
ANNUAL FINANCIAL REPORT COFFEE COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2009



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**ANNUAL FINANCIAL REPORT
COFFEE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2009**

***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***

***ANITA SCARLETT, CPA
Auditor 4***

***AMY HEWITT, CPA, CFE
JESSICA COX, CPA, CGFM
JENI PALADENI
State Auditors***

This financial report is available at www.tn.gov/comptroller

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COFFEE COUNTY, TENNESSEE

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Audit Highlights

Annual Financial Report
Coffee County, Tennessee
For the Year Ended June 30, 2009

Scope

We have audited the basic financial statements of Coffee County as of and for the year ended June 30, 2009.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ Compensation was paid in-lieu-of insurance benefits to some employees contrary to an opinion of the state attorney general.
- ◆ The Ambulance Service did not implement adequate controls to protect its information resources.
- ◆ The building permits software did not have adequate application controls.

COFFEE COUNTY LIBRARIES

- ◆ The Coffee County Libraries Fund audit report prepared by an accounting firm disclosed deficiencies.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The General Purpose School and Other Capital Projects funds and the capital asset records required material audit adjustments for proper financial statement presentation.
 - ◆ Tax anticipation notes were not issued in compliance with state statutes.
-

OFFICE OF TRUSTEE

- ◆ The office did not require a depository to adequately collateralize funds exceeding Federal Deposit Insurance Corporation coverage.
-

OTHER FINDINGS

- ◆ County officials had not adopted a central system of accounting and budgeting.
- ◆ Duties were not segregated adequately among the officials and employees in the Offices of County Mayor, Director of Schools, Trustee, County Clerk, Clerk and Master, Register, and Sheriff.

INTRODUCTORY SECTION

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COFFEE COUNTY GOVERNMENT
1329 McArthur Street, Suite 5
Manchester, Tennessee 37355
931-723-5102

March 5, 2010

Coffee County Commissioners
Citizens of Coffee County

Dear Commissioners and Citizens:

We are pleased to submit to you the Annual Financial Report of Coffee County, Tennessee, for the year ended June 30, 2009. The county's Office of Accounts and Budgets prepared this report in conjunction with the State of Tennessee's Office of the Comptroller of the Treasury, Department of Audit, Division of County Audit.

The financial reporting entity includes all of the funds of the primary government (i.e., the county) as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. Component units are discretely presented to emphasize they are legally separate from the primary government and to differentiate their financial position, results of operations, and cash flows from those of the primary government. The Coffee County School Department, Coffee County Emergency Communications District, Coffee County Public Building Authority, and the Coffee County Joint Industrial Board are discretely presented component units of the primary government. For more information regarding the reporting entity, please see the notes to the financial statements.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentations, including all disclosures, rests with the county. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the county and its component units. All disclosures necessary to enable the reader to gain an understanding of the county's financial activities have been included.

Coffee County's financial statements have been audited by the State of Tennessee's Office of the Comptroller of the Treasury, Department of Audit, Division of County Audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of Coffee County for the fiscal year ended June 30, 2009, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report. This report on the financial statements of Coffee County, Tennessee, expresses an unqualified opinion.

The county is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to the single audit includes a Schedule of Expenditures of Federal Awards and State Grants, Schedule of Findings and Recommendations, Auditor's Report on Internal Control Over Financial Statements Performed in Accordance With Government Auditing Standards, Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Coffee County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF COFFEE COUNTY, TENNESSEE

Coffee County, Tennessee, is located in the south central portion of the State of Tennessee. The county is bounded to the north by Cannon County, to the south by Franklin County, to the east by Warren and Grundy counties, and to the west predominately by Bedford County. Manchester, the county seat, is approximately 64 miles southeast of Nashville and 69 miles northwest of Chattanooga. According to the 2000 federal census, the county has a population of 48,014 with the City of Manchester's population at 8,294 and the City of Tullahoma's at 17,994.

The county operates under a County Mayor - County Commission form of government. Policymaking and legislative authority are vested in the county mayor (the executive branch of the county). The County Commission is responsible for, among other things, passing resolutions, adopting the budget, and appointing committees. The county mayor is responsible for, among other things, carrying out the policies and resolutions of the County Commission, overseeing the day-to-day operations of the government, and appointing the heads of many of the county's departments.

The Coffee County Government continues to strive to provide essential services that enhance the quality of life for families throughout Coffee County. This requires detailed planning and the implementation of a number of initiatives and programs, which includes a wide range of services from emergency management planning to expanding needed infrastructure, to running water and sewer to new and existing homes throughout Coffee County. Coffee County is also financially accountable for a legally separate school district, which is reported separately within its financial statements. Additional information on this legally separate entity along with the county's other discretely presented component units is incorporated into the financial statements.

The annual budget serves as the foundation for Coffee County's planning and control. All agencies of Coffee County are required to submit requests for appropriations to the Budget Office. These requests are used as the starting point for developing a proposed budget. The county mayor and the director of accounts and budgets review the requests and then submit a budget to the Budget and Finance Committee for discussion. The official vote on the budget by the County Commission is normally during the month of July. The appropriated budget is prepared by fund, function (e.g., general government, administration of justice, public safety), and department (e.g., county mayor, county clerk, general sessions court, sheriff). Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated budget has been adopted.

ECONOMIC CONDITIONS

The county's land area is approximately 278,000 acres or 435 square miles in size. The majority of the county lies along the Highland Rim, a natural division of the state, at an average elevation of 1,050 feet above sea level. The general relief of the Highland Rim is gently rolling to rolling and has traditionally been a fertile farming area producing a variety of crops such as hay, corn, potatoes, cotton, tobacco, and fruits. Farming accounts for about 72 percent of the county's land use. Aside from farming; livestock, poultry, and dairy products are major industries.

Recreation within the county is centered on water activities, which takes place on the county's three major lakes: Tim's Ford Reservoir, Wood's Reservoir, and Normandy Reservoir. The three lakes provide the county with 406 miles of shoreline and 17,900 acres of water for recreation.

Manufacturing and commerce have grown significantly in importance in the county in recent years. The growth of the Arnold Engineering Development Center (A.E.D.C.), a 41,300-acre site partially located in Coffee County, has served as a stimulus for this growth. A.E.D.C. provides testing for the development of turbojets, ramjets, turboprop engines, aircrafts, missiles, rockets, and related components. The ability of the Middle Tennessee area to supply ample labor for industry is enhanced by an excellent rural road system and a moderate climate. These two factors allow the employer to draw labor from a wide geographic area. The labor force in this area is characterized by an eagerness to learn, willingness to work, and a high level of productivity.

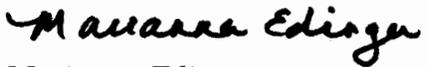
The county's primary revenue sources are property and sales taxes. The accounts of the county are organized based on funds, each of which is considered a separate accounting entity. Revenues for such funds are recognized when they become measurable and available as net current assets.

AWARDS AND ACKNOWLEDGMENTS

Coffee County is a member of the State of Tennessee's Three-Star Program. The Three-Star program is designed as a road map to assist local communities in their efforts to achieve excellence in community and economic development. Participating communities are guided through a comprehensive plan of essential criteria developed by local economic development professionals and a cooperative collaboration of various state agencies. These combined efforts have made the Three-Star Program an important component of our state's economic strategy. This program is designed to help communities take full advantage of economic development opportunities. The goals are to preserve existing employment, create new employment opportunities, increase Tennessee family income, improve the quality of life, and create a strong leadership base.

The preparation of the Annual Financial Report was accomplished through the dedicated service of the employees of the Office of Accounts and Budgets. We express our appreciation to all those who contributed to its preparation. We also express our appreciation to the County Commissioners for their interest, support, and leadership in the financial operations of the county.

Sincerely,



Marianna Edinger
Director of Accounts and Budgets



David Pennington
Coffee County Mayor

Coffee County Officials
June 30, 2009

Officials

David Pennington, County Mayor
Alvin Harper, Road Superintendent
Kenny Casteel, Director of Schools
James Wilhelm, Trustee
Jimmy White, Assessor of Property
Teresa McFadden, County Clerk
Heather Hinds Duncan, Circuit, General Sessions, and Juvenile Courts Clerk
Charlotte Broyles, Clerk and Master
Ellen Vaughn, Register
Steve Graves, Sheriff
Marianna Edinger, Director of Accounts and Budgets

Board of County Commissioners

David Pennington, County Mayor, Chairman	Charles Harris
Virgil Alford	Robin Hines
Rennie Bell	Paul Hogan
Jimmy Bradford	Mark Kelly
B. Rush Bricken	Tim Morris
Bobby Bryan	Don Northcutt
G. Steven Cline	Sam Rittenberry
Lee Duckett	Mark Schempp
Janet Fann	Robert Stewart
Kerry Farrar	Wilma Thomas
Ted Frisby	Vacant

Road Commission

Ronald Bell, Chairman
Dale Brandon
Raymond Duke
Grady Finney
Jamie Spry

Board of Education

Jimmy Sain, Chairman
Tommy Allen
Janet Galyen
Reggie Johnson
Ricky Milburn
Kathy Norton
Esther Sims

Coffee County Officials (Cont.)

Budget and Finance Committee

Ted Frisby, Chairman

B. Rush Bricken

Lee Duckett

Robin Hines

Sam Rittenberry

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

March 12, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Coffee County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Coffee 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 Public Library Fund, a special revenue fund, which represent 2.2 percent and 1.9 percent, respectively, of the assets and revenues of the aggregate remaining fund information as of June 30, 2009. We also did not audit the financial statements of the Coffee County Emergency Communications District, which represent 3.9 percent and 6.5 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, the Industrial Board of Coffee County, which represent 3.6 percent and 3.3 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, or the Coffee County Public Building Authority, which represent 22.4 percent and 11.6 percent, respectively, of the assets and revenues of the aggregate discretely presented component units as of June 30, 2009, and for the year then ended. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Library Fund, Coffee County Emergency Communications District, Industrial Board of Coffee County, and Coffee County Public Building Authority, is based on the reports 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 reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of June 30 2009, 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 March 12, 2010, on our consideration of Coffee 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.

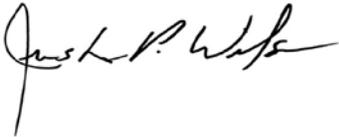
As described in Note V.B., Coffee County has implemented the provisions of Governmental Accounting Standards Board Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

The management's discussion and analysis on pages 25 through 37 and the budgetary comparison, pension, and other postemployment benefits information on pages 113 through 121 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 Coffee County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Special Debt Service Fund, combining and individual fund financial statements of the Coffee 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 Special Debt Service Fund, combining and individual fund financial statements of the Coffee 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, based on our report, 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 fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Coffee County Government (the county), we offer readers of Coffee County's financial statements this narrative overview and analysis of the financial activities and financial position of the county for the fiscal year ended June 30, 2009. In the broadest context, the financial well being of a government lies in the underlying wealth and willingness of its citizens and property owners to pay adequate taxes combined with the vision of the government's elected and appointed leadership to spend those taxes strategically so that the county's tax base, service levels, county assets, and the county's desirability will be maintained not just for the current year but well into the future. Financial reporting is limited in its ability to provide the future vision, but rather focuses on financial position and changes in financial position. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal as well as other community information found on the county's website at www.coffeecountytn.org. It should be noted that the Independent Auditors' Report describes the auditors' association with the various sections of this report and that all of the additional information from the website and other county sources is unaudited.

IN BRIEF

- The assets of the Coffee County primary government, including its governmental activities and business-type activities, and the discretely presented School Department component unit, exceeded its liabilities at the close of the most recent fiscal year by \$18,188,723, \$570,915, and \$15,767,504, respectively, (net assets). It should be noted that 52 percent of the county's net assets are capital assets (e.g. land, buildings, equipment, improvements, and infrastructure) and that most capital assets in government, with the exception of business-type assets, do not directly generate revenue nor can they be sold to generate liquid capital.
- As of the close of the current fiscal year, Coffee County's governmental funds reported combined ending fund balances of \$11,188,726. Within this total, \$578,625 is reserved for various purposes, and the remaining \$10,610,101 comprises unreserved fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the county's basic financial statements for the primary government and the discretely presented Coffee County School Department. The county's basic financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information, which includes this management's discussion and analysis. In addition to the basic financial statements, this report also contains other supplementary information as listed in the Table of Contents.

Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish between functions of the county that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government and administration, court and judicial system, public safety, rural fire protection, communications center, cultural, and public health. The government-wide financial statements include not only the county (the primary government); but also its component units. These component units are legally separate organizations for which the county is financially accountable. They are the Coffee County School Department, Coffee County Emergency Communications District, Coffee County Public Building Authority, and Coffee County Industrial Board. Since the county is the main funding source for the libraries, the libraries are considered part of the primary government.

Fund Financial Statements

Fund financial statements of Coffee 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 constitutes 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 category. Coffee County only reports one proprietary fund, a nonmajor enterprise fund. Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds and the nonmajor 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. Fiduciary funds in total are reported in a single column.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as

governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Nonfinancial assets such as governmental buildings, roads, bridges, land, and long-term liabilities such as bonds payable or other long-term liabilities that will not be paid with current assets are excluded. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds' Balance Sheet and the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Coffee County reports the following major governmental funds: the General, Highway/Public Works and Special Debt Service funds. Additionally, Coffee County reports the following fund types: special revenue funds, debt service funds, capital project funds, an enterprise fund, and agency funds. Agency funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Coffee County, and state grants and other restricted revenues held for the benefit of the Fourteenth Judicial District Drug Task Force. Agency funds are custodial in nature (assets equal liabilities). Information is presented separately in the governmental funds' Balance Sheet and in the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balances for major funds. Data from the nonmajor governmental funds, i.e., Public Library, Solid Waste/Sanitation, Industrial/Economic Development, Local Purpose Tax, Drug Control, District Attorney General, Commissary, and Constitutional Officers - Fees funds, debt service funds, and capital projects funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the Annual Financial Report.

Proprietary Fund

In April 2002, the Coffee County Commission approved Resolution #2002-12, which created a Coffee County Water and Wastewater Authority to allow the county to own and operate wastewater treatment systems within the rural areas of Coffee County. This allowed the county to have a means to develop parts of Coffee County that previously would not have been capable of supporting development due to poor soil conditions. Construction began on Coffee County's first wastewater septic system in 2006 and was completed in February 2008. The county accounts for the operation of this system in a proprietary fund as a business-type activity.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets and especially net assets by category may serve over time as a useful indicator of the government's financial position. In the case of the county, the assets of the Coffee County primary government, including its governmental activities and business-type activities, and the discretely presented School Department component unit, exceeded its liabilities at the close of the most recent fiscal year by \$18,188,723, \$570,915, and \$15,767,504, respectively, (net assets) as of June 30, 2009.

The largest portion of the county's net assets (\$16,250,232) reflects its investments in capital assets (e.g., land, buildings, equipment, improvements and infrastructure), less any debt used to acquire those assets that is still outstanding. The county uses these capital assets to provide service to citizens; consequently these assets are not available for future spending and do not generate direct revenue for the county. They do represent, however, an obligation on the part of the county to maintain these assets into the future. Although the county's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Coffee County Primary Government Statement of Net Assets June 30

	2008		2009	
	Govern- mental Activities	Business- type Activities	Govern- mental Activities	Business- type Activities
Assets:				
Current and Other Assets	\$ 21,559,531	\$ 43,226	\$ 23,497,624	\$ 15,994
Capital Assets	24,439,247	898,228	24,545,341	869,813
Total Assets	\$ 45,998,778	\$ 941,454	\$ 48,042,965	\$ 885,807
Liabilities:				
Current Liabilities	\$ 9,681,653	\$ 4,887	\$ 9,509,721	\$ 408
Long-term Liabilities	19,470,602	314,423	20,344,521	314,484
Total Liabilities	\$ 29,152,255	\$ 319,310	\$ 29,854,242	\$ 314,892
Net Assets:				
Invested in Capital Assets - Net of Related Debt	\$ 14,677,868	\$ 580,008	\$ 15,694,903	\$ 555,329
Restricted	7,526,504	0	9,286,421	0
Unrestricted	(5,357,849)	42,136	(6,792,601)	15,586
Total Net Assets	\$ 16,846,523	\$ 622,144	\$ 18,188,723	\$ 570,915

Discretely Presented Coffee County School Department
Statement of Net Assets
June 30

	2008	2009
	Govern- mental Activities	Govern- mental Activities
Assets:		
Current and Other Assets	\$ 14,087,377	\$ 13,788,209
Capital Assets	12,346,777	15,418,551
Total Assets	\$ 26,434,154	\$ 29,206,760
Liabilities:		
Current Liabilities	\$ 10,790,072	\$ 11,244,881
Long-term Liabilities	1,486,389	2,194,375
Total Liabilities	\$ 12,276,461	\$ 13,439,256
Net Assets:		
Invested in Capital Assets - Net of Related Debt	\$ 11,614,630	\$ 14,760,662
Restricted	1,734,842	1,154,908
Unrestricted	808,221	(148,066)
Total Net Assets	\$ 14,157,693	\$ 15,767,504

As of June 30, 2009, the county has positive balances in all three categories of the Statement of Net Assets. The primary government's governmental activities net assets increased \$1,342,199 during the fiscal year.

At year-end, long-term liabilities of the primary government included outstanding debt issued of \$19,790,601, compensated absences of \$547,829, and other postemployment benefits of \$116,467. During the year, the county issued other loans totaling \$5,365,134 for the \$45 million School Building Program. Included in the \$5,365,134 was \$2,850,000 issued to refund the remaining variable rate debt of the county to fixed rate debt. The variable rate bond issue was originally used to refund the 2007 capital outlay notes that were issued for school portables and to purchase a building for the county's alternative school and school bus garage located on Highway 55.

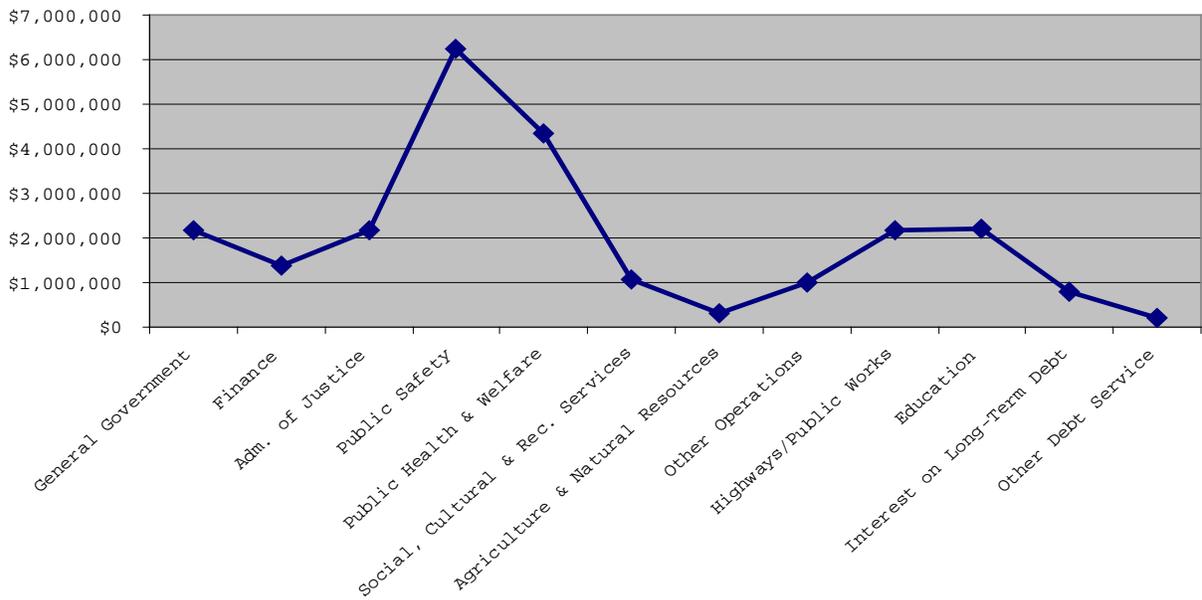
**Coffee County Primary Government
Statement of Activities
For the Year Ended June 30**

	2008		2009	
	Govern- mental Activities	Business- type Activities	Govern- mental Activities	Business- type Activities
Revenues:				
Program Revenues:				
Charges for Services	\$ 6,529,141	\$ 32,478	\$ 7,739,801	\$ 31,424
Operating Grants and Contributions	3,217,111	0	3,079,241	0
Capital Grants and Contributions	440,037	63,422	1,335,929	0
General Revenues:				
Property Taxes	9,033,778	0	9,526,676	0
Local Option Sales Taxes	2,857,783	0	2,551,936	0
Other Taxes	1,421,627	0	1,439,310	0
Grants and Contributions Not				
Restricted for Specific Programs	443,255	0	546,538	0
Unrestricted Investment Earnings	362,992	0	198,649	0
Amortized Premium	13,222	0	14,785	0
Miscellaneous	47,672	0	55,310	0
Total Revenues	\$ 24,366,618	\$ 95,900	\$ 26,488,175	\$ 31,424
Expenses:				
General Government	\$ 2,175,310	\$ 0	\$ 2,326,027	\$ 0
Finance	1,383,820	0	1,321,064	0
Administration of Justice	2,169,086	0	2,324,151	0
Public Safety	6,248,303	0	6,540,509	0
Public Health and Welfare	4,360,095	0	4,294,070	0
Social, Cultural, and Recreational	1,056,503	0	1,109,097	0
Agriculture and Natural Resources	303,881	0	277,938	0
Other Operations	992,077	33,587	1,358,232	82,653
Highways/Public Works	2,168,426	0	2,263,809	0
Education	2,216,824	0	2,375,836	0
Interest on Long-term Debt	785,965	0	828,129	0
Other Debt Service	199,564	0	136,693	0
Total Expenses	\$ 24,059,854	\$ 33,587	\$ 25,155,555	\$ 82,653
Insurance Recovery	\$ 0	\$ 0	\$ 9,579	\$ 0
Transfers	(28,919)	28,919	0	0
Increase (Decrease) in Net Assets	\$ 277,845	\$ 91,232	\$ 1,342,199	\$ (51,229)
Net Assets, July 1	16,568,678	530,912	16,846,524	622,144
Net Assets, June 30	\$ 16,846,523	\$ 622,144	\$ 18,188,723	\$ 570,915

**Discretely Presented Coffee County School Department
Statement of Activities
For the Year Ended June 30**

	2008	2009
	Govern- mental Activities	Govern- mental Activities
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,110,417	\$ 1,062,967
Operating Grants and Contributions	3,056,234	3,515,324
Capital Grants and Contributions	786,824	2,725,836
General Revenues:		
Property Taxes	6,814,397	7,106,826
Local Option Sales Taxes	3,598,463	3,564,801
Other Taxes	3,167	2,969
Grants and Contributions Not Restricted for Specific Programs	18,932,277	19,102,600
Unrestricted Investment Earnings	8,293	3,363
Sale of Equipment	0	2,650
Miscellaneous	68,856	31,191
Total Revenues	\$ 34,378,928	\$ 37,118,527
Expenses:		
Instruction	\$ 20,106,922	\$ 19,954,181
Support Services	10,089,997	10,479,763
Operation of Non-Instructional Services	3,020,500	3,180,652
Other Debt Service	10,579	7,545
Public Health and Welfare	223,079	1,886,575
Total Expenses	\$ 33,451,077	\$ 35,508,716
Insurance Recovery	\$ 27,115	\$ 0
Increase (Decrease) in Net Assets	\$ 954,966	\$ 1,609,811
Net Assets, July 1	13,202,727	14,157,693
Net Assets, June 30	\$ 14,157,693	\$ 15,767,504

Coffee County receives funding from a variety of sources, including state shared revenues, local revenues, property taxes, sales taxes, charges for services, operating and capital grants, and contributions. The following graph illustrates how those dollars are allocated to the various functional areas of Coffee County:



Property taxes are the main funding source of the county with 66 percent of the uniform tax rate being allocated to the three school systems. Property tax rates for the last five years are as follows:

Coffee County Property Tax Rates

Calendar Year Fiscal Year	<u>2005</u> <u>FY06</u>	<u>2006</u> <u>FY07</u>	<u>2007</u> <u>FY08</u>	<u>2008</u> <u>FY09</u>	<u>2009</u> <u>FY10</u>
General Fund	\$ 1.01	\$ 0.92	\$ 0.81	\$ 0.81	\$ 0.77
School Purposes	1.37	1.26	1.54	1.58	1.62
General Debt Service Fund	0.18	0.07	0.02	0.07	0.07
Total Uniform Rate	\$ 2.56	\$ 2.25	\$ 2.37	\$ 2.46	\$ 2.46
Education Debt Service	0.08	0.07	0.08	0.08	0.08
Total Education Debt Service	\$ 2.64	\$ 2.32	\$ 2.45	\$ 2.54	\$ 2.54
Rural Debt Service	0.17	0.12	0.12	0.12	0.12
Rural Solid Waste/Sanitation	0.21	0.21	0.21	0.21	0.21
Total Rural Property Tax	\$ 3.02	\$ 2.65	\$ 2.78	\$ 2.87	\$ 2.87
Industrial Park Tax					
Special Purpose Tax	0.29	0.28	0.28	0.28	0.28
Total Industrial Park Tax	\$ 3.31	\$ 2.93	\$ 3.06	\$ 3.15	\$ 3.15

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

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

At the end of the current fiscal year, the county's governmental funds reported combined ending fund balances of \$11,188,726. Within this total, \$578,625 is reserved for various purposes and the remaining \$10,610,101 comprises the unreserved fund balances.

It is one of the county's financial policies to maintain a \$700,000 fund balance in the General Fund, if possible; however, in light of the economic forecasts, the fund balance requirement was increased to \$1 million during the budget process. General Fund expenditures were \$431,532 less than revenues; however, the fund balance declined by \$385,395. The amount of excess fund balance exceeding the 2009 budget will be addressed during the 2010 budget deliberations.

The County Commission set aside additional revenues from the $\frac{3}{4}$ cent sales tax referendum that was approved by the voters in February 2007, for rural county schools construction and renovation. Deposits totaling \$1,339,175 and \$334,503 were made into the Special Debt Service and Other Debt Service funds, respectively, during 2009. In the General Capital Projects Fund, the county earmarked 27 percent of the second-half sales tax collections to be used for rural projects. As of the close of fiscal year 2009, \$240,842 had been deposited into that fund.

Proprietary Fund

The county's proprietary fund statement provides the same type of information found in the government-wide financial statements, but in more detail. This fund reflects the operations of the Wayside Acres Sewer System. The construction of this system was funded through grants from the State of Tennessee and rural development loans. The fund is supported by fees charged to the users of the septic system. This project was completed in February 2008.

General Fund Budgetary Highlights

Coffee County was the fortunate recipient of several grants during the fiscal year, which accounted for the majority of the seven percent (\$1,120,480) increased expenditures. Included in the grant revenue received was \$40,000 from the Tennessee Historical Commission to fund a survey of historical sites in the county; a feasibility/destination study totaling \$155,000 for the Bonnaroo area was funded by the Department of Commerce, Economic Development Administration, and the owners of Bonnaroo; a \$500,000 HOME Investment Partnership Act grant for the rehabilitation and/or purchase of new or existing homes for low-income homeowners was received from the Tennessee Housing Development Agency; and \$125,000 was received from the State of Tennessee for Homeland Security.

CAPITAL ASSETS

The county's investment in capital assets for governmental activities was \$24,545,341 (net of accumulated depreciation) at June 30, 2009. This investment in capital assets includes land, buildings, building improvements, equipment, infrastructure, and library assets.

Coffee County Capital Assets at Year End Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Component Units	
	6-30-08	6-30-09	6-30-08	6-30-09	6-30-08	6-30-09
<u>Capital Assets</u>						
Land	\$ 3,500,751	\$ 3,430,951	\$ 30,120	\$ 30,120	\$ 1,088,853	\$ 1,463,853
Buildings and Improvements	11,445,373	11,318,573	868,108	839,693	11,718,137	12,069,534
Other Capital Assets	2,476,021	2,314,588	0	0	2,183,222	2,624,402
Infrastructure	7,017,102	7,481,229	0	0	0	0
Construction in Progress	0	0	0	0	0	2,230,189
Total Capital Assets	\$ 24,439,247	\$ 24,545,341	\$ 898,228	\$ 869,813	\$ 14,990,212	\$ 18,387,978

DEBT ADMINISTRATION

At the end of the current fiscal year, Coffee County and the discretely presented Coffee County School Department had total outstanding debt of \$20,762,974. Of that amount, \$20,448,490 comprises debt backed by the full-faith and credit of the government and \$314,484 represents bonds secured solely by wastewater revenues.

During the year, the county issued bonded debt totaling \$5,365,134. This represents the first bond portion of the \$45 million School Building Program that was approved by the County Commission in July 2008. Included in the \$5,365,134 was \$2,850,000 to refund the remaining variable rate debt of the county to fixed rate debt. The bond proceeds were originally used to refund the 2007 capital outlay notes that were needed for school portables and to purchase a building for the county's alternative school and school bus garage located on Highway 55.

The county maintains a debt rating of A by Standard and Poor's on the county-wide debt, an A3 by Moody's on the rural school pledges, and an A+ by S&P on the new school pledges.

**Coffee County
Outstanding Debt at Year End**

Fund/Description	6-30-08	6-30-09
<u>Primary Government</u>		
<u>General Debt Service</u>		
Series 9001 A Public Facility Bonds (Non-Ref.)	\$ 875,000	\$ 735,000
Series 9001 B Public Facility Bonds	185,000	0
Series 2002 A-7-D TN Loans	1,500,000	1,500,000
2004 Six-Year Capital Outlay Note	327,000	218,000
Series 2006 C GO Refunding Bonds	2,200,000	1,785,000
Coffee County Portion of Z-4-A PBA Loans	4,455,000	4,435,000
Total General Debt Service	\$ 9,542,000	\$ 8,673,000
<u>Rural Debt Service</u>		
2004 Six-Year Capital Outlay Note	\$ 282,708	\$ 123,300
Series 2006 B Rural School Refunding Bonds	2,295,000	2,005,000
Series 2007 Z-5-B Rural School Bonds	2,850,000	0
Total Rural Debt Service	\$ 5,427,708	\$ 2,128,300
<u>Education Debt Service</u>		
Series 2006 A Senior High Refunding Bonds	\$ 3,785,000	\$ 3,495,000
<u>Special Debt Service</u>		
Public Improvement Series Z-6-A	\$ 0	\$ 5,240,134
<u>Wayside Acres Sewer</u>		
\$224,000 Rural Development Loan	\$ 219,807	\$ 217,223
\$100,000 Rural Development Loan	98,413	97,261
Total Wayside Acres Sewer	\$ 318,220	\$ 314,484
<u>Other Capital Projects</u>		
Ambulance Facilities, Series 2008	\$ 170,000	\$ 141,667
<u>Local Purpose Tax</u>		
Road Improvements, Series 2008	\$ 135,000	\$ 112,500

**Coffee County
Outstanding Debt at Year End (Cont.)**

Fund/Description	6-30-08	6-30-09
<u>Discretely Presented Coffee County School Department</u>		
<u>General Purpose School</u>		
School Buses	\$ 232,147	\$ 157,889
Energy Efficiency Improvements	500,000	500,000
Total Wayside Acres Sewer	<u>\$ 732,147</u>	<u>\$ 657,889</u>
 Total Long-term Debt Outstanding	 <u>\$ 20,110,075</u>	 <u>\$ 20,762,974</u>

LIMIT ON AMOUNT OF OUTSTANDING DEBT

Since nearly all services rendered by the county are required by the state and require sizeable investments in capital improvements, counties are not limited as to their amount of indebtedness as stated in Section 9-21-103, Tennessee Code Annotated (TCA). However, when a county's debt ratio of outstanding debt to property values exceeds the state average or a national standard recognized by firms that trade municipal bonds, the county will pay a higher interest rate or be unable to issue additional bonds.

