Surety Bonds		1,395	
Trustee's Commission		119,896	
Workers' Compensation Insurance		88,786	
Criminal Investigation of Applicants - TBI		5,040	
Total Board of Education			\$ 336,314

Director of Schools

County Official/Administrative Officer	\$	90,285	
Career Ladder Program		1,000	
Social Security		5,660	
State Retirement		5,688	
Medical Insurance		12,281	
Employer Medicare		1,324	
Communication		5,024	
Dues and Memberships		1,599	
Postal Charges		2,653	
Travel		507	
Total Director of Schools			126,021

Office of the Principal

Principals	\$	453,924	
Career Ladder Program		14,360	
Accountants/Bookkeepers		39,954	
Career Ladder Extended Contracts		16,000	
Assistant Principals		241,178	
Secretary(ies)		122,630	
Other Salaries and Wages		15,000	
Social Security		54,029	
State Retirement		52,042	
Medical Insurance		68,895	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Employer Medicare	\$	12,636	
Communication		12,700	
Dues and Memberships		1,250	
Total Office of the Principal			\$ 1,104,598

Fiscal Services

Supervisor/Director	\$	35,303	
Secretary(ies)		20,774	
Clerical Personnel		20,856	
Social Security		4,758	
State Retirement		3,724	
Medical Insurance		2,400	
Employer Medicare		1,113	
Maintenance and Repair Services - Equipment		2,329	
Office Supplies		6,305	
In Service/Staff Development		600	
Total Fiscal Services			98,162

Operation of Plant

Custodial Personnel	\$	634,666	
Other Salaries and Wages		1,337	
Social Security		38,536	
State Retirement		28,946	
Medical Insurance		18,000	
Employer Medicare		9,012	
Other Contracted Services		5,252	
Electricity		562,395	
Natural Gas		191,462	
Water and Sewer		56,482	
Other Supplies and Materials		63,582	
Boiler Insurance		4,035	
Building and Contents Insurance		73,504	
Total Operation of Plant			1,687,209

Maintenance of Plant

Supervisor/Director	\$	36,010	
Maintenance Personnel		95,324	
Social Security		7,794	
State Retirement		5,652	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Medical Insurance	\$	2,400	
Employer Medicare		1,823	
Other Contracted Services		14,037	
Other Supplies and Materials		140,000	
Other Charges		1,250	
Maintenance Equipment		46,989	
Total Maintenance of Plant			\$ 351,279

Transportation

Supervisor/Director	\$	36,010	
Mechanic(s)		71,053	
Bus Drivers		397,677	
Other Salaries and Wages		26,042	
Social Security		32,323	
State Retirement		25,079	
Medical Insurance		9,072	
Employer Medicare		7,559	
Communication		2,358	
Medical and Dental Services		2,137	
Other Contracted Services		247	
Diesel Fuel		155,000	
Garage Supplies		3,298	
Gasoline		40,000	
Lubricants		6,499	
Tires and Tubes		19,187	
Vehicle Parts		64,212	
Vehicle and Equipment Insurance		23,541	
In Service/Staff Development		708	
Other Charges		3,484	
Transportation Equipment		286,508	
Total Transportation			1,211,994

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	35,345	
Educational Assistants		24,204	
Social Security		3,375	
State Retirement		2,406	
Medical Insurance		8,500	

(Continued)



Exhibit K-10

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Employer Medicare	\$	789	
Travel		640	
Other Supplies and Materials		8,211	
Other Charges		1,800	
Total Community Services			\$ 85,270

Early Childhood Education

Teachers	\$	143,105	
Educational Assistants		49,467	
Social Security		11,277	
State Retirement		11,237	
Medical Insurance		21,348	
Employer Medicare		2,637	
Instructional Supplies and Materials		33,106	
Total Early Childhood Education			272,177

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	5,974	
Building Construction		3,278,856	
Building Improvements		180,574	
Total Regular Capital Outlay			3,465,404

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	230,000	
Total Education			230,000

Total General Purpose School Fund \$ 25,406,272

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	711,360	
Educational Assistants		122,114	
Other Salaries and Wages		7,275	
Social Security		50,683	
State Retirement		50,783	
Medical Insurance		78,393	

(Continued)

Exhibit K-10

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	11,853	
Instructional Supplies and Materials		77,377	
Other Supplies and Materials		5,593	
Regular Instruction Equipment		2,785	
Total Regular Instruction Program			\$ 1,118,216