All debt issued must first be authorized by resolution adopted by the County Commission and then approved by the state director of Local Finance, a division of the state Comptroller of the Treasury. Before the director of Local Finance will approve the issuance of debt, the county must adopt a balanced budget, which must also be approved by this same director in accordance with Sections 9-21-403 and 9-21-404, TCA.

Additional information on the county's long term-debt can be found in the supplemental information provided in this document.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Based on the 2000 census, the population of Coffee County is 48,014, but the county is expected to increase over the 50,000 mark when the 2010 census is complete. The unemployment rate as of June 30, 2009, was at 12 percent for Coffee County, but has since decreased to 10.2 percent.

Since the economy is not expected to recover until beyond the first quarter of 2012, revenues for the 2010 fiscal year were decreased by a total of three percent in the overall budget. Some individual line items were decreased six percent. Certified assessed valuations increased two percent from the previous year. The undesignated fund balance in the General Fund at year end is estimated to be \$982,753, which is at the same level as the projected 2009 undesignated fund balance.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the county's finances. If you have questions about this report or need any additional information, contact the Office of Accounts and Budgets, Attn: Budget Director at 1329 McArthur Street, Suite 5, Manchester, TN 37355 or call (931) 723-5102 or e-mail marianna@coffeecountytn.org.

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BASIC FINANCIAL STATEMENTS

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Exhibit A

Coffee County, Tennessee
Statement of Net Assets
June 30, 2009

	Primary Government		Component Units				
	Governmental Activities	Business-type Activities	Total	Coffee County	Coffee County Emergency Communications District	Industrial Board of Coffee County	Coffee Public Building Authority
				Department	School	County	Authority
ASSETS							
Cash	\$ 838,064	\$ 0	\$ 838,064	\$ 2,788	\$ 1,082,087	\$ 850,741	\$ 211,030
Equity in Pooled Cash and Investments	9,192,216	13,496	9,205,712	5,197,771	0	0	0
Inventories	12,899	0	12,899	0	0	0	23,101
Accounts Receivable	3,626,572	2,498	3,629,070	36,876	21,447	7,999	6,925,616
Allowance for Uncollectibles	(1,328,230)	0	(1,328,230)	1,063,967	0	0	0
Due from Other Governments	1,370,952	0	1,370,952	0	65,731	0	0
Property Taxes Receivable	9,722,271	0	9,722,271	7,664,252	0	0	0
Allowance for Uncollectible Property Taxes	(304,339)	0	(304,339)	(177,445)	0	0	0
Prepaid Items	0	0	0	0	15,893	0	0
Note Receivable	0	0	0	0	0	72,457	0
Deferred Charges - Debt Issuance Costs	367,219	0	367,219	0	0	0	0
Capital Assets:							
Assets Not Depreciated:							
Land	3,430,951	30,120	3,461,071	1,438,853	0	0	25,000
Construction in Progress	0	0	0	2,179,616	50,573	0	0
Assets Net of Accumulated Depreciation:							
Buildings and Improvements	11,318,573	839,693	12,158,266	10,075,446	36,447	0	1,957,641
Infrastructure	7,481,229	0	7,481,229	0	0	0	0
Other Capital Assets	2,314,588	0	2,314,588	1,724,636	334,307	548,153	17,306
Total Assets	\$ 48,042,965	\$ 885,807	\$ 48,928,772	\$ 29,206,760	\$ 1,606,485	\$ 1,479,350	\$ 9,159,694
LIABILITIES							
Accounts Payable	\$ 88,808	\$ 408	\$ 89,216	\$ 16,951	\$ 1,202	\$ 0	\$ 77,020
Accrued Payroll	0	0	0	2,261,479	0	0	0
Payroll Deductions Payable	109,672	0	109,672	837,409	39	0	0
Contracts Payable	0	0	0	667,580	0	0	0
Claims and Judgments Payable	0	0	0	178,755	0	0	0
Accrued Interest Payable	225,874	0	225,874	4,343	0	0	128,774
Other Current Liabilities	0	0	0	209	0	0	0
Due to Litigants, Heirs, and Others	4,828	0	4,828	0	0	0	0
Due to State of Tennessee	1,997	0	1,997	0	0	0	0
Deferred Revenue - Current Property Taxes	9,078,542	0	9,078,542	7,278,155	0	0	0

(Continued)

Exhibit A

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

	Primary Government		Component Units				
	Governmental Activities	Business-type Activities	Total	Coffee County School Department	Coffee County Emergency Communications District	Industrial Board of Coffee County	Coffee Public Building Authority
Noncurrent Liabilities:							
Due Within One Year	\$ 2,130,526	\$ 3,959	\$ 2,134,485	\$ 181,829	\$ 0	\$ 0	\$ 440,000
Due in More Than One Year (net of deferred amount on refunding and unamortized premiums on debt)	18,213,995	310,525	18,524,520	2,012,546	0	190,958	6,300,000
Total Liabilities	\$ 29,854,242	\$ 314,892	\$ 30,169,134	\$ 13,439,256	\$ 1,241	\$ 190,958	\$ 6,945,794
	\$ 15,694,903	\$ 555,329	\$ 16,250,232	\$ 14,760,662	\$ 0	\$ 0	\$ 0
Invested in Capital Assets, Net of Related Debt	0	0	0	0	421,327	357,195	1,999,947
Invested in Capital Assets Restricted for:							
Public Library	372,734	0	372,734	0	0	0	0
Solid Waste/Sanitation	1,021,973	0	1,021,973	0	0	0	0
Industrial/Economic Development	0	0	0	0	0	0	0
Local Purpose Tax	148,251	0	148,251	0	0	0	0
Drug Control	518,424	0	518,424	0	0	0	0
District Attorney General	97,559	0	97,559	0	0	0	0
Commissary	47,046	0	47,046	0	0	0	0
Highway/Public Works	1,765,369	0	1,765,369	0	0	0	0
Basic Education Program	0	0	0	260,577	0	0	0
School Federal Projects	0	0	0	24,813	0	0	0
Central Cafeteria	0	0	0	646,190	0	0	0
Capital Projects	518,446	0	518,446	177,170	0	0	0
Debt Service	4,537,104	0	4,537,104	0	0	0	0
Other Purposes	259,515	0	259,515	46,158	0	0	0
Unrestricted	(6,792,601)	15,586	(6,777,015)	(148,066)	1,183,917	931,197	213,952
Total Net Assets	\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899

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

Exhibit B

Coffee 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	Governmental Activities	Primary Government Business-type Activities	Total	Coffee County School Department	Coffee County Emergency Communications District	Industrial Board of Coffee County	Coffee County Public Building Authority																																																																																																																																																																																																						
General Revenues:											Taxes:											Property Taxes Levied for General Purposes				\$ 7,957,916	\$ 0	\$ 7,957,916	\$ 7,106,826	\$ 0	\$ 0	\$ 0	Property Taxes Levied for Debt Service				1,568,760	0	1,568,760	0	0	0	0	Local Option Sales Taxes				2,551,936	0	2,551,936	3,564,801	0	0	0	Litigation Taxes				366,529	0	366,529	0	0	0	0	Wholesale Beer Tax				263,414	0	263,414	0	0	0	0	Mineral Severance Tax				68,791	0	68,791	0	0	0	0	Business Tax				738,313	0	738,313	0	0	0	0	Other Local Taxes				2,263	0	2,263	2,969	0	0	0	Grants and Contributions Not Restricted for Specific Programs				546,538	0	546,538	19,102,600	120,041	258,258	167,892	Unrestricted Investment Earnings				198,649	0	198,649	3,363	35,518	46,290	291,034	Miscellaneous				55,310	0	55,310	33,841	801	1,750	34,967	Amortized Premium				14,785	0	14,785	0	0	0	0	Total General Revenues				\$ 14,333,204	\$ 0	\$ 14,333,204	\$ 29,814,400	\$ 156,360	\$ 306,298	\$ 493,893	Insurance Recovery				\$ 9,579	\$ 0	\$ 9,579	\$ 0	\$ 0	\$ 0	\$ 0	Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899
Taxes:											Property Taxes Levied for General Purposes				\$ 7,957,916	\$ 0	\$ 7,957,916	\$ 7,106,826	\$ 0	\$ 0	\$ 0	Property Taxes Levied for Debt Service				1,568,760	0	1,568,760	0	0	0	0	Local Option Sales Taxes				2,551,936	0	2,551,936	3,564,801	0	0	0	Litigation Taxes				366,529	0	366,529	0	0	0	0	Wholesale Beer Tax				263,414	0	263,414	0	0	0	0	Mineral Severance Tax				68,791	0	68,791	0	0	0	0	Business Tax				738,313	0	738,313	0	0	0	0	Other Local Taxes				2,263	0	2,263	2,969	0	0	0	Grants and Contributions Not Restricted for Specific Programs				546,538	0	546,538	19,102,600	120,041	258,258	167,892	Unrestricted Investment Earnings				198,649	0	198,649	3,363	35,518	46,290	291,034	Miscellaneous				55,310	0	55,310	33,841	801	1,750	34,967	Amortized Premium				14,785	0	14,785	0	0	0	0	Total General Revenues				\$ 14,333,204	\$ 0	\$ 14,333,204	\$ 29,814,400	\$ 156,360	\$ 306,298	\$ 493,893	Insurance Recovery				\$ 9,579	\$ 0	\$ 9,579	\$ 0	\$ 0	\$ 0	\$ 0	Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899											
Property Taxes Levied for General Purposes				\$ 7,957,916	\$ 0	\$ 7,957,916	\$ 7,106,826	\$ 0	\$ 0	\$ 0	Property Taxes Levied for Debt Service				1,568,760	0	1,568,760	0	0	0	0	Local Option Sales Taxes				2,551,936	0	2,551,936	3,564,801	0	0	0	Litigation Taxes				366,529	0	366,529	0	0	0	0	Wholesale Beer Tax				263,414	0	263,414	0	0	0	0	Mineral Severance Tax				68,791	0	68,791	0	0	0	0	Business Tax				738,313	0	738,313	0	0	0	0	Other Local Taxes				2,263	0	2,263	2,969	0	0	0	Grants and Contributions Not Restricted for Specific Programs				546,538	0	546,538	19,102,600	120,041	258,258	167,892	Unrestricted Investment Earnings				198,649	0	198,649	3,363	35,518	46,290	291,034	Miscellaneous				55,310	0	55,310	33,841	801	1,750	34,967	Amortized Premium				14,785	0	14,785	0	0	0	0	Total General Revenues				\$ 14,333,204	\$ 0	\$ 14,333,204	\$ 29,814,400	\$ 156,360	\$ 306,298	\$ 493,893	Insurance Recovery				\$ 9,579	\$ 0	\$ 9,579	\$ 0	\$ 0	\$ 0	\$ 0	Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																						
Property Taxes Levied for Debt Service				1,568,760	0	1,568,760	0	0	0	0	Local Option Sales Taxes				2,551,936	0	2,551,936	3,564,801	0	0	0	Litigation Taxes				366,529	0	366,529	0	0	0	0	Wholesale Beer Tax				263,414	0	263,414	0	0	0	0	Mineral Severance Tax				68,791	0	68,791	0	0	0	0	Business Tax				738,313	0	738,313	0	0	0	0	Other Local Taxes				2,263	0	2,263	2,969	0	0	0	Grants and Contributions Not Restricted for Specific Programs				546,538	0	546,538	19,102,600	120,041	258,258	167,892	Unrestricted Investment Earnings				198,649	0	198,649	3,363	35,518	46,290	291,034	Miscellaneous				55,310	0	55,310	33,841	801	1,750	34,967	Amortized Premium				14,785	0	14,785	0	0	0	0	Total General Revenues				\$ 14,333,204	\$ 0	\$ 14,333,204	\$ 29,814,400	\$ 156,360	\$ 306,298	\$ 493,893	Insurance Recovery				\$ 9,579	\$ 0	\$ 9,579	\$ 0	\$ 0	\$ 0	\$ 0	Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																																	
Local Option Sales Taxes				2,551,936	0	2,551,936	3,564,801	0	0	0	Litigation Taxes				366,529	0	366,529	0	0	0	0	Wholesale Beer Tax				263,414	0	263,414	0	0	0	0	Mineral Severance Tax				68,791	0	68,791	0	0	0	0	Business Tax				738,313	0	738,313	0	0	0	0	Other Local Taxes				2,263	0	2,263	2,969	0	0	0	Grants and Contributions Not Restricted for Specific Programs				546,538	0	546,538	19,102,600	120,041	258,258	167,892	Unrestricted Investment Earnings				198,649	0	198,649	3,363	35,518	46,290	291,034	Miscellaneous				55,310	0	55,310	33,841	801	1,750	34,967	Amortized Premium				14,785	0	14,785	0	0	0	0	Total General Revenues				\$ 14,333,204	\$ 0	\$ 14,333,204	\$ 29,814,400	\$ 156,360	\$ 306,298	\$ 493,893	Insurance Recovery				\$ 9,579	\$ 0	\$ 9,579	\$ 0	\$ 0	\$ 0	\$ 0	Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																																												
Litigation Taxes				366,529	0	366,529	0	0	0	0	Wholesale Beer Tax				263,414	0	263,414	0	0	0	0	Mineral Severance Tax				68,791	0	68,791	0	0	0	0	Business Tax				738,313	0	738,313	0	0	0	0	Other Local Taxes				2,263	0	2,263	2,969	0	0	0	Grants and Contributions Not Restricted for Specific Programs				546,538	0	546,538	19,102,600	120,041	258,258	167,892	Unrestricted Investment Earnings				198,649	0	198,649	3,363	35,518	46,290	291,034	Miscellaneous				55,310	0	55,310	33,841	801	1,750	34,967	Amortized Premium				14,785	0	14,785	0	0	0	0	Total General Revenues				\$ 14,333,204	\$ 0	\$ 14,333,204	\$ 29,814,400	\$ 156,360	\$ 306,298	\$ 493,893	Insurance Recovery				\$ 9,579	\$ 0	\$ 9,579	\$ 0	\$ 0	\$ 0	\$ 0	Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																																																							
Wholesale Beer Tax				263,414	0	263,414	0	0	0	0	Mineral Severance Tax				68,791	0	68,791	0	0	0	0	Business Tax				738,313	0	738,313	0	0	0	0	Other Local Taxes				2,263	0	2,263	2,969	0	0	0	Grants and Contributions Not Restricted for Specific Programs				546,538	0	546,538	19,102,600	120,041	258,258	167,892	Unrestricted Investment Earnings				198,649	0	198,649	3,363	35,518	46,290	291,034	Miscellaneous				55,310	0	55,310	33,841	801	1,750	34,967	Amortized Premium				14,785	0	14,785	0	0	0	0	Total General Revenues				\$ 14,333,204	\$ 0	\$ 14,333,204	\$ 29,814,400	\$ 156,360	\$ 306,298	\$ 493,893	Insurance Recovery				\$ 9,579	\$ 0	\$ 9,579	\$ 0	\$ 0	\$ 0	\$ 0	Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																																																																		
Mineral Severance Tax				68,791	0	68,791	0	0	0	0	Business Tax				738,313	0	738,313	0	0	0	0	Other Local Taxes				2,263	0	2,263	2,969	0	0	0	Grants and Contributions Not Restricted for Specific Programs				546,538	0	546,538	19,102,600	120,041	258,258	167,892	Unrestricted Investment Earnings				198,649	0	198,649	3,363	35,518	46,290	291,034	Miscellaneous				55,310	0	55,310	33,841	801	1,750	34,967	Amortized Premium				14,785	0	14,785	0	0	0	0	Total General Revenues				\$ 14,333,204	\$ 0	\$ 14,333,204	\$ 29,814,400	\$ 156,360	\$ 306,298	\$ 493,893	Insurance Recovery				\$ 9,579	\$ 0	\$ 9,579	\$ 0	\$ 0	\$ 0	\$ 0	Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																																																																													
Business Tax				738,313	0	738,313	0	0	0	0	Other Local Taxes				2,263	0	2,263	2,969	0	0	0	Grants and Contributions Not Restricted for Specific Programs				546,538	0	546,538	19,102,600	120,041	258,258	167,892	Unrestricted Investment Earnings				198,649	0	198,649	3,363	35,518	46,290	291,034	Miscellaneous				55,310	0	55,310	33,841	801	1,750	34,967	Amortized Premium				14,785	0	14,785	0	0	0	0	Total General Revenues				\$ 14,333,204	\$ 0	\$ 14,333,204	\$ 29,814,400	\$ 156,360	\$ 306,298	\$ 493,893	Insurance Recovery				\$ 9,579	\$ 0	\$ 9,579	\$ 0	\$ 0	\$ 0	\$ 0	Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																																																																																								
Other Local Taxes				2,263	0	2,263	2,969	0	0	0	Grants and Contributions Not Restricted for Specific Programs				546,538	0	546,538	19,102,600	120,041	258,258	167,892	Unrestricted Investment Earnings				198,649	0	198,649	3,363	35,518	46,290	291,034	Miscellaneous				55,310	0	55,310	33,841	801	1,750	34,967	Amortized Premium				14,785	0	14,785	0	0	0	0	Total General Revenues				\$ 14,333,204	\$ 0	\$ 14,333,204	\$ 29,814,400	\$ 156,360	\$ 306,298	\$ 493,893	Insurance Recovery				\$ 9,579	\$ 0	\$ 9,579	\$ 0	\$ 0	\$ 0	\$ 0	Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																																																																																																			
Grants and Contributions Not Restricted for Specific Programs				546,538	0	546,538	19,102,600	120,041	258,258	167,892	Unrestricted Investment Earnings				198,649	0	198,649	3,363	35,518	46,290	291,034	Miscellaneous				55,310	0	55,310	33,841	801	1,750	34,967	Amortized Premium				14,785	0	14,785	0	0	0	0	Total General Revenues				\$ 14,333,204	\$ 0	\$ 14,333,204	\$ 29,814,400	\$ 156,360	\$ 306,298	\$ 493,893	Insurance Recovery				\$ 9,579	\$ 0	\$ 9,579	\$ 0	\$ 0	\$ 0	\$ 0	Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																																																																																																														
Unrestricted Investment Earnings				198,649	0	198,649	3,363	35,518	46,290	291,034	Miscellaneous				55,310	0	55,310	33,841	801	1,750	34,967	Amortized Premium				14,785	0	14,785	0	0	0	0	Total General Revenues				\$ 14,333,204	\$ 0	\$ 14,333,204	\$ 29,814,400	\$ 156,360	\$ 306,298	\$ 493,893	Insurance Recovery				\$ 9,579	\$ 0	\$ 9,579	\$ 0	\$ 0	\$ 0	\$ 0	Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																																																																																																																									
Miscellaneous				55,310	0	55,310	33,841	801	1,750	34,967	Amortized Premium				14,785	0	14,785	0	0	0	0	Total General Revenues				\$ 14,333,204	\$ 0	\$ 14,333,204	\$ 29,814,400	\$ 156,360	\$ 306,298	\$ 493,893	Insurance Recovery				\$ 9,579	\$ 0	\$ 9,579	\$ 0	\$ 0	\$ 0	\$ 0	Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																																																																																																																																				
Amortized Premium				14,785	0	14,785	0	0	0	0	Total General Revenues				\$ 14,333,204	\$ 0	\$ 14,333,204	\$ 29,814,400	\$ 156,360	\$ 306,298	\$ 493,893	Insurance Recovery				\$ 9,579	\$ 0	\$ 9,579	\$ 0	\$ 0	\$ 0	\$ 0	Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																																																																																																																																															
Total General Revenues				\$ 14,333,204	\$ 0	\$ 14,333,204	\$ 29,814,400	\$ 156,360	\$ 306,298	\$ 493,893	Insurance Recovery				\$ 9,579	\$ 0	\$ 9,579	\$ 0	\$ 0	\$ 0	\$ 0	Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																																																																																																																																																										
Insurance Recovery				\$ 9,579	\$ 0	\$ 9,579	\$ 0	\$ 0	\$ 0	\$ 0	Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																																																																																																																																																																					
Change in Net Assets				\$ 1,342,199	\$ (51,229)	\$ 1,290,970	\$ 1,609,811	\$ 178,632	\$ 56,077	\$ (17,392)	Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																																																																																																																																																																																
Net Assets, July 1, 2008				16,846,524	622,144	17,468,668	14,157,693	1,426,612	1,232,315	2,231,291	Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																																																																																																																																																																																											
Net Assets, June 30, 2009				\$ 18,188,723	\$ 570,915	\$ 18,759,638	\$ 15,767,504	\$ 1,605,244	\$ 1,288,392	\$ 2,213,899																																																																																																																																																																																																						

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

Exhibit C-1

Coffee County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2009

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	Highway / Public Works	Special Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 1,500	\$ 0	\$ 0	\$ 836,564	\$ 838,064
Equity in Pooled Cash and Investments	1,620,593	1,457,808	2,496,154	3,617,661	9,192,216
Inventories	6,344	0	0	6,555	12,899
Accounts Receivable	3,551,926	0	0	74,646	3,626,572
Allowance for Uncollectibles	(1,328,230)	0	0	0	(1,328,230)
Due from Other Governments	427,886	347,819	258,120	337,127	1,370,952
Due from Other Funds	165,738	0	0	0	165,738
Property Taxes Receivable	7,119,791	0	0	2,602,480	9,722,271
Allowance for Uncollectible Property Taxes	(171,132)	0	0	(133,207)	(304,339)
Total Assets	\$ 11,394,416	\$ 1,805,627	\$ 2,754,274	\$ 7,341,826	\$ 23,296,143
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 71,114	\$ 4,125	\$ 0	\$ 13,569	\$ 88,808
Payroll Deductions Payable	96,396	9,278	0	3,998	109,672
Due to Other Funds	0	0	0	165,738	165,738
Due to State of Tennessee	1,731	0	0	266	1,997
Due to Litigants, Heirs, and Others	0	0	0	4,828	4,828
Deferred Revenue - Current Property Taxes	6,739,758	0	0	2,338,784	9,078,542
Deferred Revenue - Delinquent Property Taxes	188,648	0	0	124,241	312,889
Other Deferred Revenues	1,984,673	163,319	118,611	78,340	2,344,943
Total Liabilities	\$ 9,082,320	\$ 176,722	\$ 118,611	\$ 2,729,764	\$ 12,107,417
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 130,457	\$ 20,600	\$ 0	\$ 161,498	\$ 312,555
Reserved for Alcohol and Drug Treatment	9,643	0	0	0	9,643
Reserved for Drug Court	60,807	0	0	0	60,807
Reserved for Sexual Offender Registration	6,736	0	0	0	6,736
Reserved for Courtroom Security	4,682	0	0	0	4,682
Reserved for Computer System - Register	22,867	0	0	0	22,867
Reserved for Automation Purposes - Chancery Court	11,173	0	0	0	11,173
Reserved for Archives and Records Management - County Clerk	200	0	0	0	200
Reserved for State Reappraisal Grant	116,176	0	0	0	116,176
Reserved for Inventory	6,344	0	0	6,555	12,899
Reserved for Other General Purposes	20,887	0	0	0	20,887
Unreserved, Reported In:					
General Fund	1,922,124	0	0	0	1,922,124
Special Revenue Funds	0	1,608,305	0	2,460,763	4,069,068
Debt Service Funds	0	0	2,635,663	1,644,417	4,280,080
Capital Projects Funds	0	0	0	338,829	338,829
Total Fund Balances	\$ 2,312,096	\$ 1,628,905	\$ 2,635,663	\$ 4,612,062	\$ 11,188,726
Total Liabilities and Fund Balances	\$ 11,394,416	\$ 1,805,627	\$ 2,754,274	\$ 7,341,826	\$ 23,296,143

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

Exhibit C-2

Coffee County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Assets
June 30, 2009

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)		\$ 11,188,726
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 3,430,951	
Add: infrastructure net of accumulated depreciation	7,481,229	
Add: buildings and improvements net of accumulated depreciation	11,318,573	
Add: other capital assets net of accumulated depreciation	<u>2,314,588</u>	24,545,341
(2) Long-term liabilities are not due in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (595,467)	
Less: other loans payable	(11,910,134)	
Less: bonds payable	(7,285,000)	
Add: deferred amount on refunding	246,300	
Add: deferred charges - debt issuance costs	367,219	
Less: compensated absences payable	(547,829)	
Less: other postemployment benefits liability	(116,467)	
Less: accrued interest on other loans	(225,874)	
Less: other deferred revenue - premium on debt	<u>(135,924)</u>	(20,203,176)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>2,657,832</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 18,188,723</u>

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

Exhibit C-3

Coffee County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Special Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 8,503,181	\$ 68,791	\$ 1,339,175	\$ 3,748,917	\$ 13,660,064
Licenses and Permits	179,665	0	0	5,840	185,505
Fines, Forfeitures, and Penalties	452,145	0	0	328,860	781,005
Charges for Current Services	1,774,640	0	0	1,690,977	3,465,617
Other Local Revenues	292,440	9,671	0	474,886	776,997
Fees Received from County Officials	1,395,393	0	0	0	1,395,393
State of Tennessee	2,031,101	2,516,772	0	178,183	4,726,056
Federal Government	757,171	0	0	0	757,171
Other Governments and Citizens Groups	8,689	0	0	58,857	67,546
Total Revenues	<u>\$ 15,394,425</u>	<u>\$ 2,595,234</u>	<u>\$ 1,339,175</u>	<u>\$ 6,486,520</u>	<u>\$ 25,815,354</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 1,694,752	\$ 0	\$ 0	\$ 173,711	\$ 1,868,463
Finance	870,967	0	0	435,047	1,306,014
Administration of Justice	1,479,309	0	0	838,236	2,317,545
Public Safety	6,198,516	0	0	195,486	6,394,002
Public Health and Welfare	2,783,158	0	0	1,145,328	3,928,486
Social, Cultural, and Recreational Services	168,276	0	0	923,094	1,091,370
Agriculture and Natural Resources	276,839	0	0	0	276,839
Other Operations	1,491,076	0	0	185,041	1,676,117
Highways	0	2,524,612	0	0	2,524,612
Debt Service:					
Principal on Debt	0	0	125,000	1,659,241	1,784,241
Interest on Debt	0	0	144,489	698,588	843,077
Other Debt Service	0	0	127,235	46,186	173,421
Capital Projects	0	0	0	372,438	372,438
Capital Projects - Donated	0	0	875,836	1,500,000	2,375,836
Total Expenditures	<u>\$ 14,962,893</u>	<u>\$ 2,524,612</u>	<u>\$ 1,272,560</u>	<u>\$ 8,172,396</u>	<u>\$ 26,932,461</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 431,532</u>	<u>\$ 70,622</u>	<u>\$ 66,615</u>	<u>\$ (1,685,876)</u>	<u>\$ (1,117,107)</u>
<u>Other Financing Sources (Uses)</u>					
Premiums on Debt Issued	\$ 0	\$ 0	\$ 45,597	\$ 0	\$ 45,597
Other Loans Issued	0	0	3,865,134	1,500,000	5,365,134
Proceeds from Sale of Capital Assets	10,139	0	0	0	10,139
Insurance Recovery	12,579	0	0	0	12,579
Transfers In	0	118,972	0	1,021,271	1,140,243
Transfers Out	(839,645)	0	0	(300,598)	(1,140,243)
Payments to Refunded Debt Escrow Agent	0	0	(2,850,000)	0	(2,850,000)
Total Other Financing Sources (Uses)	<u>\$ (816,927)</u>	<u>\$ 118,972</u>	<u>\$ 1,060,731</u>	<u>\$ 2,220,673</u>	<u>\$ 2,583,449</u>
Net Change in Fund Balances	\$ (385,395)	\$ 189,594	\$ 1,127,346	\$ 534,797	\$ 1,466,342
Fund Balance, July 1, 2008	<u>2,697,491</u>	<u>1,439,311</u>	<u>1,508,317</u>	<u>4,077,265</u>	<u>9,722,384</u>
Fund Balance, June 30, 2009	<u>\$ 2,312,096</u>	<u>\$ 1,628,905</u>	<u>\$ 2,635,663</u>	<u>\$ 4,612,062</u>	<u>\$ 11,188,726</u>

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

Exhibit C-4

Coffee 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, 2009

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)		\$ 1,466,342
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,379,473	
Less: current year depreciation expense	<u>(1,239,952)</u>	139,521
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Add: assets donated and capitalized	\$ 110,740	
Less: gain on the disposal of capital assets	<u>(144,167)</u>	(33,427)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2009	\$ 2,657,832	
Less: deferred delinquent property taxes and other deferred June 30, 2008	<u>(2,110,536)</u>	547,296
(4) The issuance of long-term debt (e.g., bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Less: other loan proceeds	\$ (5,365,134)	
Less: change in premium on debt issuances	(30,812)	
Add: change in deferred debt issuance costs	81,439	
Add: principal payments on bonds	995,000	
Add: principal payments on notes	319,241	
Add: principal payments on other loans	3,320,000	
Less: change in deferred amount on refunding debt	<u>(44,711)</u>	(724,977)
(5) Some expenses reported in the statement of activities do not require the uses of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 14,947	
Change in compensated absences payable	(42,926)	
Change in other postemployment benefits liability	<u>(24,577)</u>	(52,556)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,342,199</u>

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

Exhibit D-1

Coffee County, Tennessee
Statement of Net Assets
Proprietary Fund
June 30, 2009

	<u>Business-type Activities Wayside Acres Sewer Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Assets and Investments	\$ 13,496
Accounts Receivable	<u>2,498</u>
Total Current Assets	<u>\$ 15,994</u>
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation):	
Land	\$ 30,120
Buildings and Improvements	<u>839,693</u>
Total Noncurrent Assets	<u>\$ 869,813</u>
Total Assets	<u>\$ 885,807</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 408
Current Maturities of Long-term Debt	<u>3,959</u>
Total Current Liabilities	<u>\$ 4,367</u>
Noncurrent Liabilities:	
Long-term Debt	<u>\$ 310,525</u>
Total Noncurrent Liabilities	<u>\$ 310,525</u>
Total Liabilities	<u>\$ 314,892</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 555,329
Unrestricted	<u>15,586</u>
Total Net Assets	<u><u>\$ 570,915</u></u>

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

Exhibit D-2

Coffee County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2009

	Business-type Activities
	<u>Wayside Acres Sewer Fund</u>
<u>Operating Revenues</u>	
Charges for Current Services	\$ 31,385
Other Local Revenues	39
Total Operating Revenues	<u>\$ 31,424</u>
<u>Operating Expenses</u>	
Public Health and Welfare	\$ 33,849
Depreciation	35,428
Total Operating Expenses	<u>\$ 69,277</u>
Operating Income (Loss)	<u>\$ (37,853)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Interest on Other Loans	<u>\$ (13,376)</u>
Total Nonoperating Expenses	<u>\$ (13,376)</u>
Change in Net Assets	\$ (51,229)
Net Assets, July 1, 2008	<u>622,144</u>
Net Assets, June 30, 2009	<u><u>\$ 570,915</u></u>

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

Exhibit D-3

Coffee County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2009

	Business-type Activities
	<u>Wayside Acres</u>
	Sewer Fund
	<u>Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 31,424
Payments to Suppliers	(34,531)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (3,107)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Paid on Other Loans	\$ (3,736)
Interest Paid on Other Loans	(13,376)
Acquisition of Capital Assets	(7,013)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (24,125)</u>
Net Increase (Decrease) in Cash	\$ (27,232)
Cash, July 1, 2008	<u>40,728</u>
Cash, June 30, 2009	<u><u>\$ 13,496</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u> Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (37,853)
Adjustment to Reconcile Net Operating Income	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	35,428
Change in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	(682)
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (3,107)</u></u>

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

Exhibit E

Coffee County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,672,914
Equity in Pooled Cash and Investments	330,525
Due from Other Governments	1,194,499
Property Taxes Receivable	7,269,119
Allowance for Uncollectible Property Taxes	<u>(168,689)</u>
Total Assets	<u>\$ 10,298,368</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 338
Payroll Deductions Payable	1,326
Due to State of Tennessee	78
Due to Other Taxing Units	8,334,623
Due to Litigants, Heirs, and Others	1,672,914
Due to Joint Ventures	<u>289,089</u>
Total Liabilities	<u>\$ 10,298,368</u>

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

COFFEE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Coffee 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 Coffee County:

A. Reporting Entity

Coffee County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Coffee 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.

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 Coffee County School Department operates the public school system in the county, and the voters of Coffee 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 Coffee County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Coffee County, and the Coffee 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 Industrial Board of Coffee County provides and assists industry in Coffee County, and the Coffee County Commission appoints its board of directors. The board comprises three members each from the City of Tullahoma, the City of Manchester, and from rural areas. The board is primarily funded by appropriations from the county.

The Coffee County Public Building Authority oversees the operations of the conference center, which benefits the citizens of the City of Manchester and Coffee County. The Coffee County Commission appoints the seven-member board of directors, and Coffee County and the City of Manchester share equally in the profits and losses of the conference center. The center is primarily funded by charges assessed for the use of the facility.

The Coffee County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Coffee County Emergency Communications District, Industrial Board of Coffee County, and Coffee County Public Building Authority can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Coffee County Emergency Communications District
911 Jack Welch Drive
Manchester, TN 37355

Industrial Board of Coffee County
1329 McArthur Street, Suite 4
Manchester, TN 37355

Coffee County Public Building Authority
147 Hospitality Boulevard
Manchester, TN 37355

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Coffee 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.

Coffee County issues debt for the discretely presented Coffee County School Department. Net debt issues totaling \$2,375,836 were contributed by the county to the School Department during the year ended June 30, 2009.

Separate financial statements are provided for governmental funds, proprietary funds (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the 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 Coffee 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 category. Coffee County only reports one proprietary fund, an enterprise fund.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds and the 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. 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. Coffee 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 county's debt service funds 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Coffee 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.

Special Debt Service Fund – This fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs of school construction and renovation projects to be financed with the first-half of the additional three-fourths cent sales tax approved in 2007.

Additionally, Coffee County reports the following fund types:

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

Enterprise Fund – The Wayside Acres Sewer Fund is used to account for the transactions of the Wayside Acres sewer operation.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Coffee County, the city school systems' share of educational revenues, and state grants and other restricted revenues held for the benefit of the Fourteenth Judicial District Drug Task Force. 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 Coffee 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 Coffee County School Department reports the following fund types:

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

Capital Projects Funds – These funds are used to account for school building construction and renovations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide 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. Coffee 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, an enterprise fund used to account for the transactions of the Wayside Acres sewer operation. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are charges for services.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on deposit with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Coffee 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. Coffee County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No

investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivables 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 1.39 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. Inventories

Inventories in governmental funds consist of expendable supplies held for consumption and are valued at the lower of cost or market based on the first-in, first-out method.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental 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 \$5,000 (\$10,000 for the discretely presented Coffee County School Department) or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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	10 - 50
Land Improvements	10 - 50
Infrastructure	15 - 40
Other Capital Assets	3 - 20
Library Assets	2 - 40

5. Compensated Absences

The general policy of Coffee County (except for the Highway Department) allows employees to accumulate a limited number of unused vacation days. Unused vacation days that exceed the limit allowed by county policy are transferred to sick days on the employee's anniversary date. These vacation days have no guaranteed payment

attached, and no liability is accrued and recorded in the governmental funds. The general policy of the Highway Department does not allow for the accumulation of vacation days beyond year-end. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

County employees (except for the Highway Department) are allowed to accumulate unlimited sick leave days; however, the granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. Highway Department employees earn sick leave at the rate of one day per month, and unused sick leave is paid to employees each December.

The general policy of the discretely presented Coffee County School Department does not allow for the accumulation of vacation days beyond year-end for professional employees. Support staff is allowed to accumulate unused vacation days. Vacation pay is accrued for support staff when incurred in the government-wide financial statements for the School Department. A liability for vacation pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. All professional personnel (teachers) of the School Department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

6. 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 refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

7. Net Assets and Fund Equity

In the government-wide financial statements 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.

On the government-wide Statement of Net Assets (Exhibit A), the account Restricted for Other Purposes for the primary government consists of various restrictions totaling \$259,515, with the primary restrictions being for: (1) drug court (\$60,807); (2) computer systems for various offices (\$34,240); and (3) state reappraisal grant funds (\$116,176).

As of June 30, 2009, Coffee County had \$10,863,434 in outstanding debt for capital purposes for the discretely presented Coffee County School Department. This debt is a liability of Coffee County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Coffee 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 Coffee 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 Coffee 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 Public Library, Constitutional Officers - Fees, and District Attorney General funds (special revenue funds), which are not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

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

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

B. Fund Deficit

The Other Capital Projects Fund of the discretely presented Coffee County School Department had a deficit in unreserved fund balance of \$2,609,057 at June 30, 2009. This deficit resulted from the unperformed portions of construction contracts of \$2,729,085 being reserved as encumbrances. Funding for these future expenditures is expected to be received from the issuance of debt.

C. Tax Anticipation Notes Were Not Issued in Compliance With State Statues

During the year, the General Purpose School Fund borrowed \$50,000 from the Central Cafeteria Fund to provide temporary operating funds without the approval of the state director of Local Finance. Also, the School Federal Projects Fund borrowed \$100,000 from the General Purpose School Fund and \$75,000 from the Central Cafeteria Fund prior to receiving approval from the state director of Local Finance. Section 9-21-801, Tennessee Code Annotated, allows the County Commission to issue tax anticipation notes with the approval of the state director of Local Finance.

D. The County Had Deposits Exposed to Custodial Credit Risk

The trustee did not require a depository holding county funds to pledge adequate securities to protect county funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 2009, deposits at this depository exceeded FDIC coverage and collateral securities by \$262,500. Section 5-8-201, Tennessee Code Annotated, provides for county officials to

require any bank that is a depository of county funds to deposit collateral security equal to 105 percent of funds exceeding FDIC coverage into an escrow account in a second bank.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, Coffee County's deposits may not be returned to it. Coffee County does not have a formal policy that limits custodial credit risk for deposits. As of June 30, 2009, a bank balance of \$250,000 in the Office of Trustee was uninsured and uncollateralized, which exposed these deposits to custodial credit risk. The \$250,000 exposed to custodial credit risk was in nonpooled bank balances. Uninsured and uncollateralized deposits are a violation of state statutes.

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; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; 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, 2009, Coffee County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Coffee County and the discretely presented Coffee County School Department since both pool their deposits and investments through the county trustee.

<u>Investment</u>	<u>Maturities</u>	<u>Cost</u>
State Treasurer's Investment Pool	Daily	\$ 826,796

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. Coffee 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 insurer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Coffee County has no investment policy that would further limit its investment choices. As of June 30, 2009, Coffee County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2009, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	\$ 3,500,751	\$ 22,000	\$ (91,800)	\$ 3,430,951
Total Capital Assets Not Depreciated	\$ 3,500,751	\$ 22,000	\$ (91,800)	\$ 3,430,951
Capital Assets Depreciated:				
Buildings and Improvements	\$ 17,461,010	\$ 244,004	\$ 0	\$ 17,705,014
Infrastructure	12,010,166	895,672	0	12,905,838
Other Capital Assets	4,752,896	328,537	(90,502)	4,990,931
Total Capital Assets Depreciated	\$ 34,224,072	\$ 1,468,213	\$ (90,502)	\$ 35,601,783
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,015,637	\$ 370,804	\$ 0	\$ 6,386,441
Infrastructure	4,993,064	431,545	0	5,424,609
Other Capital Assets	2,276,875	437,603	(38,135)	2,676,343
Total Accumulated Depreciation	\$ 13,285,576	\$ 1,239,952	\$ (38,135)	\$ 14,487,393
Total Capital Assets Depreciated, Net	\$ 20,938,496	\$ 228,261	\$ (52,367)	\$ 21,114,390
Governmental Activities Capital Assets, Net	\$ 24,439,247	\$ 250,261	\$ (144,167)	\$ 24,545,341

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

Governmental Activities:

General Government	\$	331,921
Finance		12,256
Administration of Justice		4,468
Public Safety		119,157
Public Health and Welfare		136,239
Social, Cultural, and Recreational		131,560
Other General Government		1,283
Highways/Public Works		<u>503,068</u>

Total Depreciation Expense -
Governmental Activities \$ 1,239,952

Business-type Activities

	Balance 7-1-08	Increases	Balance 6-30-09
Capital Assets Not Depreciated:			
Land	\$ 30,120	\$ 0	\$ 30,120
Total Capital Assets Not Depreciated	<u>\$ 30,120</u>	<u>\$ 0</u>	<u>\$ 30,120</u>
Capital Assets Depreciated:			
Infrastructure	\$ 879,839	\$ 7,013	\$ 886,852
Total Capital Assets Depreciated	<u>\$ 879,839</u>	<u>\$ 7,013</u>	<u>\$ 886,852</u>
Less Accumulated Depreciation For:			
Infrastructure	\$ 11,731	\$ 35,428	\$ 47,159
Total Accumulated Depreciation	<u>\$ 11,731</u>	<u>\$ 35,428</u>	<u>\$ 47,159</u>
Total Capital Assets Depreciated, Net	<u>\$ 868,108</u>	<u>\$ (28,415)</u>	<u>\$ 839,693</u>
Business-type Activities Capital Assets, Net	<u>\$ 898,228</u>	<u>\$ (28,415)</u>	<u>\$ 869,813</u>

Discretely Presented Coffee County School Department

Governmental Activities:

	Balance 7-1-08	Increases	Balance 6-30-09
Capital Assets Not Depreciated:			
Land	\$ 1,088,853	\$ 350,000	\$ 1,438,853
Construction in Progress	0	2,179,616	2,179,616
Total Capital Assets Not Depreciated	\$ 1,088,853	\$ 2,529,616	\$ 3,618,469
Capital Assets Depreciated:			
Buildings and Improvements	\$ 16,294,098	\$ 803,109	\$ 17,097,207
Other Capital Assets	2,807,399	368,385	3,175,784
Total Capital Assets Depreciated	\$ 19,101,497	\$ 1,171,494	\$ 20,272,991
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 6,628,676	\$ 393,085	\$ 7,021,761
Other Capital Assets	1,214,897	236,251	1,451,148
Total Accumulated Depreciation	\$ 7,843,573	\$ 629,336	\$ 8,472,909
Total Capital Assets Depreciated, Net	\$ 11,257,924	\$ 542,158	\$ 11,800,082
Governmental Activities Capital Assets, Net	\$ 12,346,777	\$ 3,071,774	\$ 15,418,551

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

Governmental Activities:

Instruction	\$ 395,013
Support Services	229,565
Operation of Non-Instructional Services	<u>4,758</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 629,336</u>

C. Construction Commitments

At June 30, 2009, the discretely presented Coffee County School Department had uncompleted construction contracts of approximately \$2,729,085 for renovations at the elementary schools payable through the Other Capital

Projects Fund. Funding for these future expenditures is expected to be received from other loans.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2009, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 165,738

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2009, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	Highway/ Public Works Fund	Nonmajor Govern- mental Funds
General Fund	\$ 0	\$ 839,645
Nonmajor governmental funds	118,972	181,626
Total	<u>\$ 118,972</u>	<u>\$ 1,021,271</u>

Discretely Presented Coffee County School Department

Transfer Out	Transfer In
	General Purpose School Fund
Nonmajor governmental funds	\$ 33,698

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

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds and other loans have been issued to refund other general obligation bonds and other loans. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 12 years for bonds, up to six 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 included in long-term debt as of June 30, 2009, will be retired from the General Debt Service, Rural Debt Service, and Education Debt Service funds. Notes and other loans included in long-term debt will be retired from the General Debt Service, Rural Debt Service, Special Debt Service, Local Purpose Tax, and Other Capital Projects funds.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2009, are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-09</u>
General Obligation Bonds -			
Refunding	3.75 to 4 %	\$ 9,470,000	\$ 7,285,000
Capital Outlay Notes	3.4 to 3.65	1,859,000	595,467
Other Loans	3.55 to 6.7	19,875,134	10,410,134
Other Loans	Variable	1,500,000	1,500,000

Coffee County entered into various loan agreements with the Coffee County Public Building Authority and the Blount County Public Building Authority (PBAs) to finance various capital projects for Coffee County and the discretely

presented Coffee County School Department. Under the loan agreements, the PBAs issued revenue bonds and made the proceeds available for loan to Coffee County. In addition to repaying the loans, the county pays various other fees (trustee, debt remarketing, etc.) in connection with these loans.

The following table summarizes loan agreements outstanding at June 30, 2009:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-09	Interest Type	Interest Rates as of 6-30-09	Fee Rates as of 6-30-09
Coffee County PBA:					
Series 2001A	\$ 5,800,000	\$ 735,000	Fixed	3.75 to 5 %	0 %
Series Z-4-A	4,510,000	4,435,000	Fixed	3.55 to 4	0
Series Z-6-A	5,365,143	5,240,134	Fixed	4.75	0
Blount County PBA:					
Series A-7-D	1,500,000	1,500,000	Variable	2.11	.47

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2009, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	\$ 283,133	\$ 8,695	\$ 291,828
2011	159,833	2,780	162,613
2012	50,833	5,659	56,492
2013	50,833	3,762	54,595
2014	50,835	1,882	52,717
Total	\$ 595,467	\$ 22,778	\$ 618,245

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2010	\$ 805,000	\$ 576,068	\$ 7,050	\$ 1,388,118
2011	580,000	547,165	7,050	1,134,215
2012	485,000	516,333	7,050	1,008,383
2013	815,000	496,933	5,664	1,317,597
2014	860,000	476,026	5,664	1,341,690
2015-2019	5,230,000	1,878,795	5,640	7,114,435
2020-2023	3,135,134	745,418	5,617	3,886,169
Total	\$ 11,910,134	\$ 5,236,738	\$ 43,735	\$ 17,190,607

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	\$ 1,015,000	\$ 288,025	\$ 1,303,025
2011	1,055,000	247,425	1,302,425
2012	1,095,000	205,225	1,300,225
2013	825,000	161,425	986,425
2014	860,000	128,425	988,425
2015-2018	2,435,000	187,295	2,622,295
Total	\$ 7,285,000	\$ 1,217,820	\$ 8,502,820

There is \$4,280,080 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$152, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans totaled \$412, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2008	\$ 8,280,000	\$ 914,708	\$ 9,865,000
Additions	0	0	5,365,134
Deductions	(995,000)	(319,241)	(3,320,000)
Balance, June 30, 2009	\$ 7,285,000	\$ 595,467	\$ 11,910,134
Balance Due Within One Year	\$ 1,015,000	\$ 283,133	\$ 805,000

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2008	\$ 504,903	\$ 91,890
Additions	602,564	63,564
Deductions	(559,638)	(38,987)
Balance, June 30, 2009	\$ 547,829	\$ 116,467
Balance Due Within One Year	\$ 27,393	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 20,454,897
Less: Balance Due Within One Year	(2,130,526)
Add: Unamortized Premium on Debt	135,924
Less: Deferred Amount on Refunding	<u>(246,300)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 18,213,995</u></u>

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

Advance Refunding

During the year, Coffee County advance refunded another loan issue with a separate other loan issue. The county received other loan proceeds of \$5,365,134 during the year; \$2,850,000 of these other loan proceeds were used to refund a variable rate other loan. As a result, the refunded other loan is considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next 23 years cannot be calculated due to the variable interest rates on the refunded other loan issue.

Wayside Acres Sewer Fund (enterprise fund)

The annual requirements to amortize all other loans outstanding as of June 30, 2009, including interest payments, are presented in the following table:

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2010	\$ 3,959	\$ 13,153	\$ 17,112
2011	4,128	12,984	17,112
2012	4,305	12,807	17,112
2013	4,489	12,623	17,112
2014	4,680	12,432	17,112
2015-2019	26,578	58,982	85,560
2020-2024	32,769	52,791	85,560
2025-2029	40,406	45,154	85,560
2030-2034	49,830	35,730	85,560
2035-2039	61,456	24,103	85,559
2040-2044	75,800	9,760	85,560
2045	6,084	63	6,147
Total	\$ 314,484	\$ 290,582	\$ 605,066

Changes in Long-term Liabilities

Long-term liability activity for the Wayside Acres Sewer Fund (enterprise fund) for the year ended June 30, 2009, was as follows:

Business-type Activities:

	<u>Other Loans</u>
Balance, July 1, 2008	\$ 318,220
Deductions	<u>(3,736)</u>
Balance, June 30, 2009	<u>\$ 314,484</u>
Balance Due Within One Year	<u>\$ 3,959</u>

Discretely Presented Coffee County School Department

Capital Outlay Notes

Coffee County issues capital outlay notes on behalf of the School Department to fund capital facilities and other capital outlay purchases, such as equipment.

Capital outlay notes are direct obligations and pledge the full faith and credit of the government. Capital outlay notes outstanding were issued for an original term of up to eight years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Capital outlay notes outstanding at June 30, 2009, will be retired from the General Purpose School Fund.

The capital outlay notes outstanding as of June 30, 2009, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
Capital Outlay Notes	0 to 4.07 %	\$ 872,000	\$ 657,889

The annual requirements to amortize capital outlay notes outstanding as of June 30, 2009, including interest, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	\$ 148,777	\$ 6,515	\$ 155,292
2011	151,969	3,324	155,293
2012	71,429	0	71,429
2013	71,429	0	71,429
2014	71,429	0	71,429
2015-2016	142,857	0	142,857
Total	\$ 657,889	\$ 9,839	\$ 667,728

Debt per capita for the School Department totaled \$14, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

Governmental Activities:

	Notes	Compensated Absences	Other Post-employment Benefits
Balance, July 1, 2008	\$ 732,147	\$ 34,121	\$ 720,121
Additions	0	43,268	1,142,866
Deductions	(74,258)	(36,074)	(367,816)
Balance, June 30, 2009	\$ 657,889	\$ 41,315	\$ 1,495,171
Balance Due Within One Year	\$ 148,777	\$ 33,052	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 2,194,375
Less: Balance Due Within One Year	<u>(181,829)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,012,546</u>

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

F. On-Behalf Payments – Discretely Presented Coffee County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Coffee County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2009, were \$165,825 and \$23,188, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

The county and the discretely presented Coffee County School Department issued revenue anticipation notes in advance of collections and deposited the proceeds in the General, General Debt Service, Rural Debt Service, Education Debt Service, General Purpose School, and School Federal Projects funds. These notes were necessary because funds were not available to meet fund obligations coming due before current revenue collections. Short-term debt activity for the year ended June 30, 2009, was as follows:

Fund	Balance 7-1-08	Issued	Paid	Balance 6-30-09
Primary Government:				
General	\$ 0	\$ 1,500,000	\$ (1,500,000)	\$ 0
General Debt Service	0	100,000	(100,000)	0
Rural Debt Service	0	40,000	(40,000)	0
Education Debt Service	0	10,000	(10,000)	0
Discretely Presented School Department:				
General Purpose School	0	50,000	(50,000)	0
School Federal Projects	0	255,000	(255,000)	0

V. OTHER INFORMATION

A. Risk Management

Primary Government

Coffee County (except for the Highway Department and Ambulance Service) participates in 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 pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The Highway Department's risk of loss relating to general liability, property, casualty, and workers' compensation is covered by participation in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund, which are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The Highway Department pays an annual premium to the pools for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of these pools provides for them to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims of more than \$100,000 for each insured event.

The Coffee County Ambulance Service purchases commercial insurance for the risk of losses to which it is exposed. These risks include general liability, property, casualty, and accident. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

Discretely Presented Coffee County School Department

The discretely presented Coffee County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, TCA, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

The School Department provides a self-insured dental and vision plan for all full-time employees through the General Purpose School Fund. Retirees are not allowed to participate in the program. The cost of this plan was provided by appropriations made for that purpose. Payroll deductions were made from employees' compensation for the portion of premiums relating to family coverage. The dental and vision plan provides maximum yearly benefit amounts for participants. The maximum calendar year benefit under the dental plan is \$1,500 per person. The vision plan also contains limits on benefits and the number of procedures covered by the plan. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The self-insurance program funds established claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustments and expenditures, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily

result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	End of Fiscal Year Liability
2007-08	\$ 108,769	\$ 384,705	\$ 347,106	146,368
2008-09	146,368	411,501	379,114	178,755

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments became effective for the year ended June 30, 2009.

GASB Statement No. 49 requires county governments to measure and report their pollution remediation liabilities. A county has a pollution remediation problem if one of five obligating events occurs. The statement requires governments to restate beginning net assets in government-wide and proprietary fund financial statements for pollution remediation liabilities that existed as of July 1, 2008. Previous to Statement No. 49, counties were not required to measure and record pollution remediation liabilities. GASB Statement No. 49 had no effect on the financial statements of Coffee County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Coffee County could have pollution remediation liabilities in subsequent years.

GASB Statement No. 52 requires endowments to report land and other real estate investments at fair value. Previous to Statement No. 52, land and other real estate held by endowments were reported at historical cost. Changes in fair value between years will be reported as investment income (loss). GASB Statement No. 52 had no effect on the financial statements of Coffee County for the year ended June 30, 2009, since the county had no endowment investments in land or other real estate. However, it is reasonably expected that Coffee County could have such endowment investments in subsequent years.

C. Subsequent Events

On July 15, 2009, the county entered into a \$17,125,000 loan agreement with the Coffee County Public Building Authority. As of the date of this report, the county has received loan proceeds of \$6,500,000 for school construction.

On August 13, August 20, and September 28, 2009, Coffee County received the remaining loan proceeds of \$800,000, \$1,000,000, and \$434,866, respectively, under a previously approved \$7,600,000 loan agreement with the Coffee County Public Building Authority.

On September 24, 2009, Coffee County borrowed \$500,000 on a tax anticipation note for the General Fund for temporary operating funds.

On October 1, 2009, Coffee County issued general obligation refunding bonds totaling \$1,500,000 to refund the \$1,500,000 variable rate other loans outstanding at June 30, 2009.

On November 20, 2009, the county's Other Debt Service Fund issued a \$500,000 tax anticipation note to the General Fund for temporary operating funds.

On January 27, 2010, Coffee County borrowed \$495,000 for the General Debt Service Fund and \$5,000 for the Special Debt Service Fund as tax anticipation notes for temporary operating funds.

D. Contingent Liabilities

The county was the defendant in a lawsuit filed by the city of Tullahoma and its board of education. The plaintiffs in this case were seeking reimbursement of certain sales tax proceeds that they allege to be due them as a result of Coffee County failing to follow state statute relative to the disbursement of sales tax proceeds, which are used for educational purposes. This claim requested reimbursement for the years 1987 to the present and also requests reimbursement of attorney fees and accrued interest. In October 2009, a settlement was reached between the parties for a payment totaling \$2,000,000, of which \$250,000 would be paid on or before October 1, 2010, and a final payment of \$1,750,000 to be paid on or before December 31, 2011.

The county is involved in several other pending lawsuits. However, the county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

E. Joint Venture

The Fourteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourteenth Judicial District and participating municipalities in the district. The DTF interlocal agreement was signed by the sheriff of Coffee County, and the police chiefs of the cities of Manchester and Tullahoma. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by

the district attorney general and is governed by a board of directors including the district attorney general, sheriff, and police chiefs of participating law enforcement agencies within each judicial district. Coffee County made no contributions to the DTF for the year ended June 30, 2009.

Coffee County does not have an equity interest in the above-noted joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Fourteenth Judicial District
307 South Woodland
Manchester, TN 37355

F. Jointly Governed Organization

Primary Government

The Tri-County Railroad Authority is jointly operated by Coffee County, in conjunction with Warren and White counties. The authority's board comprises the county mayor/executive 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.

Discretely Presented Coffee County School Department

The Coffee County School Department is a member of the Volunteer State Cooperative (VOLCO). The cooperative was established through a contractual agreement between the Boards of Education of Bedford County, Coffee County, Dickson County, Humphreys County, Marshall County, Fayetteville City, Manchester City, Maury County, Stewart County, and Robertson County. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Stewart County School Department) and a service provider to provide these services. The cooperative is governed by a Representative Committee, including one representative from each of the member districts, and an Executive Council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the Representative Committee. The cooperative began operations in July 1998.

G. Retirement Commitments

Employees

Plan Description

Employees of Coffee 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 Coffee 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 www.tn.gov/treasury/tcrs.

Funding Policy

Coffee 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, 2009, was 8.26 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Coffee County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, Coffee County's annual pension cost of \$1,008,995 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost

method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected postretirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Coffee 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, 2007, was 11 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-09	\$1,008,995	100%	\$0
6-30-08	1,081,150	100	0
6-30-07	996,647	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 85.28 percent funded. The actuarial accrued liability for benefits was \$24.13 million, and the actuarial value of assets was \$20.58 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.55 million. The covered payroll (annual payroll of active employees covered by the plan) was \$11.24 million, and the ratio of the UAAL to the covered payroll was 31.61 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.tn.gov/treasury/tcrs.

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, 2009, was 6.42 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, 2009, 2008, and 2007, were \$1,068,966, \$1,006,487, and \$906,105, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Plan Description

Coffee County and the Coffee County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, Tennessee Code Annotated (TCA), for local education employees and Section 8-27-207, TCA, for local governments. 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://tn.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 employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants, however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for retirees ranges from ten to 55 percent based on the years of service. During the year ended June 30, 2009, the county and the discretely presented School Department contributed \$38,987 and \$367,816, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 63,455	\$ 1,142,000
Interest on the NPO	4,134	32,406
Adjustment to the ARC	(4,025)	(31,540)
Annual OPEB cost	\$ 63,564	\$ 1,142,866
Amount of contribution	(38,987)	(367,816)
Increase/decrease in NPO	\$ 24,577	\$ 775,050
Net OPEB obligation, 7-1-08	91,890	720,121
Net OPEB obligation, 6-30-09	\$ 116,467	\$ 1,495,171

Fiscal Year Ended*	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Government Group	\$ 204,643	55 %	\$ 91,890
6-30-09	"	63,564	61	116,467
6-30-08	Local Education Group	1,124,000	36	720,121
6-30-09	"	1,142,866	32	1,495,171

* Data only available for two years

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, was as follows:

	Local Government Group Plan	Local Education Group Plan
Actuarial valuation date	7-1-07	7-1-07
Actuarial accrued liability (AAL)	\$ 502,518	\$ 9,832,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 502,518	\$ 9,832,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 7,192,986	\$ 19,838,260
UAAL as a % of covered payroll	7%	50%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear 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 July 1, 2007, actuarial valuation, the projected unit credit 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.

I. Purchasing Laws

Offices of County Mayor and Road Superintendent

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

Office of Director of Schools

Purchasing procedures for the discretely presented Coffee County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, TCA, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires

competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

VI. OTHER NOTES – PUBLIC LIBRARY FUND

A. Organization and Reporting Entity

The Coffee County Library Board is a part of the primary government of Coffee County, Tennessee. This board does not have separate legal standing from the primary government of Coffee County, Tennessee. The board was organized to administer the affairs of the Coffee County Libraries. This board is made up of seven members appointed by the Coffee County Board of Commissioners; four members from the Manchester area who act as a committee to administer the affairs of the Manchester Public Library on a monthly basis, and three members from the Tullahoma area who act as a committee to administer the affairs of the Lannom Memorial Public Library on a monthly basis. Board members are appointed for three-year terms and are eligible to serve two consecutive terms. Then, members must stay off the board for one year before being eligible to be reappointed to the board. Each library committee has one member's term expiring each year. Every third year (beginning with 1998), the terms of two members from the Manchester committee expire. The Coffee County Library Board submits a line-item budget to the Coffee County Board of Commissioners who set county appropriations to the library systems. Allocation from the primary government is the major source of revenue for the Public Library Fund.

B. Summary of Significant Accounting Policies

1. Basis of Presentation

The Coffee County Library Board is reported as a special revenue fund of Coffee County, the primary government.

2. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the liability is incurred.

3. Budgets and Budgetary Accounting

Revenues from city and county allocations are classified as appropriated funds, and all other sources of funds are classified as unappropriated funds. A budget is prepared only for the appropriated funds. Since the budget only covers selected revenues and

expenditures, it is not appropriate to present a Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual as part of the financial statements.

4. Capital Assets and Depreciation

Capital assets are reported in the government-wide Statement of Net Assets. The libraries follow the capitalization policy adopted by Coffee County. The valuation basis for capital assets is historical cost. The capitalization threshold for an individual item is \$5,000. Depreciation of capital assets is computed and recorded by the straight-line method. The estimated useful life of buildings is 40 years, improvements are 15 years, furnishings are five years, office equipment is ten years, audio visual media is three years, and books are divided into paperbacks, which have a useful life of two years, and hardbound books with a useful life of seven years.

C. Pension Plan

The employees of the Coffee County Library Board are covered under the plan covering employees of Coffee County. The Coffee County Government pays for this plan.

D. Insurance

The libraries are covered by the county for the risks of losses to which it is exposed. These risks include general liability, property and casualty, workers' compensation, and environmental. Settled claims have not exceeded commercial coverage in the past three fiscal years, and there are currently no pending lawsuits.

E. Bank Deposits

The libraries are authorized to invest in the following types of securities and indebtedness, in accordance with governing statutes:

1. Bonds, notes, treasury bills or similar types of indebtedness to the United States.
2. Non-convertible debt including Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank, and Student Loan Marketing Association.
3. Other obligations not specified above, which provide guaranteed principal and interest by the United States or any of its agencies.
4. Repurchase agreements, which involve obligations of the United States or its agencies, provided the term of the repurchase agreement does

not extend beyond the maturity date of the obligation and the market value of the security exceeds the cost of the security.

5. Money market funds invested in any of the aforementioned securities.

The carrying amount of total cash deposits (including petty cash) at June 30, 2009, is \$398,228. With the exception of petty cash, all cash deposits were entirely covered by federal depository insurance or by collateral held by the libraries' custodial banks in the libraries' name.

F. Commitments and Contingencies

Both the Coffee County Manchester Public Library and the Tullahoma Lannom Memorial Library participate in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent the libraries have not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinions of both the Coffee County Manchester Public Library and the Tullahoma Lannom Memorial Library, there are no significant contingent liabilities relating to the compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

G. Budget Variances

The libraries' actual expenditures exceeded the amount appropriated. This practice is contrary to state statutes, which require all expenditures to be authorized by the governing body.

H. Capital Assets

Changes in capital assets are summarized by major classifications for the year ended June 30, 2009, as follows:

Assets	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Land	\$ 8,050	\$ 0	\$ 0	\$ 8,050
Buildings/Improvements	1,405,297	0	0	1,405,297
Furniture and Office Equipment	92,090	0	(24,307)	67,783
Other Capital Assets	693,141	117,984	0	811,125
Total Assets	\$ 2,198,578	\$ 117,984	\$ (24,307)	\$ 2,292,255
Less: Accumulated Depreciation				
Buildings/Improvements	\$ (748,962)	\$ (15,887)	\$ 0	\$ (764,849)
Furniture and Office Equipment	(83,272)	(2,163)	20,256	(65,179)
Other Capital Assets	(614,073)	(113,510)	0	(727,583)
Total Assets	\$ (1,446,307)	\$ (131,560)	\$ 20,256	\$ (1,557,611)

VII. OTHER NOTES – DISCRETELY PRESENTED COFFEE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

The Coffee County Emergency Communications District was established on April 4, 1987, to provide an enhanced level of 911 service to the Coffee County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of address and information. It is a discretely presented component unit of Coffee County. A board of directors appointed by Coffee County runs the Coffee County Emergency Communications District. The district must file a budget with Coffee County each year. Any bond issued by the district is subject to approval by Coffee County.

The district uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board. As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the board has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989.