Special Education Program

Teachers	\$	80,785	
Educational Assistants		316,600	
Speech Pathologist		38,835	
Other Salaries and Wages		4,938	
Social Security		27,848	
State Retirement		23,421	
Medical Insurance		14,646	
Employer Medicare		5,154	
Other Contracted Services		91,784	
Instructional Supplies and Materials		15,934	
Total Special Education Program			619,945

Vocational Education Program

Teachers	\$	15,608	
Social Security		783	
State Retirement		974	
Medical Insurance		5,307	
Employer Medicare		183	
Instructional Supplies and Materials		12,655	
Other Supplies and Materials		20,645	
Vocational Instruction Equipment		14,433	
Total Vocational Education Program			70,588

Support Services

Other Student Support

Travel	\$	1,500	
Other Contracted Services		7,001	
Other Charges		6,814	
Total Other Student Support			15,315

Regular Instruction Program

Supervisor/Director	\$	40,000	
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(Continued)

Exhibit K-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Clerical Personnel	\$	9,522	
Other Salaries and Wages		60,645	
Social Security		7,156	
State Retirement		6,847	
Medical Insurance		4,615	
Employer Medicare		1,673	
Travel		38,494	
Other Contracted Services		92,431	
Library Books/Media		5,800	
Other Supplies and Materials		35,670	
In Service/Staff Development		133,331	
Other Charges		1,350	
Other Equipment		5,983	
Total Regular Instruction Program			\$ 443,517

Special Education Program

Psychological Personnel	\$	131,025	
Assessment Personnel		12,353	
Social Security		7,058	
State Retirement		8,062	
Medical Insurance		25,547	
Employer Medicare		1,908	
Maintenance and Repair Services - Equipment		2,078	
Travel		4,290	
In Service/Staff Development		1,957	
Total Special Education Program			194,278

Vocational Education Program

Travel	\$	1,800	
In Service/Staff Development		3,656	
Total Vocational Education Program			5,456

Transportation

Bus Drivers	\$	23,628	
Social Security		1,431	
State Retirement		1,144	
Medical Insurance		1,128	
Employer Medicare		335	
Contracts with Parents		4,937	
Total Transportation			32,603

Total School Federal Projects Fund \$ 2,499,918

(Continued)

Exhibit K-10

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	36,969	
Clerical Personnel		19,043	
Cafeteria Personnel		566,501	
Other Salaries and Wages		19,560	
Social Security		39,114	
State Retirement		27,481	
Medical Insurance		13,650	
Unemployment Compensation		2,820	
Employer Medicare		9,148	
Maintenance and Repair Services - Equipment		23,405	
Travel		600	
Food Preparation Supplies		86,793	
Food Supplies		756,878	
Other Supplies and Materials		84,771	
In Service/Staff Development		2,461	
Other Charges		18,600	
Food Service Equipment		27,629	
Total Food Service			\$ 1,735,423

Total Central Cafeteria Fund

\$ 1,735,423

Total Governmental Funds - White County School Department

\$ 29,641,613

Exhibit K-11

White County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Proprietary Fund  
For the Year Ended June 30, 2008

	Business-type Activities - <u>Enterprise Fund</u> Solid Waste Disposal Fund
<hr/>	
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Solid Waste Disposal Fees	\$ 1,120,598
<u>Other Local Revenues</u>	
Sale of Recycled Materials	98,563
Miscellaneous Refunds	448
	<hr/>
Total Operating Revenues	<u>\$ 1,219,609</u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Public Health and Welfare</u>	
<u>Landfill Operation and Maintenance</u>	
Supervisor/Director	\$ 42,463
Other Salaries and Wages	307,995
Social Security	21,064
State Retirement	10,127
Medical Insurance	7,228
Employer Medicare	4,926
Other Fringe Benefits	2,452
Communciation	7,554
Maintenance and Repair Service - Equipment	70,419
Travel	820
Permits	47,757
Other Contracted Services	25,119
Diesel Fuel	173,297
Gasoline	23,696
Lubricants	10,456
Office Supplies	1,355
Utilities	19,413
Other Supplies and Materials	22,227
Building and Contents Insurance	17,749
Trustee's Commission	11,494
Workers' Compensation Insurance	16,600
Depreciation	124,990
Other Charges	8,630
Site Development	55,313
Other Equipment	41,718
	<hr/>
Total Operating Expenses	<u>\$ 1,074,862</u>

Exhibit K-12

White 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
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 1,628,096
	<hr/>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,611,816
Trustee's Commission	16,280
Total Cash Disbursements	<hr/> \$ 1,628,096 <hr/>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2007	<hr/> 0
Cash Balance, June 30, 2008	<hr/> <hr/> \$ 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

February 9, 2009

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of White County, Tennessee, as of and for the year ended June 30, 2008, which collectively comprise White County's basic financial statements and have issued our report thereon dated February 9, 2009. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the White County Emergency Communications District as described in our report on White County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Accordingly, we do not express an opinion on the effectiveness of White 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 in 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, 08.02, 08.03, 08.04, and 08.05.