1. Depreciation

Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives using the straight-line

method. Depreciation begins when the capital assets are placed in service. Depreciation is summarized as follows:

	Method	Estimated Useful Life (Years)	2009 Depreciation
Buildings/Improvements	S/L	10-30	\$ 3,844
Office Equipment	S/L	5-10	5,057
Furniture and Fixtures	S/L	5-10	5,547
Communication Equipment	S/L	5-20	64,137
Total			<u>\$ 78,585</u>

2. Major Source of Revenue

The major source of operating revenue is emergency telephone and wireless surcharges. The district's nonoperating revenue consists of a grant, contributions from other governments and agencies, insurance proceeds, interest/investment income, and sales of map books.

B. Cash and Cash Investments

The following is a schedule of bank accounts at June 30, 2009:

Checking – First National Bank	\$ 87,114
Money Market – American City Bank	151,077
Investment Account – AEDC	50
Certificates of Deposit – Coffee County Bank	482,693
Certificates of Deposit – Peoples Bank	150,000
Certificates of Deposit – First National Bank	<u>211,153</u>
Total	<u>\$ 1,082,087</u>

At June 30, 2009, the carrying amount of the Coffee County Emergency Communications District's cash deposits was \$1,082,087. The district's deposit accounts are covered up to \$250,000 by the Federal Deposit Insurance Corporation. Any amounts over \$250,000 are covered by collateralization held by First National Bank and Coffee County Bank in the district's name. Peoples Bank and American City Bank are members of the Government Collateralization Pool. The district is authorized to deposit and invest funds according to the provisions of Section 5-8-301, Tennessee Code Annotated.

C. Bonding and Insurance

Coffee County Emergency Communications District had a bond covering certain members of the board at June 30, 2009. The district has liability insurance covering the building and its contents. The policy also insures

employees automobiles used in the counsel of business. The district had no settlements that exceeded the coverage for the past three years.

D. Capital Assets

The following is a schedule of capital assets at June 30, 2009:

Assets	Cost	Accumulated Depreciation	Net
Construction in Progress	\$ 50,573	\$ 0	\$ 50,573
Buildings/Improvements	\$ 117,428	\$ 80,980	\$ 36,448
Office Equipment	45,318	30,612	14,706
Furniture and Fixtures	42,903	29,003	13,900
Communication Equipment	747,865	442,165	305,700
Total	\$ 1,004,087	\$ 582,760	\$ 421,327

Assets	Balance 7-1-08	Additions	Retire- ments	Balance 6-30-09
Non-Depreciable Assets				
Construction in Progress	\$ 0	\$ 50,573	\$ 0	\$ 50,573
Depreciable Assets				
Buildings/Improvements	\$ 112,928	\$ 4,500	\$ 0	\$ 117,428
Office Equipment	48,862	0	(3,544)	45,318
Furniture and Fixtures	41,955	2,346	(1,398)	42,903
Communication Equipment	665,633	82,232	0	747,865
Subtotal	\$ 869,378	\$ 89,078	\$ (4,942)	\$ 953,514
Total	\$ 869,378	\$ 139,651	\$ (4,942)	\$ 1,004,087

E. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

F. Accounts Receivable/Due from Other Governments

The amounts due to the district from subscriber services and wireless charges include the following:

AT&T	\$ 13,768
Ben Lomand	1,420
Other Telephone Companies	2,005
Sub-total	<u>\$ 17,193</u>
State Emergency Communications Board	<u>65,731</u>
Total	<u><u>\$ 82,924</u></u>

G. Compensated Absences

There were no compensated absences as of June 30, 2009.

H. Salaries and Wages

In accordance with a contract, Coffee County provides the director and dispatcher for the district.

I. Calculation of Invested in Capital Assets

Net Book Value	\$ 421,327
Current and Noncurrent Debt	<u>0</u>
Total Invested in Capital Assets	<u><u>\$ 421,327</u></u>

J. Budgetary Information

The district must file a budget with the county each year, which must be legally adopted by the county. The budget is prepared on the accrual basis of accounting. Compliance with the legally adopted budget is required at the program level as well as the object level.

VIII. OTHER NOTES - DISCRETELY PRESENTED INDUSTRIAL BOARD OF COFFEE COUNTY

A. Summary of Significant Accounting Policies

The Industrial Board of Coffee County, Tennessee, was incorporated in 1969. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Industrial Board of Coffee County, Tennessee, Inc. The board is a discretely presented component unit of Coffee County, Tennessee (the primary government). The purpose of the board is to promote industry and develop trade for Coffee County, Tennessee. The financial statements of the Industrial Board of Coffee County, Tennessee, Inc., have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standard Board is the accepted standard-setting body for establishing governmental accounting

and financial reporting principles. The more significant of the board's accounting policies are described below:

1. **Government-wide Statements**

In the government-wide Statement of Net Assets, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The government-wide Statement of Activities reports both the gross and the net cost of the board's programs. The functions are also supported by general governmental revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function.

The board adopted the provisions of Governmental Accounting Standards Board Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which include a statement of net assets, a statement of activities and changes in net assets, and a statement of cash flows. It requires the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt – This component of net assets 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. If there are significant unspent related debt proceeds at year-end, the portion of debt is included in the same net assets component as the unspent proceeds.
- Restricted – This component of net assets consists of constraints placed on the use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

2. **Fund Financial Statements**

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). Available means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

The financial transactions of the board are reported in individual funds in the fund financial statement. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures. The board reports the following fund:

General Fund – This fund is used as the general operating fund of the board. It is used to account for all financial resources except those required to be accounted for in another fund.

The board adopts a budget for the General Fund as a management control device. The budget is adopted on a basis consistent with generally accepted accounting principles.

3. **Estimates**

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or revenues and expenses during the reporting period. Actual results could differ from those estimates.

4. **Equipment**

Equipment is stated at cost, less accumulated depreciation, which is computed by the straight-line method over an estimated useful life of five to 20 years. Major expenditures for equipment and for repairs, which substantially increase the useful lives, are capitalized. Maintenance, minor repairs, and minor acquisitions are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts, and resulting gains or losses are included in revenue or expense.

5. Cash and Cash Equivalents

For purposes of reporting cash flows, cash equivalents include all short-term highly liquid investments with maturities of three months or less.

6. Accounts Receivable

The board considers accounts receivable to be fully collectible at June 30, 2009; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged off when that determination is made.

7. Compensated Absences

There are no compensated absences to be accrued.

8. Pension Plan

The board does not provide a pension plan for its employees; however, they are covered under the plan for Coffee County.

9. Federal Income Taxes

The Industrial Board of Coffee County is exempt from federal and state income tax.

B. Cash Deposits with Financial Institutions

The board is authorized to deposit its funds in banks, trust companies, or other depositories as the board may select. Deposits are carried at cost. At year-end the carrying amount of deposits was \$850,741, and the bank balance was \$952,212. Of the banks balances, \$750,000 was covered by federal deposit insurance and \$202,212 was collateralized with securities pledged that comply with statutes as acceptable collateral.

C. Capital Assets

Property, plant, and equipment consist of various office machines and improvements, which are depreciated over five to 20 years using the straight-line method.

A summary of changes in the capital assets is as follows:

	Balance 7-1-08	Additions	Balance 6-30-09
Capital Assets Being Depreciated:			
Equipment	\$ 16,324	\$ 0	\$ 16,324
Land improvements	0	45,080	45,080
Construction in progress	0	318,585	318,585
Vehicles	199,705	0	199,705
Total Capital Assets Being Depreciated	<u>\$ 216,029</u>	<u>\$ 363,665</u>	<u>\$ 579,694</u>
Less: Accumulated Depreciation:			
Equipment	\$ (9,926)	\$ (1,644)	\$ (11,570)
Vehicles	(9,985)	(9,986)	(19,971)
Total Accumulated Depreciation	<u>\$ (19,911)</u>	<u>\$ (11,630)</u>	<u>\$ (31,541)</u>
Total	<u>\$ 196,118</u>	<u>\$ 352,035</u>	<u>\$ 548,153</u>

Depreciation expense for the year ended June 30, 2009, was \$11,630.

D. Commitments and Contingency

The board receives a substantial amount of its support from local governments. A significant reduction in the level of such support, if this were to occur, may have an effect on the board's programs and activities.

The board had entered in an agreement to build a speculative building in the City of Manchester Industrial Park. The infrastructure is to be partially paid with a Fast Tract Grant of \$750,000 obtained by the City of Manchester. The board will fund \$135,000 of the cost. These funds will be reimbursed by the city to the board upon sale of the property. The total cost of the spec building project is estimated at \$1,835,000 (not including land cost). The City of Manchester sold 10.3 acres of land for the building to the board for \$154,500. This amount is to be reimbursed when the building is sold. Payments made by the Industrial Board for infrastructure matching funds also reduce the amount of loan to the city. Funding for the project will be from loans through local banks, grant funds to the City of Manchester, DREMC loan, and TVA loan. Construction costs as of June 30, 2009, totaled \$318,585. A construction line of credit of \$100,000 was approved with the amount of funds drawn as of June 30, 2009, for \$50,000. A certificate of deposit of the Industrial Board secures the loan.

E. Note Receivable

The board has a note receivable due from an individual dated September 28, 2006, to sell 17.42 acres located in the Coffee County Interstate Industrial Park. The gross sales price was \$104,520, with \$42,000 paid to the board at closing, and a note receivable for the remainder of \$62,520. The note is due September 28, 2013, and is secured by a deed

of trust on the property. No monthly payments are due until September 28, 2010, at which time payments of \$633 will commence for not more than three years, with the remainder being due at September 28, 2013. The interest rate is 5.5 percent. The balance of the note receivable at June 30, 2009, was \$72,457.

F. Lease Agreement

The board purchased a fire truck in July 2007 for \$199,705. The truck is to be leased to Hickerson Station Fire Department, and the fire station is responsible for insurance, maintenance, and service on the truck.

IX. OTHER NOTES – DISCRETELY PRESENTED COFFEE COUNTY PUBLIC BUILDING AUTHORITY

A. Summary of Significant Accounting Policies

The Public Building Authority of Coffee County, Tennessee, was incorporated September 5, 2000. The purpose of the authority is to provide the capital resources (through the sale of bonds, notes, and other obligations) necessary to acquire, construct, reconstruct, rehabilitate, or improve facilities necessary or convenient to the operation of the related entities. In accordance with Section 12-10-108, Tennessee Code Annotated, the authority has a seven-member board of directors elected by the governing body, the County Commission of Coffee County, Tennessee, and they hold office for staggered six-year terms. As defined in GASB Statement No. 14, the authority is a legal entity that meets the definition of a component unit of Coffee County in that a financial benefit/burden relationship exists between the county and the authority.

1. Reporting Entity

The accounts of the Public Building Authority of Coffee County, Tennessee, are maintained, and the financial statements have been prepared, in conformity with recommendations of the Governmental Accounting Standards Board (GASB).

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14. There are no discretely presented component units for the authority.

2. Government-wide and Fund Financial Statements

Government-wide financial statements (i.e. Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the nonfiduciary activities of the authority and its component units.

For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Net Assets presents the authority's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

- Invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt that is attributable to the acquisition, construction, and improvement of those assets. The outstanding debt is offset by any unspent proceeds for such debt.
- Restricted net assets result from restrictions placed on net assets by external sources such as creditors, grantors and contributors, or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net assets consist of net assets, which do not meet the definition of the two preceding categories.

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 who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements; nonmajor funds are combined in a single column.

3. **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 financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 are 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

All other revenue items are considered to be measurable and available only when cash is received by the authority. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to non-vested sick pay, compensated absences, and other long-term commitments and contingencies are recorded only when payment is due.

The enterprise fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The enterprise fund operating statement presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. The enterprise fund is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when they are incurred.

The authority has adopted GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting. The authority applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions; issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The authority has elected not to apply FASB statements and interpretations issued after November 30, 1989.

Deferred revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current

period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers for goods, services or privileges provided, and fines and forfeitures, 2) operating grants and contributions, and 3) capital grants and contributions. Amounts reported as general revenues include all taxes and unrestricted revenues for the use of money or property.

Expenses reported by function include direct expenses that are specifically associated with a service or program and are clearly identifiable to a particular program. Some functions, such as general government and fiscal administration, include expenses that are in essence indirect expenses of other functions. The authority has elected not to charge these indirect expenses to other functions.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods and services in connection with the fund's principal ongoing operations and consist primarily of charges to customers or departments, cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the authority's policy to use restricted resources first, then unrestricted resources as they are needed.

The accounts of the authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are spent and the means by which spending activities are controlled. The various funds are grouped into three fund types as follows:

Governmental Fund Types

General Fund – The General Fund is the general operating fund of the authority. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Proprietary Fund Type

Enterprise Fund – Enterprise Funds are used to account for operations that (a) are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis can be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

4. Equipment

Plant and equipment are stated at cost, and depreciation is computed using the straight-line method based upon the estimated useful lives of the assets. The estimated useful lives vary from five to 40 years. Major expenditures for plant and equipment are capitalized while maintenance and repairs are expensed when incurred.

5. Interfund Receivables, Payables, and Transactions Between Funds

Short-term amounts owed between funds are classified as Due to/from Other Funds. Legally authorized transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

6. Cash and Cash Equivalents

For purposes of reporting cash flows, cash equivalents include all short-term highly liquid investments with maturities of three months or less.

7. Conference Center

During the year ended June 30, 2002, the authority completed construction of the Manchester-Coffee County Conference Center, located adjacent to the Holiday Inn in Manchester. The PBA is responsible for operating the conference center. Operations of the conference center are reported as an enterprise fund of the PBA. In an agreement with the authority, the City of Manchester and Coffee County are jointly responsible for underwriting the debt and operations of the center. Furthermore, any net profits and losses attributable to the operation of the conference center are born equally by the City of Manchester and Coffee County.

8. Bond Fund

The bond fund, a special revenue fund, is used to account for the loans made by the authority to the city and county for capital projects such as the joint industrial park, vocational rehab center, and water lines for the county. The collection of principal and interest on these loans is recorded in the bond fund.

B. Cash and Cash Equivalents

The authority is authorized to invest funds in financial institutions and direct obligations of the federal government. During 2009, the authority invested funds that are not immediately needed in certificates of deposit, savings accounts, and money market accounts. The authority's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the authority's bank in the authority's name. The carrying amount of total cash deposits (including petty cash) at June 30, 2009, was \$211,030.

C. Receivables

	<u>Governmental Funds</u>
Due from City of Manchester	\$ 1,570,000
Due from County	<u>5,170,000</u>
Total	<u><u>\$ 6,740,000</u></u>

Of the total, the PBA expects to receive \$65,000 from the City of Manchester and \$375,000 from Coffee County for bond payment within the next 12 months.

The business-type activities consist of the following receivable for the year ended June 30, 2009:

	<u>Enterprise Fund</u>
Due from City of Manchester	\$ 18,069
Due from County	18,069
Trade receivables	<u>20,703</u>
Total	<u>\$ 56,841</u>

D. Capital Assets

Governmental Funds

A summary of changes in property, plant, and equipment for the year ended June 30, 2009, follows:

Coffee County Public Building Authority:

	<u>Balance 7-1-08</u>	<u>Additions</u>	<u>Balance 6-30-09</u>
Land	\$ 25,000	\$ 0	\$ 25,000
Equipment	674	0	674
Less: accumulated depreciation - equipment	<u>(600)</u>	<u>(40)</u>	<u>(640)</u>
Net	<u>\$ 25,074</u>	<u>\$ (40)</u>	<u>\$ 25,034</u>

Depreciation expense totaled \$40 for the year ended June 30, 2009.

Proprietary Funds

A summary of changes in property, plant, and equipment for the year ended June 30, 2009, follows:

Coffee County/Manchester Conference Center (Enterprise Fund):

	Balance 7-1-08	Additions	Balance 6-30-09
Land and Buildings	\$ 2,371,319	\$ 0	\$ 2,371,319
Equipment	301,631	1,697	303,328
Total	<u>\$ 2,672,950</u>	<u>\$ 1,697</u>	<u>\$ 2,674,647</u>
Less: Accumulated Depreciation:			
Buildings	\$ (354,395)	\$ (59,283)	\$ (413,678)
Equipment	<u>(256,575)</u>	<u>(29,482)</u>	<u>(286,057)</u>
Total Accumulated Depreciation	<u>\$ (610,970)</u>	<u>\$ (88,765)</u>	<u>\$ (699,735)</u>
Net	<u>\$ 2,061,980</u>	<u>\$ (87,068)</u>	<u>\$ 1,974,912</u>

Depreciation expense totaled \$88,765 for the year ended June 30, 2009.

E. Bonds Payable

The following is a summary of the authority's bonded debt transactions for the year ended June 30, 2009:

Coffee County Public Authority:

Type	Interest Rate	Outstanding 7-1-08	Refunding/ Retirements	Outstanding 6-30-09
Bond Series 2001A	3.25 to 5 %	\$ 1,060,000	\$ (195,000)	\$ 865,000
Bonds, Taxable Series 2001B	5.8 to 6.7	185,000	(185,000)	0
Bonds, Series Z-4A	4.5 to 5	<u>5,900,000</u>	<u>(25,000)</u>	<u>5,875,000</u>
Net		<u>\$ 7,145,000</u>	<u>\$ (405,000)</u>	<u>\$ 6,740,000</u>

Annual debt service requirements for bonds, Series 2001A outstanding to maturity, including interest of \$57,445, are as follows:

Year Ending June 30	Amount
2010	\$ 452,645
2011	<u>469,800</u>
Total	<u>\$ 922,445</u>

Annual debt service requirements for bonds, Series Z-4A outstanding to maturity, including interest of \$1,964,610, are as follows:

Year Ending June 30	Amount
2010	\$ 271,412
2011	271,413
2012	661,413
2013	673,863
2014	651,412
2015-2017	2,205,122
2018-2021	<u>3,104,975</u>
Total	<u>\$ 7,839,610</u>

The City of Manchester and Coffee County are jointly responsible for the bonds payable.

F. Conduit Debt

The authority is an unauthorized conduit debt issuer under the Tennessee Local Government Alternative Loan Program (TN-LOANS Program). The authority has issued bonds as conduit debt on behalf of the City of Manchester, Tennessee, the City of Winchester, Tennessee, the City of Fayetteville, Tennessee, and the City of Lawrenceburg, Tennessee. The borrowers have guaranteed, insured, and pledged certain revenues for repayments of these bond issues. The bonds do not constitute a debt or pledge of faith and credit of the authority and, accordingly, have not been reported in the accompanying financial statements. The total conduit debt outstanding as of June 30, 2009, for all conduit bond issues is \$55,125,000.

G. Inventory

Inventory is stated at cost and includes food and supplies used by the conference center.

H. Other Revenues

Total Other Revenues for the year was \$34,967. This amount consists of a lawsuit settlement of \$27,500 that the authority was awarded during the year from the result of a legal issue and \$7,467 in various other revenues and fees.

I. Budgetary Data

Formal budgetary accounting is employed as a management control for all funds of the authority. Annual operating budgets are adopted each fiscal year through the passage of an annual budget ordinance and amended as required, and the same basis of accounting is used to reflect actual revenues

and expenditures/expenses recognized on a generally accepted accounting principles basis. Budgetary control is exercised at the departmental level.

J. Risk Financing Activities

It is the policy of the authority to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, worker's compensation, and environmental. Settled claims have not exceeded commercial coverage in the past three fiscal years, and there are currently no pending lawsuits.

K. Retirement Plan

The employees of the authority are covered under the plan covering employees of Coffee County. The Coffee County Government unit pays for this plan.

L. Allowance for Doubtful Accounts

The authority has adopted the direct write-off method to account for bad debt expense. Receivables were reviewed annually, and uncollectible accounts are currently expensed. There was no bad debt expense in 2009.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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Exhibit F-1

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances			Original	Final			
		7/1/2008	6/30/2009						
Revenues									
Local Taxes	\$ 8,503,181	\$ 0	\$ 0	\$ 8,503,181	\$ 8,620,452	\$ 8,620,452	\$ (117,271)		
Licenses and Permits	179,665	0	0	179,665	330,000	330,000	(150,335)		
Fines, Forfeitures, and Penalties	452,145	0	0	452,145	445,850	466,250	(14,105)		
Charges for Current Services	1,774,640	0	0	1,774,640	2,194,400	2,197,050	(422,410)		
Other Local Revenues	292,440	0	0	292,440	254,906	266,706	25,734		
Fees Received from County Officials	1,395,393	0	0	1,395,393	1,370,000	1,370,000	25,393		
State of Tennessee	2,031,101	0	0	2,031,101	1,812,393	1,863,193	167,908		
Federal Government	757,171	0	0	757,171	26,000	832,000	(74,829)		
Other Governments and Citizens Groups	8,689	0	0	8,689	8,850	8,850	(161)		
Total Revenues	\$ 15,394,425	\$ 0	\$ 0	\$ 15,394,425	\$ 15,062,851	\$ 15,954,501	\$ (560,076)		

Expenditures									
General Government	\$ 43,380	\$ 0	\$ 0	\$ 43,380	\$ 54,703	\$ 54,703	\$ 11,323		
County Commission	1,114	0	0	1,114	1,650	1,650	536		
Board of Equalization	25,125	0	0	25,125	26,850	26,850	1,725		
Other Boards and Committees	196,635	0	0	196,635	205,208	205,208	8,573		
County Mayor/Executive	45,199	0	0	45,199	24,800	46,800	1,601		
County Attorney	364,678	(4,636)	250	360,292	380,413	387,213	26,921		
Election Commission	77,683	(2,689)	2,082	77,076	92,260	92,260	15,184		
Register of Deeds	178,864	(8,002)	0	170,862	171,709	171,709	847		
Codes Compliance	654,598	(7,236)	13,677	661,039	709,734	723,333	62,294		
County Buildings	107,468	(4,741)	0	102,727	125,950	128,950	26,223		
Other General Administration	8	0	0	8	0	150	142		
Preservation of Records									

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		7/1/2008			Original	Final			
		Encumbrances	7/1/2008						
<u>Expenditures (Cont.)</u>									
<u>Finance</u>									
Accounting and Budgeting	\$ 308,744	\$ 0	\$ 0	\$ 308,744	\$ 319,615	\$ 319,615	\$ 10,871		
Property Assessor's Office	360,441	(330)	0	360,111	373,339	373,339	13,228		
Reappraisal Program	2,193	0	0	2,193	20,765	20,765	18,572		
County Trustee's Office	76,085	(2,514)	4,356	77,927	84,372	84,372	6,445		
County Clerk's Office	123,504	(619)	0	122,885	132,719	132,719	9,834		
<u>Administration of Justice</u>									
Circuit Court	284,725	0	550	285,275	288,123	308,523	23,248		
General Sessions Court	16,867	0	0	16,867	17,550	17,550	683		
General Sessions Judge	324,341	0	0	324,341	334,180	334,180	9,839		
Drug Court	405,457	(1,861)	0	403,596	362,747	553,619	150,023		
Chancery Court	117,003	0	322	117,325	120,810	120,810	3,485		
Judicial Commissioners	124,643	(772)	0	123,871	124,700	124,700	829		
Probation Services	206,273	0	301	206,574	233,376	234,376	27,802		
<u>Public Safety</u>									
Sheriff's Department	2,339,045	(3,126)	5,492	2,341,411	2,422,427	2,442,586	101,175		
Traffic Control	25,639	0	0	25,639	29,000	29,000	3,361		
Administration of the Sexual Offender Registry	700	0	0	700	0	1,500	800		
Jail	2,192,925	(73,922)	25,519	2,144,522	2,269,121	2,269,121	124,599		
Juvenile Services	315,831	0	2,428	318,259	346,567	346,567	28,308		
Rural Fire Protection	257,000	0	0	257,000	257,000	257,000	0		
Civil Defense	257,024	(24,743)	202	232,483	112,155	238,655	6,172		
Rescue Squad	17,000	0	0	17,000	17,000	17,000	0		
County Coroner/Medical Examiner	34,747	0	0	34,747	40,000	40,000	5,253		
Other Public Safety	758,605	0	0	758,605	785,196	785,196	26,591		

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual		Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
				Revenues/ Expenditures				
				(Budgetary Basis)	(Budgetary Basis)			
<u>Expenditures (Cont.)</u>								
<u>Public Health and Welfare</u>								
Local Health Center	\$ 642,182	\$ 0	\$ 0	\$ 642,182	\$ 727,011	\$ 727,011	\$ 84,829	
Rabies and Animal Control	87,946	0	0	87,946	98,469	98,469	10,523	
Ambulance/Emergency Medical Services	1,910,793	(600)	6,183	1,916,376	2,202,773	2,202,773	286,397	
Alcohol and Drug Programs	2,000	0	0	2,000	3,000	3,000	1,000	
Appropriation to State	92,034	0	0	92,034	95,517	95,517	3,483	
General Welfare Assistance	31,580	0	0	31,580	31,580	31,580	0	
Other Waste Disposal	16,623	0	0	16,623	64,453	64,453	47,830	
<u>Social, Cultural, and Recreational Services</u>								
Senior Citizens Assistance	168,276	0	0	168,276	156,087	181,087	12,811	
Libraries	0	0	0	0	839,645	0	0	
<u>Agriculture and Natural Resources</u>								
Agriculture Extension Service	190,917	0	0	190,917	196,720	196,720	5,803	
Soil Conservation	85,922	0	0	85,922	86,030	86,030	108	
<u>Other Operations</u>								
Industrial Development	258,258	0	0	258,258	258,258	258,258	0	
Veterans' Services	18,517	0	0	18,517	19,056	19,056	539	
Other Charges	575,387	(4,000)	0	571,387	612,786	612,786	41,399	
Contributions to Other Agencies	39,000	0	0	39,000	39,000	39,000	0	
Payments to Cities	28,500	0	0	28,500	28,500	28,500	0	
Miscellaneous	571,414	0	69,095	640,509	18,289	707,789	67,280	
Total Expenditures	\$ 14,962,893	\$ (139,791)	\$ 130,457	\$ 14,953,559	\$ 15,961,213	\$ 16,242,048	\$ 1,288,489	
<u>Excess (Deficiency) of Revenues</u>								
Over Expenditures	\$ 431,532	\$ 139,791	\$ (130,457)	\$ 440,866	\$ (898,362)	\$ (287,547)	\$ 728,413	

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
Other Financing Sources (Uses)								
Proceeds from Sale of Capital Assets	\$ 10,139	\$ 0	\$ 0	\$ 10,139	\$ 0	\$ 10,000	\$ 139	
Insurance Recovery	12,579	0	0	12,579	0	26,758	(14,179)	
Transfers Out	(839,645)	0	0	(839,645)	0	(839,645)	0	
Total Other Financing Sources (Uses)	\$ (816,927)	\$ 0	\$ 0	\$ (816,927)	\$ 0	\$ (802,887)	\$ (14,040)	
Net Change in Fund Balance	\$ (385,395)	\$ 139,791	\$ (130,457)	\$ (376,061)	\$ (898,362)	\$ (1,090,434)	\$ 714,373	
Fund Balance, July 1, 2008	2,697,491	(139,791)	0	2,557,700	1,874,915	1,874,915	682,785	
Fund Balance, June 30, 2009	\$ 2,312,096	\$ 0	\$ (130,457)	\$ 2,181,639	\$ 976,553	\$ 784,481	\$ 1,397,158	

Exhibit F-2

Coffee 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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 68,791	\$ 0	\$ 0	\$ 68,791	\$ 85,500	\$ 85,500	\$ (16,709)
Other Local Revenues	9,671	0	0	9,671	2,200	2,200	7,471
State of Tennessee	2,516,772	0	0	2,516,772	2,402,692	2,405,192	111,580
Total Revenues	\$ 2,595,234	\$ 0	\$ 0	\$ 2,595,234	\$ 2,490,392	\$ 2,492,892	\$ 102,342
Expenditures							
Highways							
Administration	\$ 226,319	\$ 0	\$ 0	\$ 226,319	\$ 235,884	\$ 235,884	\$ 9,565
Highway and Bridge Maintenance	1,477,626	(17,489)	20,000	1,480,137	1,850,287	1,850,287	370,150
Operation and Maintenance of Equipment	226,623	(2,541)	600	224,682	412,237	412,237	187,555
Other Charges	158,964	0	0	158,964	70,844	160,291	1,327
Capital Outlay	435,080	0	0	435,080	432,580	435,080	0
Total Expenditures	\$ 2,524,612	\$ (20,030)	\$ 20,600	\$ 2,525,182	\$ 3,001,832	\$ 3,093,779	\$ 568,597
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 70,622	\$ 20,030	\$ (20,600)	\$ 70,052	\$ (511,440)	\$ (600,887)	\$ 670,939
Other Financing Sources (Uses)							
Transfers In	\$ 118,972	\$ 0	\$ 0	\$ 118,972	\$ 0	\$ 118,972	\$ 0
Total Other Financing Sources (Uses)	\$ 118,972	\$ 0	\$ 0	\$ 118,972	\$ 0	\$ 118,972	\$ 0
Net Change in Fund Balance							
Fund Balance, July 1, 2008	\$ 1,439,311	\$ 20,030	\$ (20,600)	\$ 189,024	\$ (511,440)	\$ (481,915)	\$ 670,939
		(20,030)	0	1,419,281	1,419,277	1,419,277	4
Fund Balance, June 30, 2009	\$ 1,628,905	\$ 0	\$ (20,600)	\$ 1,608,305	\$ 907,837	\$ 937,362	\$ 670,943

Exhibit F-3

Coffee County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and the Discretely Presented Coffee County School Department
June 30, 2009

(Dollar amounts in thousands)

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial 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)
6-30-09	7-1-07	\$ 20,582	\$ 24,136	\$ 3,554	85.28 %	\$ 11,243	31.61 %
6-30-08	7-1-07	20,582	24,136	3,554	85.28	11,243	31.61

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 2007-08 year; therefore, data is only presented for two years.

Exhibit F-4

Coffee County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and the Discretely Presented Coffee County School Department
June 30, 2009

(Dollar amounts in thousands)

Plans	Fiscal Year Ended*	Actuarial Valuation Date	Actuarial			Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
			Actuarial Value of Assets (a)	Accrued Liability (AAL) (b)	AAL (UAAL) (b)-(a)				
Local Government Group	6-30-08	7-1-07	\$ 0	\$ 1,645	\$ 1,645	0 %	\$ 7,319	22 %	
"	6-30-09	7-1-07	0	1,645	1,645	0	7,319	22	
Local Education Group	6-30-08	7-1-07	0	9,666	9,666	0	20,180	48	
"	6-30-09	7-1-07	0	9,666	9,666	0	20,180	48	

*Data only available for two years.

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COFFEE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2009

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

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

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

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Nonmajor Governmental Funds

Special Revenue Funds

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

Public Library Fund – The Public Library Fund is used to account for the transactions of the Coffee County Public Libraries.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for the transactions relating to the disposal of solid waste.

Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for revenues and expenditures associated with the Coffee County Joint Industrial Park. This fund closed during the year.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for a special property tax levied on the Interstate Industrial Park to provide city services for the park.

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

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenues for the benefit of the Office of District Attorney General.

Commissary Fund – The Commissary Fund is used to account for transactions of the commissary operation administered by the Sheriff's Office.

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.

Debt Service Funds

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

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

Rural Debt Service Fund – The Rural 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 of school projects outside the territorial limits of the Special School District.

Education Debt Service Fund – The Education Debt Service Fund is used to account for the accumulation of resources for, and the retirement of, bonds issued for improvements to the county’s senior high school.

Other Debt Service Fund – The Other 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 of future school construction and renovation projects to be financed with the second-half of the additional three-fourths cent sales tax approved in 2007.

Capital Projects Funds

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county. The remaining balance in this fund represents unexpended bond proceeds to be used for various projects including renovation of the justice center, construction of a workhouse at the jail, and construction of water and sewer lines in the rural areas of the county.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for debt proceeds issued by Coffee County that are contributed to the Coffee County School Department.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for expenditures related to the acquisition and repair of capital assets of the Coffee County Ambulance Department.

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Exhibit G-1

Coffee County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2009

Special Revenue Funds									
	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Commissary	Constitutional Officers - Fees	Total	
\$	398,228	0	0	0	0	4,828	433,508	836,564	
	0	904,338	141,556	518,424	98,101	42,154	0	1,704,573	
	0	0	0	0	0	6,555	0	6,555	
	0	65,892	0	0	0	0	8,715	74,607	
	0	39,039	0	0	0	0	0	39,039	
	0	850,007	149,836	0	0	0	0	999,843	
	0	(45,450)	(29,322)	0	0	0	0	(74,772)	
\$	398,228	1,813,826	262,070	518,424	98,101	53,537	442,223	3,586,409	

ASSETS

Cash	
Equity in Pooled Cash and Investments	
Inventories	
Accounts Receivable	
Due to Other Governments	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	
Total Assets	

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts Payable	
Payroll Deductions Payable	
Due to Other Funds	
Due to State of Tennessee	
Due to Litigants, Heirs, and Others	
Deferred Revenue - Current Property Taxes	
Deferred Revenue - Delinquent Property Taxes	
Other Deferred Revenues	
Total Liabilities	
Fund Balances	
Reserved for Encumbrances	
Reserved for Inventory	
Unreserved	
Total Fund Balances	
Total Liabilities and Fund Balances	

(Continued)

Exhibit G-1

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

	Debt Service Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	General Debt Service	Rural Debt Service	Education Debt Service	Other Debt Service -	General Capital Projects	Other Capital Projects	Total	
\$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	836,564
Equity in Pooled Cash and Investments	268,247	210,013	231,260	765,206	1,474,726	318,222	120,140	438,362
Inventories	0	0	0	0	0	0	0	0
Accounts Receivable	39	0	0	0	39	0	0	74,646
Due from Other Governments	0	106,777	0	111,227	218,004	80,084	0	80,084
Property Taxes Receivable	645,908	485,719	471,010	0	1,602,637	0	0	337,127
Allowance for Uncollectible Property Taxes	(15,150)	(25,971)	(17,314)	0	(58,435)	0	0	2,602,480
Total Assets	\$ 899,044	\$ 776,538	\$ 684,956	\$ 876,433	\$ 3,236,971	\$ 398,306	\$ 120,140	\$ 518,446

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Inventories
 Accounts Receivable
 Due from Other Governments
 Property Taxes Receivable
 Allowance for Uncollectible Property Taxes
 Total Assets

LIABILITIES AND FUND BALANCES

	General Debt Service	Rural Debt Service	Education Debt Service	Other Debt Service -	General Capital Projects	Other Capital Projects	Total	Total Nonmajor Governmental Funds
\$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	13,569
Accounts Payable	0	0	0	0	0	0	0	3,998
Payroll Deductions Payable	0	0	0	0	0	0	0	165,738
Due to Other Funds	0	0	0	0	0	0	0	266
Due to State of Tennessee	0	0	0	0	0	0	0	4,828
Due to Litigants, Heirs, and Others	0	0	0	0	0	0	0	2,338,784
Deferred Revenue - Current Property Taxes	612,705	428,799	433,063	0	1,474,567	0	0	124,241
Deferred Revenue - Delinquent Property Taxes	16,303	29,796	19,304	0	65,403	0	0	78,340
Other Deferred Revenues	0	25,755	0	26,829	52,584	19,317	0	19,317
Total Liabilities	\$ 629,008	\$ 484,350	\$ 452,367	\$ 26,829	\$ 1,592,554	\$ 19,317	\$ 0	\$ 2,729,764
Fund Balances								
Reserved for Encumbrances	0	0	0	0	0	95,000	65,300	160,300
Reserved for Inventory	0	0	0	0	0	0	0	0
Unreserved	270,036	292,188	232,589	849,604	1,644,417	283,989	54,840	338,829
Total Fund Balances	\$ 270,036	\$ 292,188	\$ 232,589	\$ 849,604	\$ 1,644,417	\$ 378,989	\$ 120,140	\$ 499,129
Total Liabilities and Fund Balances	\$ 899,044	\$ 776,538	\$ 684,956	\$ 876,433	\$ 3,236,971	\$ 398,306	\$ 120,140	\$ 518,446

Exhibit G-2

Coffee County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2009

	Special Revenue Funds					
	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Local Purpose Tax	Drug Control	District Attorney General
<u>Revenues</u>						
Local Taxes	0	1,126,988	0	135,897	0	0
Licenses and Permits	0	5,840	0	0	0	0
Fines, Forfeitures, and Penalties	0	0	0	0	328,860	0
Charges for Current Services	86,086	65,074	0	0	0	0
Other Local Revenues	6,958	40,661	5,296	0	2,000	120
State of Tennessee	0	102,471	0	0	40,054	0
Other Governments and Citizens Groups	30,223	0	0	0	475	28,159
Total Revenues	\$ 123,267	\$ 1,341,034	\$ 5,296	\$ 135,897	\$ 371,389	\$ 28,279
<u>Expenditures</u>						
Current:						
General Government	0	0	0	0	0	0
Finance	0	0	0	0	0	0
Administration of Justice	0	0	0	0	0	52,457
Public Safety	0	0	0	0	104,193	0
Public Health and Welfare	0	1,104,547	0	0	0	0
Social, Cultural, and Recreational Services	923,094	0	0	0	0	0
Other Operations	0	20,555	9,968	154,518	0	0
Debt Service:						
Principal on Debt	0	0	0	22,500	0	0
Interest on Debt	0	0	0	5,256	0	0
Other Debt Service	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0
Capital Projects - Donated	0	0	0	0	0	0
Total Expenditures	\$ 923,094	\$ 1,125,102	\$ 9,968	\$ 182,274	\$ 104,193	\$ 52,457
Excess (Deficiency) of Revenues Over Expenditures	\$ (799,827)	\$ 215,932	\$ (4,672)	\$ (46,377)	\$ 267,196	\$ (24,178)
Other Financing Sources (Uses)						
Other Loans Issued	0	0	0	0	0	0
Transfers In	839,645	0	0	0	0	0

(Continued)

Exhibit G-2

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

	Special Revenue Funds						District Attorney General
	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Local Purpose Tax	Drug Control		
\$	0	\$ 0	\$ (15,281)	\$ 0	\$ 0	\$ 0	0
\$	839,645	\$ 0	\$ (15,281)	\$ 0	\$ 0	\$ 0	0
\$	39,818	\$ 215,932	\$ (19,953)	\$ (46,377)	\$ 267,196	\$ (24,178)	
	349,180	782,372	19,953	187,933	251,228	121,737	
\$	388,998	\$ 998,304	\$ 0	\$ 141,556	\$ 518,424	\$ 97,559	

Other Financing Sources (Uses) (Cont.)
 Transfers Out
 Total Other Financing Sources (Uses)

Net Change in Fund Balances
 Fund Balance, July 1, 2008

Fund Balance, June 30, 2009

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)			Debt Service Funds		
	Commissary	Constitutional Officers - Fees	Total	General Debt Service	Rural Debt Service	Education Debt Service
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 1,262,885	\$ 701,866	\$ 768,878	\$ 439,943
Licenses and Permits	0	0	5,840	0	0	0
Fines, Forfeitures, and Penalties	0	0	328,860	0	0	0
Charges for Current Services	6,673	1,388,144	1,545,977	0	0	0
Other Local Revenues	80,108	0	135,143	337,343	0	0
State of Tennessee	0	0	142,525	0	0	0
Other Governments and Citizens Groups	0	0	58,857	0	0	0
Total Revenues	\$ 86,781	\$ 1,388,144	\$ 3,480,087	\$ 1,039,209	\$ 768,878	\$ 439,943
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 173,711	\$ 173,711	\$ 0	\$ 0	\$ 0
Finance	0	435,047	435,047	0	0	0
Administration of Justice	0	785,779	838,236	0	0	0
Public Safety	91,184	109	195,486	0	0	0
Public Health and Welfare	0	0	1,104,547	0	0	0
Social, Cultural, and Recreational Services	0	0	923,094	0	0	0
Other Operations	0	0	185,041	0	0	0
Debt Service:						
Principal on Debt	0	0	22,500	869,000	449,408	290,000
Interest on Debt	0	0	5,256	373,099	165,589	148,025
Other Debt Service	0	0	0	20,946	12,612	9,251
Capital Projects	0	0	0	0	0	0
Capital Projects - Donated	0	0	0	0	0	0
Total Expenditures	\$ 91,184	\$ 1,394,646	\$ 3,882,918	\$ 1,263,045	\$ 627,609	\$ 447,276
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,403)	\$ (6,502)	\$ (402,831)	\$ (223,836)	\$ 141,269	\$ (7,333)
<u>Other Financing Sources (Uses)</u>						
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	0	0	839,645	181,626	0	0

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)			Debt Service Funds		
	Constitutional Officers Fees	Total		General Debt Service	Rural Debt Service	Education Debt Service
Transfers Out	\$ 0	\$ 0	(15,281)	\$ 0	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ 0	\$ 824,364	\$ 181,626	\$ 181,626	\$ 0	\$ 0
Net Change in Fund Balances	\$ (4,403)	\$ (6,502)	\$ 421,533	\$ (42,210)	\$ 141,269	\$ (7,333)
Fund Balance, July 1, 2008	51,593	282,987	2,046,983	312,246	150,919	239,922
Fund Balance, June 30, 2009	\$ 47,190	\$ 276,485	\$ 2,468,516	\$ 270,036	\$ 292,188	\$ 232,589

Exhibit G-2

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

	Debt Service Funds						Total Nonmajor Governmental Funds
	(Cont.)		Capital Projects Funds			Total	
	Other Debt Service -	Total	General Capital Projects	Education Capital Projects	Other Capital Projects		
<u>Revenues</u>							
Local Taxes	\$ 334,503	\$ 2,245,190	\$ 240,842	\$ 0	\$ 0	\$ 240,842	\$ 3,748,917
Licenses and Permits	0	0	0	0	0	0	5,840
Fines, Forfeitures, and Penalties	0	0	0	0	0	0	328,860
Charges for Current Services	0	0	0	0	145,000	145,000	1,690,977
Other Local Revenues	0	337,343	0	0	2,400	2,400	474,886
State of Tennessee	0	0	35,658	0	0	35,658	178,183
Other Governments and Citizens Groups	0	0	0	0	0	0	58,857
<u>Total Revenues</u>	\$ 334,503	\$ 2,582,533	\$ 276,500	\$ 0	\$ 147,400	\$ 423,900	\$ 6,486,520
<u>Expenditures</u>							
Current:							
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 173,711
Finance	0	0	0	0	0	0	435,047
Administration of Justice	0	0	0	0	0	0	838,236
Public Safety	0	0	0	0	0	0	195,486
Public Health and Welfare	0	0	0	0	40,781	40,781	1,145,328
Social, Cultural, and Recreational Services	0	0	0	0	0	0	923,094
Other Operations	0	0	0	0	0	0	185,041
Debt Service:							
Principal on Debt	0	1,608,408	0	0	28,333	28,333	1,659,241
Interest on Debt	0	686,713	0	0	6,619	6,619	698,588
Other Debt Service	3,377	46,186	0	0	0	0	46,186
Capital Projects	0	0	372,438	0	0	372,438	372,438
Capital Projects - Donated	0	0	0	1,500,000	0	1,500,000	1,500,000
<u>Total Expenditures</u>	\$ 3,377	\$ 2,341,307	\$ 372,438	\$ 1,500,000	\$ 75,733	\$ 1,948,171	\$ 8,172,396
Excess (Deficiency) of Revenues Over Expenditures	\$ 331,126	\$ 241,226	\$ (95,938)	\$ (1,500,000)	\$ 71,667	\$ (1,524,271)	\$ (1,685,876)
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 1,500,000	\$ 0	\$ 1,500,000	\$ 1,500,000
Transfers In	0	181,626	0	0	0	0	1,021,271

(Continued)

Exhibit G-2

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

	Debt Service Funds (Cont.)		Capital Projects Funds				Total Nonmajor Governmental Funds
	Other Debt Service -	Total	General Capital Projects	Education Capital Projects	Other Capital Projects	Total	
Other Financing Sources (Uses) (Cont.)							
Transfers Out	\$ 0 \$	0 \$	(285,317) \$	0 \$	0 \$	0 \$	(285,317) \$
Total Other Financing Sources (Uses)	\$ 0 \$	181,626 \$	(285,317) \$	1,500,000 \$	0 \$	0 \$	1,214,683 \$
Net Change in Fund Balances	\$ 331,126 \$	422,852 \$	(381,255) \$	0 \$	71,667 \$	(309,588) \$	534,797
Fund Balance, July 1, 2008	518,478	1,221,565	760,244	0	48,473	808,717	4,077,265
Fund Balance, June 30, 2009	\$ 849,604 \$	1,644,417 \$	378,989 \$	0 \$	120,140 \$	499,129 \$	4,612,062

Exhibit G-3

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,126,988	\$ 0	\$ 0	\$ 1,126,988	\$ 1,080,235	\$ 1,080,235	\$ 46,753
Licenses and Permits	5,840	0	0	5,840	6,000	6,000	(160)
Charges for Current Services	65,074	0	0	65,074	111,953	111,953	(46,879)
Other Local Revenues	40,661	0	0	40,661	45,050	45,050	(4,389)
State of Tennessee	102,471	0	0	102,471	74,509	74,509	27,962
Total Revenues	\$ 1,341,034	\$ 0	\$ 0	\$ 1,341,034	\$ 1,317,747	\$ 1,317,747	\$ 23,287
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Management	\$ 152,115	(400)	568	152,283	164,101	164,101	11,818
Waste Pickup	603,160	0	0	603,160	708,158	708,158	104,998
Convenience Centers	261,968	(758)	0	261,210	313,212	313,212	52,002
Other Waste Collection	87,304	0	0	87,304	101,453	101,453	14,149
Other Waste Disposal	0	0	0	0	4,500	4,500	4,500
<u>Other Operations</u>							
Other Charges	20,555	0	0	20,555	24,422	24,422	3,867
Total Expenditures	\$ 1,125,102	\$ (1,158)	\$ 568	\$ 1,124,512	\$ 1,315,846	\$ 1,315,846	\$ 191,334
Excess (Deficiency) of Revenues Over Expenditures	\$ 215,932	\$ 1,158	\$ (568)	\$ 216,522	\$ 1,901	\$ 1,901	\$ 214,621
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 215,932	\$ 1,158	\$ (568)	\$ 216,522	\$ 1,901	\$ 1,901	\$ 214,621
	782,372	(1,158)	0	781,214	805,120	805,120	(23,906)
Fund Balance, June 30, 2009	\$ 998,304	\$ 0	\$ (568)	\$ 997,736	\$ 807,021	\$ 807,021	\$ 190,715

Exhibit G-4

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Industrial/Economic Development Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 5,296 \$	0 \$	5,296 \$	5,585 \$	5,585 \$	(289)
Total Revenues	\$ 5,296 \$	0 \$	5,296 \$	5,585 \$	5,585 \$	(289)
<u>Expenditures</u>						
Other Operations						
Industrial Development	\$ 9,968 \$	(2,950) \$	7,018 \$	2,450 \$	8,950 \$	1,932
Total Expenditures	\$ 9,968 \$	(2,950) \$	7,018 \$	2,450 \$	8,950 \$	1,932
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,672) \$	2,950 \$	(1,722) \$	3,135 \$	(3,365) \$	1,643
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (15,281) \$	0 \$	(15,281) \$	0 \$	(13,638) \$	(1,643)
Total Other Financing Sources (Uses)	\$ (15,281) \$	0 \$	(15,281) \$	0 \$	(13,638) \$	(1,643)
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (19,953) \$	2,950 \$	(17,003) \$	3,135 \$	(17,003) \$	0
	19,953	(2,950)	17,003	17,003	17,003	0
Fund Balance, June 30, 2009	\$ 0 \$	0 \$	0 \$	20,138 \$	0 \$	0

Exhibit G-5

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 135,897 \$	0 \$	135,897 \$	127,563 \$	127,563 \$	8,334
Total Revenues	\$ 135,897 \$	0 \$	135,897 \$	127,563 \$	127,563 \$	8,334
<u>Expenditures</u>						
<u>Other Operations</u>						
Industrial Development	\$ 154,518 \$	(77,600) \$	76,918 \$	79,000 \$	79,000 \$	2,082
Principal on Debt						
General Government	22,500	0	22,500	22,500	22,500	0
Interest on Debt	5,256	0	5,256	5,266	5,266	10
General Government	\$ 182,274 \$	(77,600) \$	104,674 \$	106,766 \$	106,766 \$	2,092
Total Expenditures						
Excess (Deficiency) of Revenues Over Expenditures	\$ (46,377) \$	77,600 \$	31,223 \$	20,797 \$	20,797 \$	10,426
Net Change in Fund Balance	\$ (46,377) \$	77,600 \$	31,223 \$	20,797 \$	20,797 \$	10,426
Fund Balance, July 1, 2008	187,933	(77,600)	110,333	110,333	110,333	0
Fund Balance, June 30, 2009	\$ 141,556 \$	0 \$	141,556 \$	131,130 \$	131,130 \$	10,426

Exhibit G-6

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 328,860	\$ 115,000	\$ 115,000	\$ 213,860
Other Local Revenues	2,000	0	0	2,000
State of Tennessee	40,054	0	25,950	14,104
Federal Government	0	5,000	5,000	(5,000)
Other Governments and Citizens Groups	475	0	0	475
Total Revenues	<u>\$ 371,389</u>	<u>\$ 120,000</u>	<u>\$ 145,950</u>	<u>\$ 225,439</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 104,193	\$ 97,200	\$ 123,150	\$ 18,957
Total Expenditures	<u>\$ 104,193</u>	<u>\$ 97,200</u>	<u>\$ 123,150</u>	<u>\$ 18,957</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 267,196</u>	<u>\$ 22,800</u>	<u>\$ 22,800</u>	<u>\$ 244,396</u>
Net Change in Fund Balance	\$ 267,196	\$ 22,800	\$ 22,800	\$ 244,396
Fund Balance, July 1, 2008	<u>251,228</u>	<u>251,227</u>	<u>251,227</u>	<u>1</u>
Fund Balance, June 30, 2009	<u><u>\$ 518,424</u></u>	<u><u>\$ 274,027</u></u>	<u><u>\$ 274,027</u></u>	<u><u>\$ 244,397</u></u>

Exhibit G-7

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Commissary Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 6,673 \$	0 \$	0 \$	6,673 \$	8,500 \$	8,500 \$	(1,827)
Other Local Revenues	80,108	0	0	80,108	103,000	103,000	(22,892)
Total Revenues	\$ 86,781 \$	0 \$	0 \$	86,781 \$	111,500 \$	111,500 \$	(24,719)
<u>Expenditures</u>							
<u>Public Safety</u>							
Commissary	\$ 91,184 \$	(913) \$	630 \$	90,901 \$	105,918 \$	105,918 \$	15,017
Total Expenditures	\$ 91,184 \$	(913) \$	630 \$	90,901 \$	105,918 \$	105,918 \$	15,017
<u>Excess (Deficiency) of Revenues Over Expenditures</u>							
	\$ (4,403) \$	913 \$	(630) \$	(4,120) \$	5,582 \$	5,582 \$	(9,702)
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2008	\$ 51,593	(913)	0	50,680	50,680	50,680	0
Fund Balance, June 30, 2009	\$ 47,190 \$	0 \$	(630) \$	46,560 \$	56,262 \$	56,262 \$	(9,702)

Exhibit G-8

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 701,866	\$ 665,493	\$ 665,493	\$ 36,373
Other Local Revenues	337,343	537,944	537,944	(200,601)
Total Revenues	<u>\$ 1,039,209</u>	<u>\$ 1,203,437</u>	<u>\$ 1,203,437</u>	<u>\$ (164,228)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 869,000	\$ 869,000	\$ 869,000	\$ 0
<u>Interest on Debt</u>				
General Government	373,099	390,818	390,818	17,719
<u>Other Debt Service</u>				
General Government	20,946	24,000	24,000	3,054
Total Expenditures	<u>\$ 1,263,045</u>	<u>\$ 1,283,818</u>	<u>\$ 1,283,818</u>	<u>\$ 20,773</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (223,836)</u>	<u>\$ (80,381)</u>	<u>\$ (80,381)</u>	<u>\$ (143,455)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 181,626	\$ 0	\$ 181,626	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 181,626</u>	<u>\$ 0</u>	<u>\$ 181,626</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (42,210)	\$ (80,381)	\$ 101,245	\$ (143,455)
Fund Balance, July 1, 2008	312,246	311,748	311,748	498
Fund Balance, June 30, 2009	<u>\$ 270,036</u>	<u>\$ 231,367</u>	<u>\$ 412,993</u>	<u>\$ (142,957)</u>

Exhibit G-9

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural Debt Service Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 768,878	\$ 816,877	\$ 816,877	\$ (47,999)
Total Revenues	\$ 768,878	\$ 816,877	\$ 816,877	\$ (47,999)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 449,408	\$ 549,408	\$ 549,408	\$ 100,000
<u>Interest on Debt</u>				
Education	165,589	242,300	242,300	76,711
<u>Other Debt Service</u>				
General Government	0	16,000	0	0
Education	12,612	0	16,000	3,388
Total Expenditures	\$ 627,609	\$ 807,708	\$ 807,708	\$ 180,099
Excess (Deficiency) of Revenues Over Expenditures	\$ 141,269	\$ 9,169	\$ 9,169	\$ 132,100
Net Change in Fund Balance	\$ 141,269	\$ 9,169	\$ 9,169	\$ 132,100
Fund Balance, July 1, 2008	150,919	149,561	149,561	1,358
Fund Balance, June 30, 2009	\$ 292,188	\$ 158,730	\$ 158,730	\$ 133,458

Exhibit G-10

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Debt Service Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 439,943	\$ 435,475	\$ 435,475	\$ 4,468
Total Revenues	\$ 439,943	\$ 435,475	\$ 435,475	\$ 4,468
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 290,000	\$ 290,000	\$ 290,000	\$ 0
<u>Interest on Debt</u>				
Education	148,025	148,025	148,025	0
<u>Other Debt Service</u>				
General Government	0	12,200	0	0
Education	9,251	0	12,200	2,949
Total Expenditures	\$ 447,276	\$ 450,225	\$ 450,225	\$ 2,949
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,333)	\$ (14,750)	\$ (14,750)	\$ 7,417
Net Change in Fund Balance	\$ (7,333)	\$ (14,750)	\$ (14,750)	\$ 7,417
Fund Balance, July 1, 2008	239,922	238,504	238,504	1,418
Fund Balance, June 30, 2009	\$ 232,589	\$ 223,754	\$ 223,754	\$ 8,835

Exhibit G-11

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Debt Service Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 334,503	\$ 360,809	\$ 360,809	\$ (26,306)
Total Revenues	\$ 334,503	\$ 360,809	\$ 360,809	\$ (26,306)
<u>Expenditures</u>				
<u>Other Debt Service</u>				
General Government	\$ 0	\$ 4,500	\$ 0	\$ 0
Education	3,377	0	4,500	1,123
Total Expenditures	\$ 3,377	\$ 4,500	\$ 4,500	\$ 1,123
Excess (Deficiency) of Revenues Over Expenditures	\$ 331,126	\$ 356,309	\$ 356,309	\$ (25,183)
Net Change in Fund Balance	\$ 331,126	\$ 356,309	\$ 356,309	\$ (25,183)
Fund Balance, July 1, 2008	518,478	518,478	518,478	0
Fund Balance, June 30, 2009	\$ 849,604	\$ 874,787	\$ 874,787	\$ (25,183)

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Major Governmental Fund

Special Debt Service Fund

The Special 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 of future school construction and renovation projects to be financed with the first-half of the additional three-fourths cent sales tax approved in 2007.

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Exhibit H

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Debt Service Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,339,175	\$ 1,365,387	\$ 1,365,387	\$ (26,212)
Total Revenues	\$ 1,339,175	\$ 1,365,387	\$ 1,365,387	\$ (26,212)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 125,000	\$ 0	\$ 125,000	\$ 0
<u>Interest on Debt</u>				
Education	144,489	0	165,000	20,511
<u>Other Debt Service</u>				
General Government	0	15,000	0	0
Education	127,235	0	128,800	1,565
<u>Capital Projects - Donated</u>				
Capital Projects Donated to School Department	875,836	0	875,836	0
Total Expenditures	\$ 1,272,560	\$ 15,000	\$ 1,294,636	\$ 22,076
Excess (Deficiency) of Revenues Over Expenditures	\$ 66,615	\$ 1,350,387	\$ 70,751	\$ (4,136)
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 0	\$ 71,095	\$ 0	\$ 0
Premiums on Debt Issued	45,597	0	45,597	0
Other Loans Issued	3,865,134	0	3,936,230	(71,096)
Payments to Refunded Debt Escrow Agent	(2,850,000)	0	(2,850,000)	0
Total Other Financing Sources (Uses)	\$ 1,060,731	\$ 71,095	\$ 1,131,827	\$ (71,096)
Net Change in Fund Balance	\$ 1,127,346	\$ 1,421,482	\$ 1,202,578	\$ (75,232)
Fund Balance, July 1, 2008	1,508,317	1,364,444	1,364,444	143,873
Fund Balance, June 30, 2009	\$ 2,635,663	\$ 2,785,926	\$ 2,567,022	\$ 68,641

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Fiduciary Funds

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

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

City School ADA - Tullahoma Fund – The City School ADA - Tullahoma Fund is used to account for the Tullahoma City School's share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis.

City School ADA - Manchester Fund – The City School ADA - Manchester Fund is used to account for the Manchester City School's share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis.

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

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues held in trust for the benefit of the Fourteenth Judicial District Drug Task Force.

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Exhibit I-1

Coffee County, Tennessee
 Combining Statement of Fiduciary Assets and Liabilities
 Fiduciary Funds
 June 30, 2009

	Agency Funds							Total
	City		City		Constitu- tional Officers - Agency	Judicial District Drug Fund		
	Cities - Sales Tax	School ADA- Tulahoma Fund	School ADA- Manchester Fund	School ADA- Manchester Fund				
ASSETS								
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,672,914	\$ 0	\$ 0	\$ 1,672,914
Equity in Pooled Cash and Investments	0	48,662	20,643	0	0	261,220	0	330,525
Due from Other Governments	1,164,314	403	171	0	0	29,611	0	1,194,499
Property Taxes Receivable	0	5,104,793	2,164,326	0	0	0	0	7,269,119
Allowance for Uncollectible Property Taxes	0	(118,760)	(49,929)	0	0	0	0	(168,689)
Total Assets	\$ 1,164,314	\$ 5,035,098	\$ 2,135,211	\$ 1,672,914	\$ 1,672,914	\$ 290,831	\$ 290,831	\$ 10,298,368
LIABILITIES								
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 338	\$ 338	\$ 338
Payroll Deductions Payable	0	0	0	0	0	1,326	1,326	1,326
Due to State of Tennessee	0	0	0	0	0	78	78	78
Due to Other Taxing Units	1,164,314	5,035,098	2,135,211	0	0	0	0	8,334,623
Due to Litigants, Heirs, and Others	0	0	0	1,672,914	0	0	0	1,672,914
Due to Joint Ventures	0	0	0	0	0	289,089	289,089	289,089
Total Liabilities	\$ 1,164,314	\$ 5,035,098	\$ 2,135,211	\$ 1,672,914	\$ 1,672,914	\$ 290,831	\$ 290,831	\$ 10,298,368

Exhibit I-2

Coffee County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2009

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 13,031,016	\$ 13,031,016	\$ 0
Due from Other Governments	2,117,378	1,164,314	2,117,378	1,164,314
Total Assets	\$ 2,117,378	\$ 14,195,330	\$ 15,148,394	\$ 1,164,314
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,117,378	\$ 14,195,330	\$ 15,148,394	\$ 1,164,314
Total Liabilities	\$ 2,117,378	\$ 14,195,330	\$ 15,148,394	\$ 1,164,314
<u>City School ADA-Tulahoma Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 37,390	\$ 4,719,338	\$ 4,708,066	\$ 48,662
Due from Other Governments	836	403	836	403
Property Taxes Receivable	4,906,854	5,104,793	4,906,854	5,104,793
Allowance for Uncollectible Property Taxes	(125,612)	125,612	118,760	(118,760)
Total Assets	\$ 4,819,468	\$ 9,950,146	\$ 9,734,516	\$ 5,035,098
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 4,819,468	\$ 9,950,146	\$ 9,734,516	\$ 5,035,098
Total Liabilities	\$ 4,819,468	\$ 9,950,146	\$ 9,734,516	\$ 5,035,098
<u>City School ADA-Manchester Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 15,545	\$ 2,002,353	\$ 1,997,255	\$ 20,643
Due from Other Governments	348	171	348	171
Property Taxes Receivable	2,042,142	2,164,326	2,042,142	2,164,326
Allowance for Uncollectible Property Taxes	(51,371)	51,371	49,929	(49,929)
Total Assets	\$ 2,006,664	\$ 4,218,221	\$ 4,089,674	\$ 2,135,211
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,006,664	\$ 4,218,221	\$ 4,089,674	\$ 2,135,211
Total Liabilities	\$ 2,006,664	\$ 4,218,221	\$ 4,089,674	\$ 2,135,211
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,352,795	\$ 10,828,019	\$ 10,507,900	\$ 1,672,914
Total Assets	\$ 1,352,795	\$ 10,828,019	\$ 10,507,900	\$ 1,672,914
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,352,795	\$ 10,828,019	\$ 10,507,900	\$ 1,672,914
Total Liabilities	\$ 1,352,795	\$ 10,828,019	\$ 10,507,900	\$ 1,672,914

(Continued)

Exhibit I-2

Coffee County, Tennessee
 Combining Statement of Changes in Assets and
 Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
Judicial District Drug Fund				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 242,883	\$ 393,785	\$ 375,448	\$ 261,220
Due from Other Governments	0	29,611	0	29,611
Total Assets	\$ 242,883	\$ 423,396	\$ 375,448	\$ 290,831
<u>Liabilities</u>				
Accounts Payable	\$ 24	\$ 338	\$ 24	\$ 338
Payroll Deductions Payable	241	1,326	241	1,326
Due to Other Funds	2,155	0	2,155	0
Due to State of Tennessee	61	78	61	78
Due to Joint Ventures	240,402	421,654	372,967	289,089
Total Liabilities	\$ 242,883	\$ 423,396	\$ 375,448	\$ 290,831
Totals - All Agency Funds				
<u>Assets</u>				
Cash	\$ 1,352,795	\$ 10,828,019	\$ 10,507,900	\$ 1,672,914
Equity in Pooled Cash and Investments	295,818	20,146,492	20,111,785	330,525
Due from Other Governments	2,118,562	1,194,499	2,118,562	1,194,499
Property Taxes Receivable	6,948,996	7,269,119	6,948,996	7,269,119
Allowance for Uncollectible Property Taxes	(176,983)	176,983	168,689	(168,689)
Total Assets	\$ 10,539,188	\$ 39,615,112	\$ 39,855,932	\$ 10,298,368
<u>Liabilities</u>				
Accounts Payable	\$ 24	\$ 338	\$ 24	\$ 338
Payroll Deductions Payable	241	1,326	241	1,326
Due to Other Funds	2,155	0	2,155	0
Due to State of Tennessee	61	78	61	78
Due to Other Taxing Units	8,943,510	28,363,697	28,972,584	8,334,623
Due to Litigants, Heirs, and Others	1,352,795	10,828,019	10,507,900	1,672,914
Due to Joint Ventures	240,402	421,654	372,967	289,089
Total Liabilities	\$ 10,539,188	\$ 39,615,112	\$ 39,855,932	\$ 10,298,368

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Coffee County School Department

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

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

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

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

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department. This fund was closed during the year.