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 White County's internal control.

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

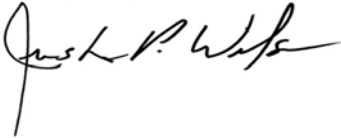
#### Compliance and Other Matters

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

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke at the beginning.

Justin P. Wilson  
Comptroller of the Treasury

JPW/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

February 9, 2009

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

To the County Mayor and Board of County Commissioners:

Compliance

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

In our opinion, White 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 White 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 White 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 White County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

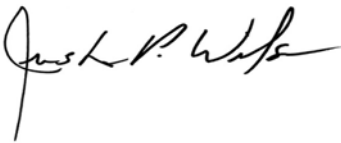
#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of White County as of and for the year ended June 30, 2008, and have issued our report thereon dated February 9, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that

collectively comprise White County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Yours very truly,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke at the beginning.

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

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White 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	Passed-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	\$ 110,289 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	179,131
National School Lunch Program	10.555	N/A	853,432 (3)
Total U.S. Department of Agriculture			\$ 1,142,852
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
HOME Investment Partnership Programs	14.239	DG-08-20729-00	\$ 16,035
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Z-06-027599-00	\$ 18,000
U.S. Department of Labor:			
Passed-through Upper Cumberland Human Resource Agency:			
WIA Youth Activities	17.259	(2)	\$ 20,000
Passed-through State Department of Education:			
WIA Incentive Grants - Section 503 Grants to States	17.267	(2)	25,000
Total U.S. Department of Labor			\$ 45,000
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z-08-024043-00	\$ 43,337
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	U-215-X040327	\$ 291,343
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	Z-08-020842-00	104,909
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	759,601
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	825,325
Special Education - Preschool Grants	84.173	N/A	30,125
Vocational Education - Basic Grants to States	84.048	N/A	77,544
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	17,503
Even Start - State Education Agencies	84.213	(2)	57,500
Twenty-First Century Community Learning Centers	84.287	(2)	270,424
State Grants for Innovative Programs	84.298	N/A	6,518
Education Technology State Grants	84.318	(2)	8,002
Improving Teacher Quality State Grants	84.367	N/A	211,226
Total U.S. Department of Education			\$ 2,660,020
Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payment	90.401	Z-08-201133-00	\$ 1,773

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Hazard Mitigation Assistance	97.039	GG-04-10667-00	\$ 1,340
Homeland Security Grant Program	97.067	Z-05-025222-01	3,240
Total U.S. Department of Homeland Security			<u>\$ 4,580</u>
Total Expenditures of Federal Awards			<u>\$ 3,931,597</u>

State Grants		Contract Number	Expenditures
Adult Education - State Department of Labor and Workforce Development	N/A	(4)	\$ 60,075
Community Enhancement Grant - Tennessee Secretary of State	N/A	(2)	10,000
Family Resource - State Department of Education	N/A	(2)	33,300
High Schools that Work - State Department of Education	N/A	(2)	6,000
Safe Schools Act - State Department of Education	N/A	(2)	47,135
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(2)	272,178
Juvenile Services - State Children's Services Commission	N/A	Z-08-022822-00	9,000
Library Technology Grant - Tennessee Secretary of State	N/A	(2)	2,340
Coordinated School Health Improvement Act of 2000 - State Department of Education	N/A	(2)	99,639
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	10,104
Courtroom Security and Audio/Visual Grant - Administrative Office of the Courts	N/A	(2)	7,834
Rural Local Health Services - State Department of Health	N/A	(5)	3,149
Drug Grant Programs - State Department of Finance and Administration	N/A	Z-05-025515-00	13,112
Tobacco Use Prevention and Cessation Grant - State Department of Health	N/A	(2)	15,789
Litter Grant - State Department of Transportation	N/A	(6)	26,377
Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-020279-00	16,792
Total State Grants			<u>\$ 632,824</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$963,721.
- (4) Z-08-020842-00: \$34,970; Z-08-201270-00: \$25,105.
- (5) Z-07-031529-00: \$622; Z-08-020395-00: \$2,528.
- (6) Z-07-033861-00: \$1,640; Z-08-021058-00: \$24,737.

White 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 for White County, Tennessee, for the year ended June 30, 2007, which have not been corrected.