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

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Exhibit J-1

Coffee County, Tennessee
Statement of Activities
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 19,954,181	\$ 95,608	\$ 2,010,212	\$ 2,725,836	\$ (15,122,525)
Support Services	10,479,763	0	0	0	(10,479,763)
Operation of Non-Instructional Services	3,180,652	967,359	1,505,112	0	(708,181)
Interest on Long-term Debt	7,545	0	0	0	(7,545)
Other Debt Service	1,886,575	0	0	0	(1,886,575)
Total Governmental Activities	\$ 35,508,716	\$ 1,062,967	\$ 3,515,324	\$ 2,725,836	\$ (28,204,589)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 7,106,826
Local Option Sales Taxes					3,564,801
Other Local Taxes					2,969
Grants and Contributions Not Restricted to Specific Programs					19,102,600
Unrestricted Investment Earnings					3,363
Miscellaneous					31,191
Sale of Equipment					2,650
Total General Revenues					\$ 29,814,400
Change in Net Assets					\$ 1,609,811
Net Assets, July 1, 2008					14,157,693
Net Assets, June 30, 2009					<u>\$ 15,767,504</u>

Exhibit J-2

Coffee County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Coffee County School Department
June 30, 2009

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 616	\$ 2,172	\$ 2,788
Equity in Pooled Cash and Investments	3,460,137	1,737,634	5,197,771
Accounts Receivable	36,876	0	36,876
Due from Other Governments	1,044,900	19,067	1,063,967
Property Taxes Receivable	7,664,252	0	7,664,252
Allowance for Uncollectible Property Taxes	(177,445)	0	(177,445)
Total Assets	<u>\$ 12,029,336</u>	<u>\$ 1,758,873</u>	<u>\$ 13,788,209</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 16,882	\$ 69	\$ 16,951
Accrued Payroll	2,075,322	186,157	2,261,479
Payroll Deductions Payable	780,515	56,894	837,409
Contracts Payable	0	667,580	667,580
Claims and Judgments Payable	178,755	0	178,755
Other Current Liabilities	209	0	209
Deferred Revenue - Current Property Taxes	7,278,155	0	7,278,155
Deferred Revenue - Delinquent Property Taxes	188,375	0	188,375
Other Deferred Revenues	316,297	0	316,297
Total Liabilities	<u>\$ 10,834,510</u>	<u>\$ 910,700</u>	<u>\$ 11,745,210</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 79,977	\$ 2,802,818	\$ 2,882,795
Other Local Education Reserves	25,533	0	25,533
Reserved for Career Ladder Program	20,625	0	20,625
Reserved for Basic Education Program	260,577	0	260,577
Reserved for Title I Grants to Local Education Agencies	0	5,101	5,101
Reserved for Special Education - Grants to States	0	10,018	10,018
Unreserved, Reported In:			
General Fund	808,114	0	808,114
Special Revenue Funds	0	639,293	639,293
Capital Projects Funds (Deficit)	0	(2,609,057)	(2,609,057)
Total Fund Balances	<u>\$ 1,194,826</u>	<u>\$ 848,173</u>	<u>\$ 2,042,999</u>
Total Liabilities and Fund Balances	<u>\$ 12,029,336</u>	<u>\$ 1,758,873</u>	<u>\$ 13,788,209</u>

Exhibit J-3

Coffee County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Coffee County School Department
June 30, 2009

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)		\$	2,042,999
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,438,853	
Add: construction in progress		2,179,616	
Add: buildings and improvements net of accumulated depreciation		10,075,446	
Add: other capital assets net of accumulated depreciation		<u>1,724,636</u>	15,418,551
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(657,889)	
Less: compensated absences payable		(41,315)	
Less: other postemployment benefits liability		(1,495,171)	
Less: accrued interest on notes		<u>(4,343)</u>	(2,198,718)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>504,672</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>15,767,504</u></u>

Exhibit J-4

Coffee County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2009

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 10,654,065	\$ 0	\$ 10,654,065
Licenses and Permits	2,282	0	2,282
Charges for Current Services	164,954	893,499	1,058,453
Other Local Revenues	79,709	5,480	85,189
State of Tennessee	19,149,367	25,179	19,174,546
Federal Government	46,714	3,089,133	3,135,847
Other Governments and Citizens Groups	875,836	1,500,000	2,375,836
Total Revenues	<u>\$ 30,972,927</u>	<u>\$ 5,513,291</u>	<u>\$ 36,486,218</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 19,038,132	\$ 1,526,250	\$ 20,564,382
Support Services	10,324,561	287,116	10,611,677
Operation of Non-Instructional Services	839,336	2,061,948	2,901,284
Capital Outlay	1,202,461	0	1,202,461
Debt Service:			
Principal on Debt	74,258	0	74,258
Interest on Debt	9,606	0	9,606
Capital Projects	0	1,886,575	1,886,575
Total Expenditures	<u>\$ 31,488,354</u>	<u>\$ 5,761,889</u>	<u>\$ 37,250,243</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (515,427)</u>	<u>\$ (248,598)</u>	<u>\$ (764,025)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 33,698	\$ 0	\$ 33,698
Transfers Out	0	(33,698)	(33,698)
Total Other Financing Sources (Uses)	<u>\$ 33,698</u>	<u>\$ (33,698)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (481,729)	\$ (282,296)	\$ (764,025)
Fund Balance, July 1, 2008	1,676,555	1,130,469	2,807,024
Fund Balance, June 30, 2009	<u>\$ 1,194,826</u>	<u>\$ 848,173</u>	<u>\$ 2,042,999</u>

Exhibit J-5

Coffee County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2009

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)		\$ (764,025)
<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	\$ 3,351,110	
Less: current year depreciation expense	<u>(629,336)</u>	2,721,774
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets</p>		
Add: assets donated and capitalized		350,000
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2009	\$ 504,672	
Less: deferred delinquent property taxes and other deferred June 30, 2008	<u>(496,685)</u>	7,987
<p>(4) The issuance of long-term debt (e.g., bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of 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>		
Add: principal payments on notes		74,258
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in accrued interest payable	\$ 2,061	
Change in compensated absences payable	(7,194)	
Change in other postemployment benefits liability	<u>(775,050)</u>	<u>(780,183)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,609,811</u>

Coffee County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Coffee County School Department
June 30, 2009

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects		Central Cafeteria	Other Capital Projects		
\$	0	2,172	\$ 2,172	\$ 0	\$ 0	2,172
	176,429	716,455	892,884	844,750		1,737,634
	2,042	17,025	19,067	0		19,067
\$	178,471	735,652	914,123	844,750		1,758,873

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Due from Other Governments

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable
 Accrued Payroll
 Payroll Deductions Payable
 Contracts Payable
 Total Liabilities

Fund Balances

Reserved for Encumbrances
 Reserved for Title I Grants to Local Education Agencies
 Reserved for Special Education - Grants to States
 Unreserved (Deficit)
 Total Fund Balances

Total Liabilities and Fund Balances

\$	0	69	\$ 69	\$ 0	\$ 0	69
	119,552	66,605	186,157	0		186,157
	34,106	22,788	56,894	0		56,894
	0	0	0	667,580		667,580
\$	153,658	89,462	243,120	667,580		910,700
\$	9,694	6,897	16,591	2,786,227		2,802,818
	5,101	0	5,101	0		5,101
	10,018	0	10,018	0		10,018
	0	639,293	639,293	(2,609,057)		(1,969,764)
\$	24,813	646,190	671,003	177,170		848,173
\$	178,471	735,652	914,123	844,750		1,758,873

Exhibit J-7

Coffee County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2009

	Special Revenue Funds				Capital Projects Funds				Total Nonmajor Governmental Funds
	School Federal Projects		Central Cafeteria	Total	Education Capital Projects		Other Capital Projects	Total	
<u>Revenues</u>									
Charges for Current Services	\$ 0	\$ 893,499	\$ 0	\$ 893,499	\$ 0	\$ 0	\$ 0	\$ 0	\$ 893,499
Other Local Revenues	0	5,480	0	5,480	0	0	0	0	5,480
State of Tennessee	0	25,179	0	25,179	0	0	0	0	25,179
Federal Government	1,861,979	1,227,154	3,089,133	3,089,133	0	0	0	0	3,089,133
Other Governments and Citizens Groups	0	0	0	0	0	1,500,000	0	1,500,000	1,500,000
Total Revenues	\$ 1,861,979	\$ 2,151,312	\$ 4,013,291	\$ 4,013,291	\$ 0	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 5,513,291
<u>Expenditures</u>									
Current:									
Instruction	\$ 1,526,250	\$ 0	\$ 1,526,250	\$ 1,526,250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,526,250
Support Services	287,116	0	287,116	287,116	0	0	0	0	287,116
Operation of Non-Instructional Services	0	2,061,948	2,061,948	2,061,948	0	0	0	0	2,061,948
Capital Projects	0	0	0	0	563,745	1,322,830	1,886,575	1,886,575	1,886,575
Total Expenditures	\$ 1,813,366	\$ 2,061,948	\$ 3,875,314	\$ 3,875,314	\$ 563,745	\$ 1,322,830	\$ 1,886,575	\$ 1,886,575	\$ 5,761,889
Excess (Deficiency) of Revenues Over Expenditures	\$ 48,613	\$ 89,364	\$ 137,977	\$ 137,977	\$ (563,745)	\$ 177,170	\$ (386,575)	\$ (248,598)	\$ (248,598)
<u>Other Financing Sources (Uses)</u>									
Transfers Out	\$ (33,698)	\$ 0	\$ (33,698)	\$ (33,698)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (33,698)
Total Other Financing Sources (Uses)	\$ (33,698)	\$ 0	\$ (33,698)	\$ (33,698)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (33,698)
Net Change in Fund Balances	\$ 14,915	\$ 89,364	\$ 104,279	\$ 104,279	\$ (563,745)	\$ 177,170	\$ (386,575)	\$ (282,296)	\$ (282,296)
Fund Balance, July 1, 2008	9,898	556,826	566,724	566,724	563,745	0	563,745	1,130,469	1,130,469
Fund Balance, June 30, 2009	\$ 24,813	\$ 646,190	\$ 671,003	\$ 671,003	\$ 0	\$ 177,170	\$ 177,170	\$ 848,173	\$ 848,173

Exhibit J-8

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
General Purpose School Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 10,654,065	\$ 0	\$ 0	\$ 10,654,065	\$ 10,860,087	\$ 10,635,587	\$ 18,478
Licenses and Permits	2,282	0	0	2,282	2,000	2,000	282
Charges for Current Services	164,954	0	0	164,954	278,000	278,000	(113,046)
Other Local Revenues	79,709	0	0	79,709	33,473	73,000	6,709
State of Tennessee	19,149,367	0	0	19,149,367	18,709,516	19,139,033	10,334
Federal Government	46,714	0	0	46,714	162,480	63,283	(16,569)
Other Governments and Citizens Groups	875,836	0	0	875,836	0	875,836	0
Total Revenues	\$ 30,972,927	\$ 0	\$ 0	\$ 30,972,927	\$ 30,045,556	\$ 31,066,739	\$ (93,812)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 15,164,139	(68,698)	13,612	\$ 15,109,053	\$ 14,863,956	\$ 15,109,053	\$ 0
Special Education Program	2,536,330	(898)	0	2,535,432	2,606,473	2,580,703	45,271
Vocational Education Program	1,284,725	(1,129)	1,325	1,284,921	1,264,787	1,290,140	5,219
Student Body Education Program	52,938	0	0	52,938	53,748	58,743	5,805
<u>Support Services</u>							
Attendance	86,308	(35)	40	86,313	85,693	88,100	1,787
Health Services	448,342	(4,224)	1,129	445,247	445,382	453,695	8,448
Other Student Support	867,490	0	0	867,490	852,217	909,811	42,321
Regular Instruction Program	1,068,457	0	0	1,068,457	1,182,016	1,118,493	50,036
Special Education Program	257,875	0	0	257,875	256,298	259,665	1,790
Vocational Education Program	51,630	(929)	0	50,701	53,295	53,295	2,594
Other Programs	189,013	0	0	189,013	0	189,013	0
Board of Education	970,409	0	0	970,409	953,208	978,750	8,341

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Director of Schools	\$ 265,937	\$ (1,726)	0	\$ 264,211	\$ 268,312	\$ 268,312	\$ 4,101
Office of the Principal	1,456,645	(700)	400	1,456,345	1,460,203	1,469,246	12,901
Fiscal Services	241,977	(1,106)	75	240,946	250,012	250,012	9,066
Operation of Plant	1,768,752	(275)	80	1,768,557	1,750,237	1,791,237	22,680
Maintenance of Plant	529,662	0	0	529,662	532,873	556,973	27,311
Transportation	2,122,064	(75,025)	2,952	2,049,991	2,253,808	2,194,990	144,999
<u>Operation of Non-Instructional Services</u>							
Community Services	231,687	(6,871)	504	225,320	283,211	289,261	63,941
Early Childhood Education	607,649	(3,731)	1,727	605,645	584,612	605,732	87
<u>Capital Outlay</u>							
Regular Capital Outlay	1,202,461	(171,670)	58,133	1,088,924	350,000	1,096,800	7,876
Principal on Debt	74,258	0	0	74,258	71,341	74,259	1
Education	9,606	0	0	9,606	12,524	9,606	0
Interest on Debt							
Education							
Total Expenditures	\$ 31,488,354	\$ (337,017)	\$ 79,977	\$ 31,231,314	\$ 30,434,206	\$ 31,695,889	\$ 464,575
Excess (Deficiency) of Revenues Over Expenditures	\$ (515,427)	\$ 337,017	\$ (79,977)	\$ (258,387)	\$ (388,650)	\$ (629,150)	\$ 370,763
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	0	0	0	0	15,000	(15,000)
Transfers In	33,698	0	0	33,698	30,000	30,000	3,698
Total Other Financing Sources (Uses)	\$ 33,698	0	0	\$ 33,698	\$ 30,000	\$ 45,000	(11,302)
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (481,729)	\$ 337,017	\$ (79,977)	\$ (224,689)	\$ (358,650)	\$ (584,150)	\$ 359,461
Fund Balance, July 1, 2008	1,676,555	(337,017)	0	1,339,538	1,041,259	1,041,259	298,279
Fund Balance, June 30, 2009	\$ 1,194,826	\$ 0	\$ (79,977)	\$ 1,114,849	\$ 682,609	\$ 457,109	\$ 657,740

Exhibit J-9

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
School Federal Projects Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 1,861,979	\$ 0	\$ 0	\$ 1,861,979	\$ 1,978,851	\$ 1,979,099	\$ (117,120)
Total Revenues	\$ 1,861,979	\$ 0	\$ 0	\$ 1,861,979	\$ 1,978,851	\$ 1,979,099	\$ (117,120)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 640,997	\$ 0	\$ 389	\$ 641,386	\$ 723,334	\$ 699,411	\$ 58,025
Special Education Program	817,513	(1,098)	0	816,415	831,176	827,124	10,709
Vocational Education Program	67,740	(4,279)	4,905	68,366	68,000	68,400	34
<u>Support Services</u>							
Other Student Support	40,304	(481)	0	39,823	42,148	42,148	2,325
Regular Instruction Program	189,344	0	4,400	193,744	229,923	253,236	59,492
Special Education Program	50,669	(500)	0	50,169	45,871	50,171	2
Vocational Education Program	5,299	(2,190)	0	3,109	2,900	3,110	1
Office of the Principal	1,500	0	0	1,500	1,500	1,500	0
Total Expenditures	\$ 1,813,366	\$ (8,548)	\$ 9,694	\$ 1,814,512	\$ 1,944,852	\$ 1,945,100	\$ 130,588
Excess (Deficiency) of Revenues Over Expenditures	\$ 48,613	\$ 8,548	\$ (9,694)	\$ 47,467	\$ 33,999	\$ 33,999	\$ 13,468
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (33,698)	\$ 0	\$ 0	\$ (33,698)	\$ (35,349)	\$ (35,349)	\$ 1,651
Total Other Financing Sources (Uses)	\$ (33,698)	\$ 0	\$ 0	\$ (33,698)	\$ (35,349)	\$ (35,349)	\$ 1,651
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 14,915	\$ 8,548	\$ (9,694)	\$ 13,769	\$ (1,350)	\$ (1,350)	\$ 15,119
Fund Balance, July 1, 2008	9,898	(8,548)	0	1,350	9,898	9,898	(8,548)
Fund Balance, June 30, 2009	\$ 24,813	\$ 0	\$ (9,694)	\$ 15,119	\$ 8,548	\$ 8,548	\$ 6,571

Exhibit J-10

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 893,499	\$ 0	\$ 0	\$ 893,499	\$ 920,250	\$ 920,250	\$ (26,751)
Other Local Revenues	5,480	0	0	5,480	10,000	10,000	(4,520)
State of Tennessee	25,179	0	0	25,179	26,000	26,000	(821)
Federal Government	1,227,154	0	0	1,227,154	1,148,500	1,172,206	54,948
Total Revenues	\$ 2,151,312	\$ 0	\$ 0	\$ 2,151,312	\$ 2,104,750	\$ 2,128,456	\$ 22,856
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 2,061,948	\$ (11,566)	\$ 6,897	\$ 2,057,279	\$ 2,273,245	\$ 2,296,951	\$ 239,672
Total Expenditures	\$ 2,061,948	\$ (11,566)	\$ 6,897	\$ 2,057,279	\$ 2,273,245	\$ 2,296,951	\$ 239,672
<u>Excess (Deficiency) of Revenues Over Expenditures</u>							
	\$ 89,364	\$ 11,566	\$ (6,897)	\$ 94,033	\$ (168,495)	\$ (168,495)	\$ 262,528
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2008	\$ 556,826	(11,566)	0	545,260	(168,495)	(168,495)	262,528
Fund Balance, June 30, 2009	\$ 646,190	0	(6,897)	639,293	373,025	373,025	266,268

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MISCELLANEOUS SCHEDULES

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Exhibit K-1

Coffee County, Tennessee
 Schedule of Changes in Long-term Notes, Other Loans, and Bonds
 Primary Government and Discretely Presented Coffee County School Department
 For the Year Ended June 30, 2009

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Issued During Period	Paid and/or Matured During Period	Transferred	Debt Refunded	Outstanding 6-30-09
PRIMARY GOVERNMENT										
NOTES PAYABLE										
Payable through General Debt Service Fund										
County Improvement Capital Outlay Notes	\$ 654,000	3.4 %	2-16-05	2-15-11	\$ 327,000	\$ 0	\$ 109,000	\$ 0	\$ 0	\$ 218,000
Payable through Rural Debt Service Fund										
School Repairs	900,000	3.5	2-26-04	3-1-10	282,708	0	159,408	0	0	123,300
Payable through Local Purpose Tax Fund										
Road Improvements	135,000	3.65	6-11-08	6-30-14	135,000	0	22,500	0	0	112,500
Payable through Other Capital Projects Fund										
Ambulance Facilities, Series 2008	170,000	3.65	6-11-08	6-30-14	170,000	0	28,333	0	0	141,667
Total Notes Payable					\$ 914,708	\$ 0	\$ 319,241	\$ 0	\$ 0	\$ 595,467

OTHER LOANS PAYABLE										
Payable through General Debt Service Fund										
Public Facilities, Industrial Park, Convention Center, and Water/Sewer Projects, Series 2001A	5,800,000	3.75 to 5	1-1-01	2-1-21	\$ 875,000	\$ 0	\$ 140,000	\$ 0	\$ 0	\$ 735,000
Public Facilities, Industrial Park, and Water/Sewer Projects, Series 2001B	1,200,000	5.8 to 6.7	1-1-01	2-1-09	185,000	0	185,000	0	0	0
Public Improvement Projects	1,500,000	Variable	10-24-02	6-1-17	1,500,000	0	0	0	0	1,500,000
Public Improvement, Series Z-4-A	4,510,000	3.55 to 4	11-2-06	3-1-21	4,455,000	0	20,000	0	0	4,435,000
Total Payable through General Debt Service Fund					\$ 7,015,000	\$ 0	\$ 345,000	\$ 0	\$ 0	\$ 6,670,000
Payable through Rural Debt Service Fund										
Public Improvement Series Z-5-B	3,000,000	Variable	10-25-07	12-10-08	\$ 2,850,000	\$ 0	\$ 0	\$ (2,850,000)	\$ 0	\$ 0
Payable through Special Debt Service Fund										
Public Improvement Series Z-5-B	3,000,000	Variable	10-25-07	12-10-08	\$ 0	\$ 0	\$ 0	\$ 2,850,000	\$ (2,850,000)	\$ 0
Public Improvement Series Z-6-A	(1)	4.75	12-10-08	6-1-23	0	5,365,134	125,000	0	0	5,240,134
Total Other Loans Payable					\$ 9,865,000	\$ 5,365,134	\$ 470,000	\$ 0	\$ (2,850,000)	\$ 11,910,134

(Continued)

Exhibit K-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Issued During Period	Paid and/or Matured During Period	Transferred	Debt Refunded	Outstanding 6-30-09
PRIMARY GOVERNMENT (CONT.)										
BONDS PAYABLE										
Payable through General Debt Service Fund										
General Obligation Refunding Bonds, Series 2006C	\$ 2,745,000	4	% 11-29-06	2-1-15	\$ 2,200,000	\$ 0	\$ 415,000	\$ 0	\$ 0	\$ 1,785,000
Payable through Rural Debt Service Fund										
Rural School Refunding, Series 2006B	2,615,000	4	11-29-06	2-1-15	2,295,000	0	290,000	0	0	2,005,000
Payable through Education Debt Service Fund										
Senior High School Refunding Bonds, Series 2006A	4,110,000	3.75 to 4	11-29-06	2-1-18	3,785,000	0	290,000	0	0	3,495,000
Total Bonds Payable					\$ 8,280,000	\$ 0	\$ 995,000	\$ 0	\$ 0	\$ 7,285,000

DISCRETELY PRESENTED COFFEE COUNTY SCHOOL DEPARTMENT

NOTES PAYABLE										
Payable through General Purpose School Fund										
School Buses	372,000	4.07	10-24-05	10-24-10	\$ 232,147	\$ 0	\$ 74,258	\$ 0	\$ 0	\$ 157,889
Energy Efficiency Improvements	500,000	0	9-5-07	7-15-15	500,000	0	0	0	0	500,000
Total Notes Payable					\$ 732,147	\$ 0	\$ 74,258	\$ 0	\$ 0	\$ 657,889

(1) Total amount approved was \$7,600,000, of which \$2,234,866 remains available for draws as of June 30, 2009.

Exhibit K-2

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

PRIMARY GOVERNMENT

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	\$ 283,133	\$ 8,695	\$ 291,828
2011	159,833	2,780	162,613
2012	50,833	5,659	56,492
2013	50,833	3,762	54,595
2014	50,835	1,882	52,717
Total	\$ 595,467	\$ 22,778	\$ 618,245

Year Ending June 30	Other Loans			
	Principal	Interest	Fees	Total
2010	\$ 805,000	\$ 576,068	\$ 7,050	\$ 1,388,118
2011	580,000	547,165	7,050	1,134,215
2012	485,000	516,333	7,050	1,008,383
2013	815,000	496,933	5,664	1,317,597
2014	860,000	476,026	5,664	1,341,690
2015	900,000	453,322	5,640	1,358,962
2016	1,155,000	429,322	5,617	1,589,939
2017	1,215,000	369,033	0	1,584,033
2018	945,000	332,583	0	1,277,583
2019	1,015,000	294,535	0	1,309,535
2020	1,060,000	252,368	0	1,312,368
2021	1,155,000	207,550	0	1,362,550
2022	600,000	157,750	0	757,750
2023	320,134	127,750	0	447,884
Total	\$ 11,910,134	\$ 5,236,738	\$ 43,735	\$ 17,190,607

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	\$ 1,015,000	\$ 288,025	\$ 1,303,025
2011	1,055,000	247,425	1,302,425
2012	1,095,000	205,225	1,300,225
2013	825,000	161,425	986,425
2014	860,000	128,425	988,425
2015	900,000	94,025	994,025
2016	705,000	58,025	763,025
2017	735,000	31,588	766,588
2018	95,000	3,657	98,657
Total	\$ 7,285,000	\$ 1,217,820	\$ 8,502,820

(Continued)

Exhibit K-2

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

DISCRETELY PRESENTED COFFEE
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Notes		Total
	Principal	Interest	
2010	\$ 148,777	\$ 6,515	\$ 155,292
2011	151,969	3,324	155,292
2012	71,429	0	71,429
2013	71,429	0	71,429
2014	71,429	0	71,429
2015	71,429	0	71,429
2016	71,429	0	71,429
Total	\$ 657,889	\$ 9,839	\$ 667,728

Exhibit K-3

Coffee County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Coffee County School Department
For the Year Ended June 30, 2009

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Public Library	Operations	\$ 839,645
General Capital Projects	Highway/Public Works	Construction	118,972
General Capital Projects	General Debt Service	Debt retirement	166,345
Industrial/Economic Development	General Debt Service	Debt retirement	15,281
Total Transfers Primary Government			<u>\$ 1,140,243</u>
<u>DISCRETELY PRESENTED COFFEE COUNTY</u>			
<u>SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 33,698</u>

Exhibit K-4

Coffee County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Coffee County School Department
For the Year Ended June 30, 2009

Official	Authorization for Salary	Salary Paid During Period (1)	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 73,866	\$ 50,000	State Auto Insurance Company
Road Superintendent	Section 8-24-102, TCA	70,350	100,000	"
Director of Schools	State Board of Education and Coffee County Board of Education	99,795 (2)	(3)	
Trustee	Section 8-24-102, TCA	63,954	1,287,000	Auto-Owners Mutual Insurance Company
Assessor of Property	Section 8-24-102, TCA	63,954	10,000	State Auto Insurance Company
Director of Accounts and Budgets	Coffee County Commission	65,044	20,000	"
County Clerk	Section 8-24-102, TCA	63,954	50,000	"
Circuit Court Clerk	Section 8-24-102, TCA, and Coffee County Personnel Policies	63,954 (4)	50,000	"
Clerk and Master	Section 8-24-102, TCA	63,954	50,000	"
Register	Section 8-24-102, TCA	63,954	25,000	"
Sheriff	Section 8-24-102, TCA, and Coffee County Personnel Policies	70,350 (5)	25,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments (excluding Highway Department)			150,000	Tennessee Risk Management Trust
Public Employee Dishonesty - Highway Department			150,000	Local Government Insurance Pool
Public Employee Dishonesty - School Department			150,000	Tennessee Risk Management Trust

- (1) All Coffee County employees have an option under the county's personnel policies to opt out of the medical insurance plan and receive an incentive payment equal to 67 percent of the cost of single coverage.
- (2) Includes a chief executive officer training supplement of \$1,000.
- (3) The director is covered under the School Department's blanket bond.
- (4) Does not include a \$2,767 payment in-lieu-of insurance benefits.
- (5) Does not include a \$2,767 payment in-lieu-of insurance benefits and a law enforcement training supplement of \$600.

Exhibit K-5

Coffee County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2009

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Local Purpose Tax	Drug Control
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 6,640,199	\$ 0	\$ 724,898	\$ 0	\$ 135,896	\$ 0
Trustee's Collections - Prior Year	178,910	0	16,138	0	1	0
Trustee's Collections - Bankruptcy	2,903	0	385	0	0	0
Circuit/Clerk & Master Collections - Prior Years	88,466	0	22,936	0	0	0
Interest and Penalty	82,140	0	14,831	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	582	0	151	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	15,219	0	3,946	0	0	0
Payments in-Lieu-of Taxes - Other	40	0	8	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	250,183	0	80,281	0	0	0
Litigation Tax - General	282,894	0	0	0	0	0
Litigation Tax - Special Purpose	44,476	0	0	0	0	0
Business Tax	738,313	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	176,488	0	0	0	0	0
Wholesale Beer Tax	0	0	263,414	0	0	0
Interstate Telecommunications Tax	2,368	0	0	0	0	0
Total Local Taxes	\$ 8,503,181	\$ 0	\$ 1,126,988	\$ 0	\$ 135,897	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 110,099	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	0	0	5,840	0	0	0
Building Permits	51,946	0	0	0	0	0
Plumbing Permits	3,370	0	0	0	0	0
Other Permits	14,250	0	0	0	0	0
Total Licenses and Permits	\$ 179,665	\$ 0	\$ 5,840	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds						Drug Control
	General	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Local Purpose Tax		
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 6,574	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	23,768	0	0	0	0	0	0
Drug Control Fines	85,449	0	0	0	0	0	106,068
Data Entry Fee - Circuit Court	20,384	0	0	0	0	0	0
Courtroom Security Fee	196	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	109,250	0	0	0	0	0	0
Officers Costs	105,834	0	0	0	0	0	0
Game and Fish Fines	395	0	0	0	0	0	0
Jail Fees	21,830	0	0	0	0	0	0
DUI Treatment Fines	11,643	0	0	0	0	0	0
Courtroom Security Fee	2,046	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	3,132	0	0	0	0	0	0
Officers Costs	5,318	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	2,942	0	0	0	0	0	0
Data Entry Fee - Chancery Court	3,814	0	0	0	0	0	0
Courtroom Security Fee	113	0	0	0	0	0	0
<u>Other Courts - In-county</u>							
Drug Control Fines	25,729	0	0	0	0	0	0
Drug Court Fees	23,728	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	222,792
Total Fines, Forfeitures, and Penalties	\$ 452,145	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 328,860
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 3,961	\$ 0	\$ 0	\$ 0	0
Solid Waste Disposal Fees	0	0	61,113	0	0	0	0

(Continued)

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

	General	Public Library	Special Revenue Funds				Drug Control
			Solid Waste / Sanitation	Industrial / Economic Development	Local Purpose Tax		
<u>Charges for Current Services (Cont.)</u>							
<u>General Service Charges (Cont.)</u>							
Patient Charges	\$ 1,380,358	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Work Release Charges for Board	33,074	0	0	0	0	0	0
Other General Service Charges	945	0	0	0	0	0	0
<u>Fees</u>							
Subdivision Lot Fees	400	0	0	0	0	0	0
Recreation Fees	13,565	0	0	0	0	0	0
Copy Fees	11,185	0	0	0	0	0	0
Library Fees	0	86,086	0	0	0	0	0
Archives and Records Management Fee - County Clerk	208	0	0	0	0	0	0
Telephone Commissions	20,876	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	1,000	0	0	0	0	0	0
Data Processing Fee - Register	18,808	0	0	0	0	0	0
Probation Fees	252,743	0	0	0	0	0	0
Data Processing Fee - Sheriff	1,528	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	3,100	0	0	0	0	0	0
<u>Other Charges for Services</u>							
Other Charges for Services	36,850	0	0	0	0	0	0
Total Charges for Current Services	\$ 1,774,640	\$ 86,086	\$ 65,074	\$ 0	\$ 0	\$ 0	0
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 6,958	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	18,115	0	0	5,296	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0	0
Commissary Sales	0	0	0	0	0	0	0
Sale of Recycled Materials	0	0	40,642	0	0	0	0
Miscellaneous Refunds	24,997	0	19	0	0	0	0
<u>Nonrecurring Items</u>							
Sale of Equipment	185	0	0	0	0	0	0
Sale of Property	0	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Local Purpose Tax	Drug Control
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Damages Recovered from Individuals	750 \$	0 \$	0 \$	0 \$	0 \$	0
Contributions and Gifts	248,393	0	0	0	0	2,000
Total Other Local Revenues	\$ 292,440 \$	6,958 \$	40,661 \$	5,296 \$	0 \$	2,000
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	255,687 \$	0 \$	0 \$	0 \$	0 \$	0
Circuit Court Clerk	363,105	0	0	0	0	0
Clerk and Master	112,127	0	0	0	0	0
Register	54,763	0	0	0	0	0
Trustee	589,000	0	0	0	0	0
Fees in-Lieu-of Salary						
Sheriff	20,711	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,395,393 \$	0 \$	0 \$	0 \$	0 \$	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	13,365 \$	0 \$	0 \$	0 \$	0 \$	0
Solid Waste Grants	0	0	64,305	0	0	0
Other General Government Grants	6,800	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	22,800	0	0	0	0	0
Drug Control Grants	99,936	0	0	0	0	0
Other Public Safety Grants	40,388	0	0	0	0	0
Public Works Grants						
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0
Litter Program	0	0	38,166	0	0	0
Tennessee Industrial Infrastructure Program	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Local Purpose Tax	Drug Control
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 72,101	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Beer Tax	18,701	0	0	0	0	0
Alcoholic Beverage Tax	65,677	0	0	0	0	0
Mixed Drink Tax	1,022	0	0	0	0	0
State Revenue Sharing - T.V.A.	120,171	0	0	0	0	0
Emergency Hospital - Prisoners	45,723	0	0	0	0	0
Contracted Prisoner Boarding	827,290	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Reappraisal Program Reimbursement	18,262	0	0	0	0	0
T.B.I. - Equipment Reimbursement	2,266	0	0	0	0	0
Registrar's Salary Supplement	14,912	0	0	0	0	0
Other State Grants	653,077	0	0	0	0	6,637
Other State Revenues	8,610	0	0	0	0	33,417
Total State of Tennessee	\$ 2,031,101	\$ 0	\$ 102,471	\$ 0	\$ 0	\$ 40,054
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 455,217	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	26,000	0	0	0	0	0
Disaster Relief	16,676	0	0	0	0	0
Homeland Security Grants	121,733	0	0	0	0	0
Other Federal through State	3,160	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	134,385	0	0	0	0	0
Total Federal Government	\$ 757,171	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
Other Governments	\$ 970	\$ 21,400	\$ 0	\$ 0	\$ 0	\$ 475
Contributions						

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Local Purpose Tax	Drug Control
Other Governments and Citizens Groups (Cont.)						
Other Governments (Cont.)						
Contracted Services	\$ 7,719	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Citizens Groups	0	8,823	0	0	0	0
Donations	\$ 8,689	\$ 30,223	\$ 0	\$ 0	\$ 0	\$ 475
Total Other Governments and Citizens Groups	\$ 15,394,425	\$ 123,267	\$ 1,341,034	\$ 5,296	\$ 135,897	\$ 371,389

(Continued)

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

	Special Revenue Funds					Debt Service Funds		
	District Attorney General	Commissary	Constituti- onal Officers - Fees	Highway / Public Works	0 \$	General	Debt	Rural
<u>Local Taxes</u>								
County Property Taxes								
Current Property Tax	0 \$	0 \$	0 \$	0 \$	0 \$	650,961 \$	414,240	
Trustee's Collections - Prior Year	0	0	0	0	0	4,528	9,248	
Trustee's Collections - Bankruptcy	0	0	0	0	0	331	279	
Circuit/Clerk & Master Collections - Prior Years	0	0	0	0	0	2,616	13,107	
Interest and Penalty	0	0	0	0	0	2,903	8,536	
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	50	86	
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	1,315	2,255	
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	3	4	
<u>County Local Option Taxes</u>								
Local Option Sales Tax	0	0	0	0	0	0	321,123	
Litigation Tax - General	0	0	0	0	0	0	0	
Litigation Tax - Special Purpose	0	0	0	0	0	39,159	0	
Business Tax	0	0	0	0	0	0	0	
Mineral Severance Tax	0	0	0	68,791	0	0	0	
<u>Statutory Local Taxes</u>								
Bank Excise Tax	0	0	0	0	0	0	0	
Wholesale Beer Tax	0	0	0	0	0	0	0	
Interstate Telecommunications Tax	0	0	0	0	0	0	0	
Total Local Taxes	0 \$	0 \$	0 \$	68,791 \$	0 \$	701,866 \$	768,878	
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0	
<u>Permits</u>								
Beer Permits	0	0	0	0	0	0	0	
Building Permits	0	0	0	0	0	0	0	
Plumbing Permits	0	0	0	0	0	0	0	
Other Permits	0	0	0	0	0	0	0	
Total Licenses and Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0	

(Continued)

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

	Special Revenue Funds					Debt Service Funds	
	District Attorney General	Commissary	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0	0	0
Jail Fees	0	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	0	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0	0
<u>Other Courts - In-county</u>							
Drug Control Fines	0	0	0	0	0	0	0
Drug Court Fees	0	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fees	0	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						Debt Service Funds		
	District Attorney General	Commissary	Constitutional Officers - Fees	Highway/ Public Works	Debt Service Funds		General Debt Service	Rural Debt Service	
<u>Charges for Current Services (Cont.)</u>									
<u>General Service Charges (Cont.)</u>									
Patient Charges	0	5,675	0	0	0	0	0	0	0
Work Release Charges for Board	0	0	0	0	0	0	0	0	0
Other General Service Charges	0	998	0	0	0	0	0	0	0
<u>Fees</u>									
Subdivision Lot Fees	0	0	0	0	0	0	0	0	0
Recreation Fees	0	0	0	0	0	0	0	0	0
Copy Fees	0	0	0	0	0	0	0	0	0
Library Fees	0	0	0	0	0	0	0	0	0
Archives and Records Management Fee - County Clerk	0	0	0	0	0	0	0	0	0
Telephone Commissions	0	0	0	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	1,388,144	0	0	0	0	0	0
Data Processing Fee - Register	0	0	0	0	0	0	0	0	0
Probation Fees	0	0	0	0	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	0	0
<u>Other Charges for Services</u>									
Other Charges for Services	0	0	0	0	0	0	0	0	0
Total Charges for Current Services	0	6,673	1,388,144	0	0	0	0	0	0
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	0	0	0	206	0	198,649	0	0	0
Lease/Rentals	0	0	0	0	0	94,944	0	0	0
Sale of Materials and Supplies	0	0	0	250	0	0	0	0	0
Commissary Sales	0	79,043	0	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0	0	0	0	0
Miscellaneous Refunds	120	1,065	0	88	0	0	0	0	0
<u>Nonrecurring Items</u>									
Sale of Equipment	0	0	0	162	0	0	0	0	0
Sale of Property	0	0	0	0	0	43,750	0	0	0

(Continued)

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

	Special Revenue Funds				Debt Service Funds	
	District Attorney General	Commissary	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Damages Recovered from Individuals	0 \$	0 \$	0 \$	8,965 \$	0 \$	0 \$
Contributions and Gifts	0	0	0	0	0	0
Total Other Local Revenues	120 \$	80,108 \$	0 \$	9,671 \$	337,343 \$	0
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$
Circuit Court Clerk	0	0	0	0	0	0
Clerk and Master	0	0	0	0	0	0
Register	0	0	0	0	0	0
Trustee	0	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>						
Sheriff	0	0	0	0	0	0
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$
Solid Waste Grants	0	0	0	0	0	0
Other General Government Grants	0	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	0
Drug Control Grants	0	0	0	0	0	0
Other Public Safety Grants	0	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	435,131	0	0
State Aid Program	0	0	0	256,319	0	0
Litter Program	0	0	0	0	0	0
Tennessee Industrial Infrastructure Program	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					Debt Service Funds	
	District Attorney General	Commissary	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues</u>							
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Beer Tax	0	0	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0	0	0
Mixed Drink Tax	0	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0
Emergency Hospital - Prisoners	0	0	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	1,786,762	0	0	0
Petroleum Special Tax	0	0	0	38,560	0	0	0
Reappraisal Program Reimbursement	0	0	0	0	0	0	0
T.B.I. - Equipment Reimbursement	0	0	0	0	0	0	0
Registrar's Salary Supplement	0	0	0	0	0	0	0
Other State Grants	0	0	0	0	0	0	0
Other State Revenues	0	0	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 2,516,772	\$ 0	\$ 0	0
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	0	0	0	0	0	0	0
Disaster Relief	0	0	0	0	0	0	0
Homeland Security Grants	0	0	0	0	0	0	0
Other Federal through State	0	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	0	0	0	0	0	0	0
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Governments and Citizens Groups</u>							
Other Governments	\$ 28,159	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions							

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Funds		
	District Attorney General	Commissary	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	
Other Governments and Citizens Groups (Cont.)							
Other Governments (Cont.)							
Contracted Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Citizens Groups	0	0	0	0	0	0	0
Donations	28,159	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 28,279	\$ 86,781	\$ 1,388,144	\$ 2,595,234	\$ 1,039,209	\$ 768,878	

(Continued)

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

	Debt Service Funds			Capital Projects Funds			Total
	Special Debt Service	Education Debt Service	Other Debt Service	General Capital Projects	Other Capital Projects		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 0	\$ 408,959	\$ 0	\$ 0	\$ 0	\$ 8,975,153	
Trustee's Collections - Prior Year	0	13,380	0	0	0	222,205	
Trustee's Collections - Bankruptcy	0	222	0	0	0	4,120	
Circuit/Clerk & Master Collections - Prior Years	0	8,738	0	0	0	135,863	
Interest and Penalty	0	7,079	0	0	0	115,489	
Payments in-Lieu-of Taxes - T.V.A.	0	58	0	0	0	927	
Payments in-Lieu-of Taxes - Local Utilities	0	1,503	0	0	0	24,238	
Payments in-Lieu-of Taxes - Other	0	4	0	0	0	59	
<u>County Local Option Taxes</u>							
Local Option Sales Tax	1,339,175	0	334,503	240,842	0	2,566,107	
Litigation Tax - General	0	0	0	0	0	282,894	
Litigation Tax - Special Purpose	0	0	0	0	0	83,635	
Business Tax	0	0	0	0	0	738,313	
Mineral Severance Tax	0	0	0	0	0	68,791	
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	0	0	0	176,488	
Wholesale Beer Tax	0	0	0	0	0	263,414	
Interstate Telecommunications Tax	0	0	0	0	0	2,368	
Total Local Taxes	\$ 1,339,175	\$ 439,943	\$ 334,503	\$ 240,842	\$ 0	\$ 13,660,064	
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 110,099	
<u>Permits</u>							
Beer Permits	0	0	0	0	0	5,840	
Building Permits	0	0	0	0	0	51,946	
Plumbing Permits	0	0	0	0	0	3,370	
Other Permits	0	0	0	0	0	14,250	
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 185,505	

(Continued)

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

	Debt Service Funds			Capital Projects Funds			Total
	Special Debt Service	Education Debt Service	Other Debt Service	General Capital Projects	Other Capital Projects		
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,574
Officers Costs	0	0	0	0	0	0	23,768
Drug Control Fines	0	0	0	0	0	0	191,517
Data Entry Fee - Circuit Court	0	0	0	0	0	0	20,384
Courtroom Security Fee	0	0	0	0	0	0	196
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	109,250
Officers Costs	0	0	0	0	0	0	105,834
Game and Fish Fines	0	0	0	0	0	0	395
Jail Fees	0	0	0	0	0	0	21,830
DUI Treatment Fines	0	0	0	0	0	0	11,643
Courtroom Security Fee	0	0	0	0	0	0	2,046
<u>Juvenile Court</u>							
Fines	0	0	0	0	0	0	3,132
Officers Costs	0	0	0	0	0	0	5,318
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	2,942
Data Entry Fee - Chancery Court	0	0	0	0	0	0	3,814
Courtroom Security Fee	0	0	0	0	0	0	113
<u>Other Courts - In-county</u>							
Drug Control Fines	0	0	0	0	0	0	25,729
Drug Court Fees	0	0	0	0	0	0	23,728
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	222,792
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 781,005
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,961
Solid Waste Disposal Fees	0	0	0	0	0	0	61,113

(Continued)

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

	Debt Service Funds			Capital Projects Funds			Total
	Special Debt Service	Education Debt Service	Other Debt Service	General Capital Projects	Other Capital Projects		
<u>Charges for Current Services (Cont.)</u>							
<u>General Service Charges (Cont.)</u>							
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 145,000	\$ 1,531,033	
Work Release Charges for Board	0	0	0	0	0	33,074	
Other General Service Charges	0	0	0	0	0	1,943	
<u>Fees</u>							
Subdivision Lot Fees	0	0	0	0	0	400	
Recreation Fees	0	0	0	0	0	13,565	
Copy Fees	0	0	0	0	0	11,185	
Library Fees	0	0	0	0	0	86,086	
Archives and Records Management Fee - County Clerk	0	0	0	0	0	208	
Telephone Commissions	0	0	0	0	0	20,876	
Constitutional Officers' Fees and Commissions	0	0	0	0	0	1,389,144	
Data Processing Fee - Register	0	0	0	0	0	18,808	
Probation Fees	0	0	0	0	0	252,743	
Data Processing Fee - Sheriff	0	0	0	0	0	1,528	
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	3,100	
<u>Other Charges for Services</u>							
Other Charges for Services	0	0	0	0	0	36,850	
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 145,000	\$ 3,465,617	
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	205,813	
Lease/Rentals	0	0	0	0	2,400	120,755	
Sale of Materials and Supplies	0	0	0	0	0	250	
Commissary Sales	0	0	0	0	0	79,043	
Sale of Recycled Materials	0	0	0	0	0	40,642	
Miscellaneous Refunds	0	0	0	0	0	26,289	
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	347	
Sale of Property	0	0	0	0	0	43,750	

(Continued)

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

	Debt Service Funds			Capital Projects Funds			Total
	Special Debt Service	Education Debt Service	Other Debt Service	General Capital Projects	Other Capital Projects		
<u>Other Local Revenues (Cont.)</u>							
<u>Nonrecurring Items (Cont.)</u>							
Damages Recovered from Individuals Contributions and Gifts	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	9,715
Total Other Local Revenues	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	2,400 \$	250,393
							776,997
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>							
County Clerk	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	255,687
Circuit Court Clerk	0	0	0	0	0	0	363,105
Clerk and Master	0	0	0	0	0	0	112,127
Register	0	0	0	0	0	0	54,763
Trustee	0	0	0	0	0	0	589,000
<u>Fees in-Lieu-of Salary</u>							
Sheriff	0	0	0	0	0	0	20,711
Total Fees Received from County Officials	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,395,393
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	13,365
Solid Waste Grants	0	0	0	0	0	0	64,305
Other General Government Grants	0	0	0	0	0	0	6,800
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	0	22,800
Drug Control Grants	0	0	0	0	0	0	99,936
Other Public Safety Grants	0	0	0	0	0	0	40,388
<u>Public Works Grants</u>							
Bridge Program	0	0	0	0	0	0	435,131
State Aid Program	0	0	0	0	0	0	256,319
Litter Program	0	0	0	0	0	0	38,166
Tennessee Industrial Infrastructure Program	0	0	0	35,658	0	0	35,658

(Continued)

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

	Debt Service Funds			Capital Projects Funds			Total
	Special Debt Service	Education Debt Service	Other Debt Service	General Capital Projects	Other Capital Projects		
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues</u>							
Income Tax	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	72,101
Beer Tax	0	0	0	0	0	0	18,701
Alcoholic Beverage Tax	0	0	0	0	0	0	65,677
Mixed Drink Tax	0	0	0	0	0	0	1,022
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	120,171
Emergency Hospital - Prisoners	0	0	0	0	0	0	45,723
Contracted Prisoner Boarding	0	0	0	0	0	0	827,290
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	1,786,762
Petroleum Special Tax	0	0	0	0	0	0	38,560
Reappraisal Program Reimbursement	0	0	0	0	0	0	18,262
T.B.I. - Equipment Reimbursement	0	0	0	0	0	0	2,266
Registrar's Salary Supplement	0	0	0	0	0	0	14,912
Other State Grants	0	0	0	0	0	0	659,714
Other State Revenues	0	0	0	0	0	0	42,027
Total State of Tennessee	\$ 0 \$	0 \$	0 \$	35,658 \$	0 \$	0 \$	4,726,056
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	455,217
Civil Defense Reimbursement	0	0	0	0	0	0	26,000
Disaster Relief	0	0	0	0	0	0	16,676
Homeland Security Grants	0	0	0	0	0	0	121,733
Other Federal through State	0	0	0	0	0	0	3,160
Direct Federal Revenue							
Other Direct Federal Revenue	0	0	0	0	0	0	134,385
Total Federal Government	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	757,171
<u>Other Governments and Citizens Groups</u>							
Other Governments	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	51,004
Contributions							

(Continued)

Exhibit K-5

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

	Debt Service Funds			Capital Projects Funds			Total
	Special Debt Service	Education Debt Service	Other Debt Service	General Capital Projects	Other Capital Projects		
Other Governments and Citizens Groups (Cont.)							
Other Governments (Cont.)							
Contracted Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,719
Citizens Groups	0	0	0	0	0	0	8,823
Donations	0	0	0	0	0	0	67,546
Total Other Governments and Citizens Groups	\$ 1,339,175	\$ 439,943	\$ 334,503	\$ 276,500	\$ 147,400	\$ 25,815,354	

Exhibit K-6

Coffee County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Coffee County School Department
 For the Year Ended June 30, 2009

	General Purpose School	School Federal Projects	Central Cafeteria	Other Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 6,719,312	\$ 0	\$ 0	\$ 0	\$ 6,719,312
Trustee's Collections - Prior Year	174,498	0	0	0	174,498
Trustee's Collections - Bankruptcy	2,234	0	0	0	2,234
Circuit/Clerk & Master Collections - Prior Years	87,070	0	0	0	87,070
Interest and Penalty	80,989	0	0	0	80,989
Payments in-Lieu-of Taxes - T.V.A.	583	0	0	0	583
Payments in-Lieu-of Taxes - Local Utilities	15,237	0	0	0	15,237
Payments in-Lieu-of Taxes - Other	40	0	0	0	40
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,571,133	0	0	0	3,571,133
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	2,969	0	0	0	2,969
Total Local Taxes	\$ 10,654,065	\$ 0	\$ 0	\$ 0	\$ 10,654,065
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,282	\$ 0	\$ 0	\$ 0	\$ 2,282
Total Licenses and Permits	\$ 2,282	\$ 0	\$ 0	\$ 0	\$ 2,282
<u>Charges for Current Services</u>					
<u>Fees</u>					
Recreation Fees	\$ 3,311	\$ 0	\$ 0	\$ 0	\$ 3,311
<u>Education Charges</u>					
Tuition - Summer School	31,351	0	0	0	31,351
Lunch Payments - Children	0	0	556,007	0	556,007
Lunch Payments - Adults	0	0	58,507	0	58,507
Income from Breakfast	0	0	54,661	0	54,661
A la carte Sales	0	0	223,933	0	223,933
Receipts from Individual Schools	59,673	0	70	0	59,743
Community Service Fees - Children	70,574	0	0	0	70,574
<u>Other Charges for Services</u>					
Other Charges for Services	45	0	321	0	366
Total Charges for Current Services	\$ 164,954	\$ 0	\$ 893,499	\$ 0	\$ 1,058,453
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 3,363	\$ 0	\$ 3,363
Sale of Materials and Supplies	874	0	0	0	874
Refund of Telecommunication & Internet Fees (E-Rate)	31,774	0	0	0	31,774
Miscellaneous Refunds	9,423	0	0	0	9,423
<u>Nonrecurring Items</u>					
Sale of Equipment	2,150	0	500	0	2,650
Damages Recovered from Individuals	4,514	0	0	0	4,514
Contributions and Gifts	11,698	0	0	0	11,698
<u>Other Local Revenues</u>					
Other Local Revenues	19,276	0	1,617	0	20,893
Total Other Local Revenues	\$ 79,709	\$ 0	\$ 5,480	\$ 0	\$ 85,189

(Continued)

Exhibit K-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Other Capital Projects	Total
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 189,013	\$ 0	\$ 0	\$ 0	\$ 189,013
<u>State Education Funds</u>					
Basic Education Program	17,023,000	0	0	0	17,023,000
Early Childhood Education	605,732	0	0	0	605,732
School Food Service	0	0	25,179	0	25,179
Driver Education	30,437	0	0	0	30,437
Other State Education Funds	257,687	0	0	0	257,687
Career Ladder Program	216,925	0	0	0	216,925
Career Ladder - Extended Contract	91,400	0	0	0	91,400
<u>Other State Revenues</u>					
Alcoholic Beverage Tax	5,136	0	0	0	5,136
State Revenue Sharing - T.V.A.	654,240	0	0	0	654,240
Other State Grants	66,600	0	0	0	66,600
Other State Revenues	9,197	0	0	0	9,197
Total State of Tennessee	\$ 19,149,367	\$ 0	\$ 25,179	\$ 0	\$ 19,174,546
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 898,972	\$ 0	\$ 898,972
Breakfast	0	0	302,348	0	302,348
USDA - Other	0	0	4,292	0	4,292
Vocational Education - Basic Grants to States	0	88,689	0	0	88,689
Title I Grants to Local Education Agencies	0	696,840	0	0	696,840
Special Education - Grants to States	0	876,365	0	0	876,365
Special Education Preschool Grants	0	24,892	0	0	24,892
Safe and Drug-free Schools - State Grants	0	11,400	0	0	11,400
Eisenhower Professional Development State Grants	0	159,040	0	0	159,040
Other Federal through State	0	4,753	21,542	0	26,295
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	46,714	0	0	0	46,714
Total Federal Government	\$ 46,714	\$ 1,861,979	\$ 1,227,154	\$ 0	\$ 3,135,847
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 875,836	\$ 0	\$ 0	\$ 1,500,000	\$ 2,375,836
Total Other Governments and Citizens Groups	\$ 875,836	\$ 0	\$ 0	\$ 1,500,000	\$ 2,375,836
Total	\$ 30,972,927	\$ 1,861,979	\$ 2,151,312	\$ 1,500,000	\$ 36,486,218

Exhibit K-7

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2009

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	18,400	
Social Security		1,408	
Audit Services		14,404	
Dues and Memberships		1,700	
Maintenance Agreements		750	
Travel		6,718	
Total County Commission			\$ 43,380

Board of Equalization

Board and Committee Members Fees	\$	1,044	
Social Security		70	
Total Board of Equalization			1,114

Other Boards and Committees

Board and Committee Members Fees	\$	22,495	
Social Security		1,721	
Travel		909	
Total Other Boards and Committees			25,125

County Mayor/Executive

County Official/Administrative Officer	\$	73,866	
Secretary(ies)		30,143	
Clerical Personnel		28,330	
Part-time Personnel		3,820	
Social Security		10,323	
State Retirement		10,931	
Medical Insurance		11,316	
Dental Insurance		774	
Unemployment Compensation		84	
Communication		2,269	
Dues and Memberships		14,846	
Legal Notices, Recording, and Court Costs		1,043	
Maintenance Agreements		1,261	
Travel		299	
Office Supplies		2,142	
Other Charges		5,188	
Total County Mayor/Executive			196,635

County Attorney

County Official/Administrative Officer	\$	4,400	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

Legal Services	\$ 40,799	
Total County Attorney		\$ 45,199

Election Commission

County Official/Administrative Officer	\$ 57,559	
Deputy(ies)	84,949	
Clerical Personnel	10,565	
Overtime Pay	1,769	
Election Commission	8,091	
Election Workers	62,206	
Social Security	14,364	
State Retirement	11,771	
Medical Insurance	23,826	
Dental Insurance	1,032	
Unemployment Compensation	447	
Communication	3,456	
Operating Lease Payments	1,733	
Legal Notices, Recording, and Court Costs	38,210	
Maintenance Agreements	19,140	
Maintenance and Repair Services - Equipment	6,232	
Travel	3,363	
Other Contracted Services	2,062	
Office Supplies	4,620	
Utilities	160	
In Service/Staff Development	600	
Data Processing Equipment	1,723	
Voting Machines	6,800	
Total Election Commission		364,678

Register of Deeds

Social Security	\$ 12,777	
State Retirement	10,773	
Medical Insurance	22,424	
Dental Insurance	1,032	
Unemployment Compensation	126	
Communication	879	
Operating Lease Payments	16,625	
Maintenance Agreements	2,895	
Data Processing Supplies	2,626	
Office Supplies	5,026	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Office Equipment	\$ 2,500	
Total Register of Deeds		\$ 77,683

Codes Compliance

Assistant(s)	\$ 30,143	
Supervisor/Director	32,297	
Secretary(ies)	23,638	
Social Security	6,371	
State Retirement	7,110	
Medical Insurance	17,811	
Dental Insurance	774	
Unemployment Compensation	126	
Communication	1,828	
Consultants	1,002	
Contracts with Private Agencies	40,959	
Operating Lease Payments	7,221	
Legal Notices, Recording, and Court Costs	1,278	
Maintenance and Repair Services - Office Equipment	403	
Maintenance and Repair Services - Vehicles	337	
Postal Charges	20	
Gasoline	2,152	
Office Supplies	5,394	
Total Codes Compliance		178,864

County Buildings

Supervisor/Director	\$ 46,203
Custodial Personnel	69,629
Maintenance Personnel	74,946
Part-time Personnel	7,704
Overtime Pay	13,918
Social Security	15,977
State Retirement	16,908
Medical Insurance	37,540
Dental Insurance	1,547
Unemployment Compensation	377
Communication	38,041
Contracts with Private Agencies	3,198
Maintenance Agreements	46,354
Maintenance and Repair Services - Buildings	92,402
Maintenance and Repair Services - Equipment	3,718

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Maintenance and Repair Services - Vehicles	\$	1,831	
Pest Control		3,850	
Disposal Fees		550	
Custodial Supplies		15,798	
Electricity		111,880	
Gasoline		5,967	
Natural Gas		36,761	
Office Supplies		684	
Uniforms		523	
Water and Sewer		4,240	
Other Supplies and Materials		1,609	
Maintenance Equipment		2,443	
Total County Buildings			\$ 654,598

Other General Administration

Communication	\$	6,173	
Consultants		2,404	
Data Processing Services		18,178	
Maintenance Agreements		24,605	
Maintenance and Repair Services - Office Equipment		8,446	
Postal Charges		47,662	
Total Other General Administration			107,468

Preservation of Records

Other Supplies and Materials	\$	8	
Total Preservation of Records			8

Finance

Accounting and Budgeting

Supervisor/Director	\$	65,044	
Accountants/Bookkeepers		131,662	
Secretary(ies)		26,881	
Social Security		17,446	
State Retirement		18,232	
Medical Insurance		22,851	
Dental Insurance		1,289	
Unemployment Compensation		269	
Communication		2,050	
Dues and Memberships		545	
Legal Notices, Recording, and Court Costs		2,699	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Maintenance Agreements	\$	9,213	
Maintenance and Repair Services - Vehicles		231	
Travel		78	
Other Contracted Services		1,586	
Gasoline		70	
Office Supplies		5,589	
In Service/Staff Development		3,009	
Total Accounting and Budgeting			\$ 308,744

Property Assessor's Office

County Official/Administrative Officer	\$	63,954	
Clerical Personnel		166,076	
Social Security		17,911	
State Retirement		19,001	
Medical Insurance		32,832	
Dental Insurance		1,764	
Unemployment Compensation		252	
Audit Services		23,995	
Communication		2,377	
Data Processing Services		24,611	
Dues and Memberships		1,286	
Maintenance Agreements		512	
Maintenance and Repair Services - Vehicles		401	
Printing, Stationery, and Forms		367	
Gasoline		3,606	
Office Supplies		1,496	
Total Property Assessor's Office			360,441

Reappraisal Program

Data Processing Supplies	\$	1,492	
Other Charges		701	
Total Reappraisal Program			2,193

County Trustee's Office

Social Security	\$	13,122	
State Retirement		14,000	
Medical Insurance		28,135	
Dental Insurance		1,289	
Unemployment Compensation		193	
Communication		1,132	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Maintenance Agreements	\$	7,840	
Maintenance and Repair Services - Office Equipment		1,299	
Postal Charges		4,875	
Printing, Stationery, and Forms		1,043	
Office Supplies		1,543	
Data Processing Equipment		1,614	
Total County Trustee's Office			\$ 76,085

County Clerk's Office

Social Security	\$	18,881	
State Retirement		20,491	
Medical Insurance		47,003	
Dental Insurance		2,256	
Unemployment Compensation		336	
Communication		1,787	
Maintenance Agreements		24,284	
Maintenance and Repair Services - Office Equipment		228	
Printing, Stationery, and Forms		1,340	
Office Supplies		6,898	
Total County Clerk's Office			123,504

Administration of Justice

Circuit Court

Jury and Witness Fees	\$	26,376	
Social Security		48,846	
State Retirement		43,842	
Medical Insurance		111,599	
Dental Insurance		5,287	
Unemployment Compensation		928	
Communication		2,255	
Maintenance Agreements		9,447	
Maintenance and Repair Services - Office Equipment		200	
Printing, Stationery, and Forms		5,116	
Duplicating Supplies		3,704	
Office Supplies		5,000	
Other Charges		20,384	
Office Equipment		1,741	
Total Circuit Court			284,725

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Maintenance Agreements	\$	3,014	
Maintenance and Repair Services - Office Equipment		300	
Printing, Stationery, and Forms		6,000	
Travel		480	
Duplicating Supplies		1,008	
Office Supplies		4,915	
Office Equipment		1,150	
Total General Sessions Court			\$ 16,867

General Sessions Judge

Judge(s)	\$	267,198	
Social Security		16,691	
State Retirement		11,035	
Medical Insurance		11,796	
Dental Insurance		516	
Communication		2,035	
Dues and Memberships		315	
Legal Services		7,250	
Travel		2,550	
Office Supplies		683	
Periodicals		4,272	
Total General Sessions Judge			324,341

Drug Court

Probation Officer(s)	\$	43,594	
Social Security		3,318	
State Retirement		3,601	
Medical Insurance		7,994	
Dental Insurance		344	
Unemployment Compensation		70	
Communication		4,444	
Contracts with Private Agencies		10,150	
Dues and Memberships		985	
Evaluation and Testing		2,089	
Maintenance and Repair Services - Equipment		430	
Printing, Stationery, and Forms		1,329	
Travel		5,237	
Drug Treatment		190,872	
Other Contracted Services		85,448	
Electricity		2,931	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Natural Gas	\$	572	
Office Supplies		1,966	
Periodicals		30	
Water and Sewer		313	
Other Supplies and Materials		38,689	
In Service/Staff Development		647	
Other Equipment		404	
Total Drug Court			\$ 405,457

Chancery Court

Clerical Personnel	\$	51,714	
Social Security		13,670	
State Retirement		14,592	
Medical Insurance		17,502	
Dental Insurance		1,289	
Unemployment Compensation		210	
Communication		2,036	
Maintenance Agreements		9,225	
Printing, Stationery, and Forms		2,768	
Office Supplies		3,234	
Periodicals		763	
Total Chancery Court			117,003

Judicial Commissioners

County Official/Administrative Officer	\$	76,433	
Temporary Personnel		11,291	
Social Security		6,683	
State Retirement		6,375	
Medical Insurance		17,576	
Dental Insurance		774	
Unemployment Compensation		169	
Communication		1,799	
Maintenance Agreements		696	
Office Supplies		270	
In Service/Staff Development		943	
Office Equipment		1,634	
Total Judicial Commissioners			124,643

Probation Services

Supervisor/Director	\$	36,474	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Probation Officer(s)	\$	80,549	
Clerical Personnel		18,967	
Part-time Personnel		12,547	
Social Security		11,077	
State Retirement		8,672	
Medical Insurance		21,157	
Dental Insurance		774	
Unemployment Compensation		313	
Communication		2,931	
Maintenance Agreements		1,837	
Postal Charges		25	
Printing, Stationery, and Forms		876	
Travel		221	
Office Supplies		3,664	
Uniforms		601	
Other Supplies and Materials		1,192	
Furniture and Fixtures		1,098	
Office Equipment		3,298	
Total Probation Services			\$ 206,273

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	70,350
Deputy(ies)		1,182,699
Salary Supplements		22,800
Secretary(ies)		38,952
Clerical Personnel		52,699
Overtime Pay		79,775
Other Salaries and Wages		77,668
Social Security		111,397
State Retirement		116,057
Medical Insurance		203,218
Dental Insurance		8,188
Unemployment Compensation		1,926
Communication		12,939
Dues and Memberships		2,650
Evaluation and Testing		15
Maintenance Agreements		3,990
Maintenance and Repair Services - Equipment		1,408
Maintenance and Repair Services - Vehicles		51,570

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Printing, Stationery, and Forms	\$	1,042	
Travel		7,398	
Gasoline		155,407	
Instructional Supplies and Materials		5,196	
Law Enforcement Supplies		5,289	
Office Supplies		6,319	
Uniforms		7,302	
Communication Equipment		9,093	
Data Processing Equipment		6,921	
Law Enforcement Equipment		10,178	
Motor Vehicles		86,265	
Office Equipment		334	
Total Sheriff's Department			\$ 2,339,045

Traffic Control

Contracts with Other Public Agencies	\$	15,725	
Road Signs		9,914	
Total Traffic Control			25,639

Administration of the Sexual Offender Registry

Law Enforcement Supplies	\$	700	
Total Administration of the Sexual Offender Registry			700

Jail

Deputy(ies)	\$	164,455	
Medical Personnel		75,203	
Guards		499,973	
Clerical Personnel		44,932	
Attendants		56,210	
Cafeteria Personnel		24,912	
Overtime Pay		33,169	
Bonus Payments		7,722	
Other Salaries and Wages		31,669	
Social Security		70,322	
State Retirement		56,155	
Medical Insurance		207,727	
Dental Insurance		9,090	
Unemployment Compensation		1,931	
Communication		10,771	
Contracts with Private Agencies		48,000	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Evaluation and Testing	\$ 1,225	
Maintenance Agreements	4,196	
Maintenance and Repair Services - Buildings	43,085	
Maintenance and Repair Services - Equipment	1,386	
Medical and Dental Services	315,821	
Printing, Stationery, and Forms	1,452	
Transportation - Other than Students	4,189	
Travel	3,545	
Custodial Supplies	41,585	
Electricity	91,130	
Food Supplies	228,795	
Law Enforcement Supplies	1,814	
Natural Gas	36,556	
Office Supplies	3,360	
Periodicals	1,022	
Prisoners Clothing	6,917	
Uniforms	4,979	
Water and Sewer	32,918	
Communication Equipment	11,932	
Data Processing Equipment	2,186	
Furniture and Fixtures	10,474	
Law Enforcement Equipment	2,117	
Total Jail		\$ 2,192,925

Juvenile Services

Supervisor/Director	\$ 38,695
Youth Service Officer(s)	131,511
Salary Supplements	9,000
Secretary(ies)	25,078
Other Salaries and Wages	7,800
In-Service Training	2,097
Social Security	15,945
State Retirement	15,352
Medical Insurance	32,069
Dental Insurance	1,547
Unemployment Compensation	327
Communication	2,956
Contracts with Government Agencies	20,175
Maintenance Agreements	1,949
Travel	4,664

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Office Supplies	\$ 6,666	
Total Juvenile Services		\$ 315,831

Rural Fire Protection

Contributions	\$ 257,000	
Total Rural Fire Protection		257,000

Civil Defense

Supervisor/Director	\$ 37,567	
Deputy(ies)	34,714	
Social Security	4,666	
State Retirement	3,103	
Medical Insurance	11,796	
Dental Insurance	516	
Unemployment Compensation	84	
Communication	3,812	
Dues and Memberships	100	
Maintenance and Repair Services - Buildings	676	
Maintenance and Repair Services - Vehicles	1,827	
Travel	274	
Food Supplies	2,208	
Gasoline	2,590	
Office Supplies	1,796	
Uniforms	1,018	
In Service/Staff Development	1,465	
Other Charges	142,419	
Other Equipment	6,393	
Total Civil Defense		257,024

Rescue Squad

Contributions	\$ 17,000	
Total Rescue Squad		17,000

County Coroner/Medical Examiner

Medical and Dental Services	\$ 34,747	
Total County Coroner/Medical Examiner		34,747

Other Public Safety

Supervisor/Director	\$ 41,051	
Salary Supplements	33,145	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety (Cont.)