**OTHER FINDINGS**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
07.03	170	Duties were not segregated adequately in the Offices of Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff
07.04	170	The finance director also serves on the Board of Education, which appears to be a conflict of interest

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**WHITE COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2008**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the financial statements of White County is unqualified.
2. The audit of the financial statements of White County disclosed significant deficiencies in internal control; however, none of these deficiencies was considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that is material to the financial statements of White 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 and the National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the Special Education Cluster: the 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. White County did not qualify as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

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

### **OFFICE OF DIRECTOR OF FINANCE**

**FINDING 08.01**      **THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN UNRESTRICTED NET ASSETS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Solid Waste Disposal Fund had a deficit of \$1,822,318 in unrestricted net assets at June 30, 2008. This deficit resulted from the recognition of a liability (\$2,260,901) in the financial statements for costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists because of the failure of management to correct the finding noted in prior audit reports, which resulted in inadequate financing to fund the liability.

### **RECOMMENDATION**

County officials should develop and implement a plan that would fund the deficit in unrestricted net assets.

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### **OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

**FINDING 08.02**      **THE CLERK DID NOT POST SHORT-TERM INVESTMENT ACCOUNT ACTIVITY TO THE GENERAL LEDGER**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

During the year examined, the clerk did not properly post short-term investment account activity to the general ledger in Circuit Court. Also, the clerk did not attempt to reconcile the bank statement balances of these short-term investment accounts with general ledger totals. Sound business practices dictate that accounting records accurately reflect account activity. As a result of not properly posting the activity of these accounts, the general ledger short-term investment account reflected on the clerk's accounting records was understated by \$91,062 at June 30, 2008. We confirmed the balances of the short-term investment accounts and presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

## RECOMMENDATION

Short-term investment account activity should be properly posted to the accounting records. Also, bank statements for these short-term investment accounts should be reconciled with the general ledger monthly.

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**FINDING 08.03      THE RECEIPTING SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Users have the ability to change the computer-generated receipt number and thereby create a gap in receipt numbers. Section 9-2-103, Tennessee Code Annotated, provides for receipts to be prenumbered consecutively. In-lieu-of prenumbered receipts, computer-generated receipts may be printed on plain paper if the receipt number generated by the software cannot be manipulated. Sound business practices dictate that proper application controls be implemented. Upon request, the vendor will remove this option; however, this feature had not been removed on the version of the software used by the office. This deficiency is a result of management's failure to contact the vendor to implement adequate controls in the software when the office began using blank receipt stock. This lack of application control could allow inappropriate system activity. This feature was removed from the software after the audit period.

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## OFFICES OF CLERK AND MASTER AND REGISTER

**FINDING 08.04      THE OFFICES OF CLERK AND MASTER AND REGISTER DID NOT REVIEW SOFTWARE AUDIT LOGS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software applications used by the Offices of Clerk and Master and Register generated daily logs that displayed changes made by users. Since these logs provide the only audit trail of these changes, they should be reviewed daily for inappropriate activity. Because management did not understand the importance of the logs, they did not review these logs during the audit period. Procedures for reviewing these logs are currently in place.

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## OTHER FINDINGS AND RECOMMENDATIONS

FINDING 08.05     **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF 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 officials and employees in the Offices of 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 management's 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.

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FINDING 08.06     **THE FINANCE DIRECTOR ALSO SERVES ON THE BOARD OF EDUCATION, WHICH APPEARS TO BE A CONFLICT OF INTEREST**  
(Material Noncompliance Under Government Auditing Standards)

White County operates under the provisions of the County Financial Management System of 1981, which provides for the creation of a Finance Department under the direction of a finance director, to administer the finances of the county for all funds of the various departments, agencies, and boards. The finance director is appointed by the Financial Management Committee consisting of the county mayor, highway superintendent, director of schools, and four members elected by the County Commission. The Finance Department is responsible for purchasing, accounting, budgeting, payroll, cash management, and other financial matters for the general county government and the School Department. Mark Farley, a member of the White County Board of Education, was appointed as the county's finance director in December 2004. As a member of the Board of Education, Mr. Farley sits on the board that appoints the director of schools and approves contracts and budgets for the School Department. As finance director, Mr. Farley supervises the daily administration of these same School Department contracts and budgets. The above-noted duties appear to be a conflict of interest. It should be noted that subsequent to June 30, 2008, Mr. Farley chose not to run for re-election to the Board of Education and left that position August 31, 2008.



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

There were no findings and questioned costs for federal awards.

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**WHITE 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-years' Schedules of Findings and Questioned Costs.