Dispatchers/Radio Operators	\$	425,119	
Educational Assistants		35,992	
Overtime Pay		12,935	
Other Salaries and Wages		21,065	
Social Security		42,232	
State Retirement		43,047	
Medical Insurance		98,457	
Dental Insurance		4,642	
Unemployment Compensation		920	
Total Other Public Safety			\$ 758,605

Public Health and Welfare

Local Health Center

Medical Personnel	\$	159,828	
Clerical Personnel		147,402	
Educational Assistants		111,056	
Social Security		32,922	
State Retirement		27,913	
Medical Insurance		50,665	
Dental Insurance		2,192	
Unemployment Compensation		789	
Communication		7,044	
Contributions		40,000	
Maintenance and Repair Services - Buildings		3,927	
Travel		15,706	
Drugs and Medical Supplies		72	
Office Supplies		572	
Utilities		10,448	
Other Supplies and Materials		30,854	
Liability Insurance		392	
Other Charges		400	
Total Local Health Center			642,182

Rabies and Animal Control

Supervisor/Director	\$	30,977
Deputy(ies)		15,270
Overtime Pay		3,052
Social Security		3,770
State Retirement		4,072
Medical Insurance		10,128

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Dental Insurance	\$	473	
Unemployment Compensation		84	
Communication		4,118	
Dues and Memberships		125	
Laundry Service		281	
Maintenance and Repair Services - Buildings		293	
Maintenance and Repair Services - Vehicles		2,103	
Travel		16	
Veterinary Services		4,126	
Animal Food and Supplies		14	
Custodial Supplies		1,427	
Drugs and Medical Supplies		1,050	
Gasoline		3,778	
Office Supplies		879	
Utilities		1,200	
Other Supplies and Materials		710	
Total Rabies and Animal Control			\$ 87,946

Ambulance/Emergency Medical Services

Supervisor/Director	\$	51,162
Accountants/Bookkeepers		58,183
Medical Personnel		724,171
Overtime Pay		440,019
In-Service Training		6,219
Social Security		94,941
State Retirement		90,127
Medical Insurance		177,216
Dental Insurance		7,520
Unemployment Compensation		1,933
Communication		8,880
Consultants		3,000
Data Processing Services		1,800
Dues and Memberships		280
Operating Lease Payments		2,188
Licenses		3,105
Maintenance and Repair Services - Buildings		3,355
Maintenance and Repair Services - Equipment		11,271
Maintenance and Repair Services - Vehicles		25,511
Medical and Dental Services		295
Travel		490

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Custodial Supplies	\$ 1,658	
Drugs and Medical Supplies	44,950	
Gasoline	55,004	
Office Supplies	4,980	
Tires and Tubes	2,336	
Uniforms	7,946	
Utilities	24,560	
Other Supplies and Materials	3,819	
Liability Insurance	20,951	
Vehicle and Equipment Insurance	20,747	
Communication Equipment	3,918	
Furniture and Fixtures	3,750	
Other Equipment	4,508	
Total Ambulance/Emergency Medical Services		\$ 1,910,793

Alcohol and Drug Programs

Other Supplies and Materials	\$ 2,000	
Total Alcohol and Drug Programs		2,000

Appropriation to State

Contributions	\$ 92,034	
Total Appropriation to State		92,034

General Welfare Assistance

Contributions	\$ 31,580	
Total General Welfare Assistance		31,580

Other Waste Disposal

Disposal Fees	\$ 16,623	
Total Other Waste Disposal		16,623

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 66,087	
Tax Relief Program	102,189	
Total Senior Citizens Assistance		168,276

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$ 74,111	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Secretary(ies)	\$	46,979	
Social Security		766	
State Retirement		827	
Unemployment Compensation		53	
Other Fringe Benefits		37,877	
Communication		715	
Contracts with Private Agencies		23,099	
Maintenance and Repair Services - Office Equipment		1,046	
Travel		3,442	
Data Processing Supplies		1,416	
Utilities		586	
Total Agriculture Extension Service			\$ 190,917

Soil Conservation

Secretary(ies)	\$	30,638	
Other Salaries and Wages		31,047	
Social Security		4,611	
State Retirement		5,095	
Medical Insurance		11,931	
Dental Insurance		516	
Unemployment Compensation		84	
Contributions		2,000	
Total Soil Conservation			85,922

Other Operations

Industrial Development

Contributions	\$	258,258	
Total Industrial Development			258,258

Veterans' Services

Clerical Personnel	\$	13,820	
Social Security		1,057	
Unemployment Compensation		83	
Communication		600	
Dues and Memberships		50	
Travel		947	
Electricity		880	
Natural Gas		481	
Office Supplies		252	
Water and Sewer		347	
Total Veterans' Services			18,517

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Liability Insurance	\$ 153,673	
Premiums on Corporate Surety Bonds	376	
Trustee's Commission	183,346	
Workers' Compensation Insurance	142,499	
Liability Claims	7,310	
Loss from Joint Ventures	66,363	
Other Charges	<u>21,820</u>	
Total Other Charges		\$ 575,387

Contributions to Other Agencies

Contributions	\$ 39,000	
Total Contributions to Other Agencies		39,000

Payments to Cities

Contributions	\$ 28,500	
Total Payments to Cities		28,500

Miscellaneous

Contracts with Private Agencies	\$ 11,561	
Engineering Services	9,994	
Other Contracted Services	93,831	
Instructional Supplies and Materials	833	
Other Charges	<u>455,195</u>	
Total Miscellaneous		<u>571,414</u>

Total General Fund \$ 14,962,893

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Librarians	\$ 476,740
Dues and Memberships	4,500
Janitorial Services	11,630
Maintenance and Repair Services - Buildings	22,245
Postal Charges	3,582
Printing, Stationery, and Forms	620
Travel	2,811
Periodicals	4,618
Utilities	55,327
Other Supplies and Materials	140,601

(Continued)

Exhibit K-7

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

Public Library Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Liability Insurance	\$ 68,034	
Office Equipment	14,402	
Other Capital Outlay	117,984	
Total Libraries		\$ 923,094

Total Public Library Fund \$ 923,094

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$ 44,857	
Secretary(ies)	31,047	
Overtime Pay	1,743	
In-Service Training	471	
Social Security	5,895	
State Retirement	6,414	
Medical Insurance	12,031	
Dental Insurance	516	
Unemployment Compensation	86	
Communication	1,445	
Maintenance and Repair Services - Buildings	2,953	
Postal Charges	891	
Custodial Supplies	384	
Utilities	9,152	
Other Supplies and Materials	2,777	
Trustee's Commission	19,544	
Other Charges	11,909	
Total Sanitation Management		\$ 152,115

Waste Pickup

Truck Drivers	\$ 125,219	
Guards	22,798	
Overtime Pay	24,539	
Other Salaries and Wages	3,692	
Social Security	13,227	
State Retirement	7,715	
Medical Insurance	31,990	
Dental Insurance	1,225	
Unemployment Compensation	292	
Contracts with Government Agencies	19,466	

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Contracts with Private Agencies	\$ 247,003	
Maintenance and Repair Services - Equipment	374	
Maintenance and Repair Services - Vehicles	23,241	
Medical and Dental Services	45	
Diesel Fuel	50,937	
Garage Supplies	3,762	
Gasoline	7,547	
Tires and Tubes	5,617	
Uniforms	2,570	
Other Supplies and Materials	3,645	
Vehicle and Equipment Insurance	8,256	
Total Waste Pickup		\$ 603,160

Convenience Centers

Attendants	\$ 137,841	
Overtime Pay	5,514	
Other Salaries and Wages	9,009	
Social Security	12,286	
State Retirement	9,380	
Medical Insurance	51,187	
Dental Insurance	2,063	
Unemployment Compensation	506	
Communication	6,714	
Maintenance and Repair Services - Buildings	1,577	
Maintenance and Repair Services - Equipment	12,325	
Rentals	5,350	
Electricity	8,216	
Total Convenience Centers		261,968

Other Waste Collection

Supervisor/Director	\$ 13,197	
Secretary(ies)	7,918	
Overtime Pay	1,294	
Social Security	1,701	
State Retirement	1,851	
Contracts with Government Agencies	894	
Contracts with Private Agencies	55,839	
Contracts with Vehicle Owners	4,138	
Maintenance and Repair Services - Equipment	227	
Other Equipment	245	
Total Other Waste Collection		87,304

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Other Operations

Other Charges

Workers' Compensation Insurance	\$ 20,555	
Total Other Charges		\$ 20,555

Total Solid Waste/Sanitation Fund \$ 1,125,102

Industrial/Economic Development Fund

Other Operations

Industrial Development

Engineering Services	\$ 9,298	
Other Contracted Services	400	
Electricity	217	
Trustee's Commission	53	
Total Industrial Development		\$ 9,968

Total Industrial/Economic Development Fund 9,968

Local Purpose Tax Fund

Other Operations

Industrial Development

Contracts with Government Agencies	\$ 74,200	
Engineering Services	1,800	
Trustee's Commission	2,718	
Highway Construction	75,800	
Total Industrial Development		\$ 154,518

Principal on Debt

General Government

Principal on Notes	\$ 22,500	
Total General Government		22,500

Interest on Debt

General Government

Interest on Notes	\$ 5,256	
Total General Government		5,256

Total Local Purpose Tax Fund 182,274

(Continued)

Exhibit K-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Contributions	\$	250	
Confidential Drug Enforcement Payments		15,000	
Maintenance and Repair Services - Equipment		4,975	
Travel		9,965	
Instructional Supplies and Materials		2,459	
Law Enforcement Supplies		4,464	
Trustee's Commission		1,089	
Other Charges		4,350	
Communication Equipment		1,037	
Data Processing Equipment		1,500	
Law Enforcement Equipment		37,789	
Motor Vehicles		21,315	
Total Drug Enforcement			\$ 104,193

Total Drug Control Fund \$ 104,193

District Attorney General Fund

Administration of Justice

District Attorney General

Communication	\$	6,384	
Dues and Memberships		95	
Janitorial Services		6,500	
Travel		2,499	
Office Supplies		1,717	
Other Supplies and Materials		284	
Other Charges		34,978	
Total District Attorney General			\$ 52,457

Total District Attorney General Fund 52,457

Commissary Fund

Public Safety

Commissary

Supervisor/Director	\$	23,173	
Social Security		1,904	
State Retirement		1,377	
Medical Insurance		1,903	
Unemployment Compensation		53	
Communication		296	
Maintenance Agreements		2,400	

(Continued)

Exhibit K-7

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

Other Special Revenue Fund (Cont.)

Public Safety (Cont.)

Commissary (Cont.)

Maintenance and Repair Services - Vehicles	\$	148	
Food Supplies		36,958	
Gasoline		396	
Office Supplies		1,732	
Other Supplies and Materials		12,880	
Trustee's Commission		57	
Workers' Compensation Insurance		167	
Other Charges		<u>7,740</u>	
Total Commissary			<u>\$ 91,184</u>

Total Commissary Fund \$ 91,184

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	<u>173,711</u>	
Total Register of Deeds			\$ 173,711

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	<u>181,482</u>	
Total County Trustee's Office			181,482

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	<u>253,565</u>	
Total County Clerk's Office			253,565

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$	<u>647,112</u>	
Total Circuit Court			647,112

General Sessions Court Clerk

Constitutional Officers' Operating Expenses	\$	<u>5,444</u>	
Total General Sessions Court Clerk			5,444

Chancery Court

Constitutional Officers' Operating Expenses	\$	<u>133,223</u>	
Total Chancery Court			133,223

(Continued)

Exhibit K-7

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

Constitutional Officers - Fees Fund (Cont.)

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 109	
Total Sheriff's Department		\$ 109

Total Constitutional Officers - Fees Fund		\$ 1,394,646
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 70,350	
Assistant(s)	42,942	
Secretary(ies)	27,942	
Board and Committee Members Fees	6,300	
Social Security	11,288	
State Retirement	11,666	
Medical Insurance	25,418	
Dental Insurance	774	
Unemployment Compensation	344	
Accounting Services	12,000	
Dues and Memberships	3,230	
Engineering Services	10,118	
Evaluation and Testing	575	
Printing, Stationery, and Forms	114	
Travel	312	
Other Contracted Services	215	
Office Supplies	962	
Other Charges	1,769	
Total Administration		\$ 226,319

Highway and Bridge Maintenance

Equipment Operators	\$ 354,141
Truck Drivers	9,285
Social Security	27,802
State Retirement	25,052
Medical Insurance	140,054
Dental Insurance	3,628
Unemployment Compensation	2,737
Other Contracted Services	359,857
Asphalt - Cold Mix	3,420
Asphalt - Liquid	352,483
Crushed Stone	156,839

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Other Road Supplies	\$	240	
Pipe - Concrete		35,149	
Road Signs		3,820	
Salt		1,940	
Small Tools		121	
Structural Steel		565	
Wood Products		7	
Other Supplies and Materials		486	
Total Highway and Bridge Maintenance			\$ 1,477,626

Operation and Maintenance of Equipment

Mechanic(s)	\$	57,314	
Social Security		4,385	
State Retirement		4,733	
Medical Insurance		24,405	
Dental Insurance		516	
Unemployment Compensation		349	
Laundry Service		5,873	
Tow-in Services		315	
Diesel Fuel		59,954	
Equipment and Machinery Parts		44,577	
Garage Supplies		675	
Gasoline		5,960	
Lubricants		4,457	
Tires and Tubes		10,608	
Other Supplies and Materials		2,502	
Total Operation and Maintenance of Equipment			226,623

Other Charges

Communication	\$	3,302	
Electricity		5,719	
Natural Gas		2,067	
Water and Sewer		336	
Liability Insurance		38,480	
Trustee's Commission		18,929	
Workers' Compensation Insurance		89,447	
Other Charges		684	
Total Other Charges			158,964

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Bridge Construction	\$ 435,080	
Total Capital Outlay		\$ 435,080

Total Highway/Public Works Fund \$ 2,524,612

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 415,000	
Principal on Notes	109,000	
Principal on Other Loans	<u>345,000</u>	
Total General Government		\$ 869,000

Interest on Debt

General Government

Interest on Bonds	\$ 88,000	
Interest on Notes	16,233	
Interest on Other Loans	<u>268,866</u>	
Total General Government		373,099

Other Debt Service

General Government

Fiscal Agent Charges	\$ 3,110	
Trustee's Commission	16,524	
Other Debt Service	<u>1,312</u>	
Total General Government		<u>20,946</u>

Total General Debt Service Fund 1,263,045

Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 290,000	
Principal on Notes	<u>159,408</u>	
Total Education		\$ 449,408

Interest on Debt

Education

Interest on Bonds	\$ 91,800	
Interest on Notes	7,975	

(Continued)

Exhibit K-7

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

Rural Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Education (Cont.)

Interest on Other Loans	\$ 65,814	
Total Education		\$ 165,589

Other Debt Service

Education

Trustee's Commission	\$ 12,078	
Other Debt Service	534	
Total Education		<u>12,612</u>

Total Rural Debt Service Fund		\$ 627,609
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Special Debt Service Fund

Principal on Debt

Education

Principal on Other Loans	\$ 125,000	
Total Education		\$ 125,000

Interest on Debt

Education

Interest on Other Loans	\$ 144,489	
Total Education		144,489

Other Debt Service

Education

Trustee's Commission	\$ 13,435	
Underwriter's Discount	79,800	
Other Debt Issuance Charges	34,000	
Total Education		127,235

Capital Projects - Donated

Capital Projects Donated to School Department

Contributions	\$ 875,836	
Total Capital Projects Donated to School Department		<u>875,836</u>

Total Special Debt Service Fund		1,272,560
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Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 290,000	
Total Education		\$ 290,000

(Continued)

Exhibit K-7

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

Education Debt Service Fund (Cont.)

Interest on Debt

Education

Interest on Bonds	\$ 148,025	
Total Education		\$ 148,025

Other Debt Service

Education

Trustee's Commission	\$ 8,717	
Other Debt Service	534	
Total Education		9,251

Total Education Debt Service Fund		\$ 447,276
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Other Debt Service Fund

Other Debt Service

Education

Trustee's Commission	\$ 3,377	
Total Education		\$ 3,377

Total Other Debt Service Fund		3,377
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General Capital Projects Fund

Capital Projects

General Administration Projects

Trustee's Commission	\$ 2,431	
Total General Administration Projects		\$ 2,431

Public Health and Welfare Projects

Engineering Services	\$ 1,780	
Land	8,000	
Site Development	386	
Building Purchases	170,000	
Total Public Health and Welfare Projects		180,166

Public Utility Projects

Evaluation and Testing	\$ 4,970	
Other Construction	43,485	
Other Capital Outlay	6,386	
Total Public Utility Projects		54,841

Highway and Street Capital Projects

Highway Construction	\$ 135,000	
Total Highway and Street Capital Projects		135,000

Total General Capital Projects Fund		372,438
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(Continued)

Exhibit K-7

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

<u>Education Capital Projects Fund</u>		
<u>Capital Projects - Donated</u>		
<u>Capital Projects Donated to School Department</u>		
Contributions	\$ 1,500,000	
Total Capital Projects Donated to School Department		\$ 1,500,000
Total Education Capital Projects Fund		\$ 1,500,000
<u>Other Capital Projects Fund</u>		
<u>Public Health and Welfare</u>		
<u>Ambulance/Emergency Medical Services</u>		
Drugs and Medical Supplies	\$ 3,965	
Trustee's Commission	1,400	
Motor Vehicles	30,627	
Other Equipment	4,789	
Total Ambulance/Emergency Medical Services		\$ 40,781
<u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Notes	\$ 28,333	
Total General Government		28,333
<u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Notes	\$ 6,619	
Total General Government		6,619
Total Other Capital Projects Fund		<u>75,733</u>
Total Governmental Funds - Primary Government		<u>\$ 26,932,461</u>

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2009

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 10,257,295	
Career Ladder Program	120,125	
Career Ladder Extended Contracts	67,626	
Homebound Teachers	27,607	
Instructional Computer Personnel	55,999	
Educational Assistants	203,230	
Other Salaries and Wages	105,393	
Certified Substitute Teachers	32,406	
Non-certified Substitute Teachers	135,849	
Social Security	635,122	
State Retirement	683,898	
Life Insurance	47,361	
Medical Insurance	1,667,863	
Dental Insurance	72,509	
Employer Medicare	151,178	
Communication	72,414	
Maintenance and Repair Services - Equipment	71,048	
Other Contracted Services	14,266	
Instructional Supplies and Materials	184,997	
Textbooks	299,691	
Other Supplies and Materials	64,523	
Other Charges	40,983	
Furniture and Fixtures	10,933	
Regular Instruction Equipment	141,823	
Total Regular Instruction Program		\$ 15,164,139

Special Education Program

Teachers	\$ 1,472,078
Career Ladder Program	19,084
Homebound Teachers	10,153
Educational Assistants	147,990
Speech Pathologist	136,982
Other Salaries and Wages	85,311
Certified Substitute Teachers	4,310
Non-certified Substitute Teachers	11,980
Social Security	108,364
State Retirement	116,710
Life Insurance	9,061
Medical Insurance	303,524

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Dental Insurance	\$	23,083	
Employer Medicare		25,704	
Maintenance and Repair Services - Equipment		599	
Other Contracted Services		47,300	
Instructional Supplies and Materials		9,763	
Other Supplies and Materials		4,148	
Other Charges		186	
Total Special Education Program			\$ 2,536,330

Vocational Education Program

Teachers	\$	907,595	
Career Ladder Program		7,500	
Educational Assistants		11,972	
Other Salaries and Wages		6,353	
Certified Substitute Teachers		2,180	
Non-certified Substitute Teachers		12,858	
Social Security		56,054	
State Retirement		60,128	
Life Insurance		3,942	
Medical Insurance		148,575	
Dental Insurance		5,974	
Employer Medicare		13,110	
Instructional Supplies and Materials		30,533	
Vocational Instruction Equipment		17,951	
Total Vocational Education Program			1,284,725

Student Body Education Program

Other Salaries and Wages	\$	40,428	
Social Security		2,366	
State Retirement		2,899	
Employer Medicare		553	
Other Charges		6,692	
Total Student Body Education Program			52,938

Support Services

Attendance

Supervisor/Director	\$	61,032	
Career Ladder Program		1,000	
Other Salaries and Wages		289	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Social Security	\$	3,593	
State Retirement		4,001	
Life Insurance		174	
Medical Insurance		7,387	
Dental Insurance		272	
Employer Medicare		840	
Travel		1,176	
Other Supplies and Materials		2,328	
Attendance Equipment		4,216	
Total Attendance			\$ 86,308

Health Services

Medical Personnel	\$	239,259	
Secretary(ies)		19,249	
Other Salaries and Wages		63,646	
Social Security		19,133	
State Retirement		19,991	
Life Insurance		1,340	
Medical Insurance		49,807	
Dental Insurance		1,901	
Employer Medicare		4,475	
Travel		6,078	
Other Contracted Services		1,425	
Other Supplies and Materials		17,706	
Other Charges		414	
Health Equipment		500	
Other Equipment		3,418	
Total Health Services			448,342

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		498,773	
Psychological Personnel		15,784	
Social Workers		22,900	
Secretary(ies)		64,017	
Other Salaries and Wages		19,101	
Social Security		37,462	
State Retirement		42,069	
Life Insurance		2,972	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Medical Insurance	\$	104,530	
Dental Insurance		4,617	
Employer Medicare		8,763	
Evaluation and Testing		41,985	
Travel		1,076	
Other Contracted Services		441	
Total Other Student Support			\$ 867,490

Regular Instruction Program

Supervisor/Director	\$	292,972	
Career Ladder Program		9,000	
Career Ladder Extended Contracts		7,000	
Librarians		320,249	
Secretary(ies)		82,184	
Other Salaries and Wages		35,187	
Social Security		42,961	
State Retirement		48,930	
Life Insurance		3,418	
Medical Insurance		124,583	
Dental Insurance		5,974	
Employer Medicare		10,201	
Travel		22,475	
Library Books/Media		24,909	
In Service/Staff Development		28,845	
Other Charges		6,377	
Other Equipment		3,192	
Total Regular Instruction Program			1,068,457

Special Education Program

Supervisor/Director	\$	58,847	
Career Ladder Program		1,000	
Psychological Personnel		105,753	
Secretary(ies)		18,096	
Other Salaries and Wages		2,783	
Social Security		10,425	
State Retirement		12,319	
Life Insurance		632	
Medical Insurance		27,479	
Dental Insurance		1,086	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	2,438	
Travel		13,744	
Other Supplies and Materials		786	
In Service/Staff Development		1,489	
Other Charges		998	
Total Special Education Program			\$ 257,875

Vocational Education Program

Supervisor/Director	\$	37,016	
Career Ladder Program		1,500	
Social Security		2,333	
State Retirement		2,473	
Life Insurance		217	
Medical Insurance		2,763	
Dental Insurance		272	
Employer Medicare		546	
Communication		2,057	
Travel		2,453	
Total Vocational Education Program			51,630

Other Programs

On-Behalf Payments to OPEB	\$	189,013	
Total Other Programs			189,013

Board of Education

Secretary to Board	\$	1,274	
Board and Committee Members Fees		16,430	
Social Security		996	
State Retirement		105	
Life Insurance		616	
Medical Insurance		147,938	
Dental Insurance		20,691	
Unemployment Compensation		9,053	
Employer Medicare		256	
Audit Services		4,850	
Bank Charges		856	
Dues and Memberships		5,982	
Legal Services		29,685	
Travel		3,742	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Liability Insurance	\$	220,579	
Trustee's Commission		222,028	
Workers' Compensation Insurance		205,542	
In Service/Staff Development		12,054	
Criminal Investigation of Applicants - TBI		9,720	
Other Charges		58,012	
Total Board of Education			\$ 970,409

Director of Schools

County Official/Administrative Officer	\$	98,795	
Career Ladder Program		1,000	
Secretary(ies)		31,260	
Clerical Personnel		25,857	
Other Salaries and Wages		775	
Social Security		9,571	
State Retirement		11,183	
Life Insurance		256	
Medical Insurance		20,300	
Dental Insurance		815	
Employer Medicare		2,244	
Communication		9,787	
Dues and Memberships		1,983	
Maintenance and Repair Services - Equipment		12,504	
Postal Charges		3,364	
Travel		3,000	
Office Supplies		7,937	
Utilities		22,622	
In Service/Staff Development		2,684	
Total Director of Schools			265,937

Office of the Principal

Principals	\$	494,885	
Career Ladder Program		12,172	
Accountants/Bookkeepers		50,927	
Career Ladder Extended Contracts		5,500	
Assistant Principals		278,513	
Secretary(ies)		246,128	
Other Salaries and Wages		4,043	
Social Security		64,294	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

State Retirement	\$	74,965	
Life Insurance		1,886	
Medical Insurance		169,842	
Dental Insurance		7,332	
Employer Medicare		15,037	
Communication		24,907	
Travel		2,207	
Office Supplies		4,007	
Total Office of the Principal			\$ 1,456,645

Fiscal Services

Supervisor/Director	\$	41,338	
Accountants/Bookkeepers		125,116	
Social Security		9,998	
State Retirement		13,749	
Life Insurance		420	
Medical Insurance		30,391	
Dental Insurance		1,358	
Employer Medicare		2,338	
Travel		199	
Other Contracted Services		13,279	
Other Supplies and Materials		1,558	
In Service/Staff Development		1,144	
Administration Equipment		1,089	
Total Fiscal Services			241,977

Operation of Plant

Custodial Personnel	\$	466,500	
Social Security		27,047	
State Retirement		34,347	
Life Insurance		1,720	
Medical Insurance		128,521	
Dental Insurance		5,974	
Employer Medicare		6,498	
Laundry Service		5,147	
Electricity		852,282	
Natural Gas		124,654	
Propane Gas		11,420	
Water and Sewer		49,388	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Other Supplies and Materials	\$ 55,254	
Total Operation of Plant		\$ 1,768,752

Maintenance of Plant

Supervisor/Director	\$ 56,731	
Maintenance Personnel	200,441	
Other Salaries and Wages	14,261	
Social Security	15,949	
State Retirement	21,426	
Life Insurance	682	
Medical Insurance	53,514	
Dental Insurance	2,172	
Employer Medicare	3,730	
Communication	4,519	
Maintenance and Repair Services - Buildings	1,949	
Maintenance and Repair Services - Equipment	15,396	
Travel	1,789	
Other Supplies and Materials	122,877	
In Service/Staff Development	1,594	
Maintenance Equipment	12,632	
Total Maintenance of Plant		529,662

Transportation

Supervisor/Director	\$ 55,551
Mechanic(s)	129,000
Bus Drivers	547,433
Clerical Personnel	36,386
Other Salaries and Wages	165,929
Social Security	54,048
State Retirement	72,070
Life Insurance	4,183
Medical Insurance	320,541
Dental Insurance	15,207
Employer Medicare	12,681
Communication	1,470
Laundry Service	3,695
Travel	1,794
Diesel Fuel	179,016
Gasoline	15,903

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Tires and Tubes	\$	8,034	
Utilities		19,696	
Vehicle Parts		99,052	
In Service/Staff Development		1,182	
Other Charges		4,895	
Administration Equipment		5,703	
Transportation Equipment		368,595	
Total Transportation			\$ 2,122,064

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	58,480	
Other Salaries and Wages		108,452	
Social Security		10,291	
State Retirement		6,250	
Dental Insurance		3,530	
Employer Medicare		2,405	
Communication		1,204	
Travel		4,355	
Other Contracted Services		4,971	
Food Supplies		11,933	
Other Supplies and Materials		10,526	
Other Charges		7,197	
Other Equipment		2,093	
Total Community Services			231,687

Early Childhood Education

Teachers	\$	283,780	
Psychological Personnel		24,491	
Educational Assistants		77,301	
Other Salaries and Wages		14,330	
Certified Substitute Teachers		220	
Non-certified Substitute Teachers		5,718	
Social Security		22,963	
State Retirement		26,275	
Life Insurance		1,199	
Medical Insurance		88,086	
Employer Medicare		5,370	
Communication		2,235	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Travel	\$	4,590	
Instructional Supplies and Materials		32,935	
Other Supplies and Materials		3,017	
Other Charges		2,092	
Regular Instruction Equipment		2,061	
Other Equipment		10,986	
Total Early Childhood Education			\$ 607,649

Capital Outlay

Regular Capital Outlay

Architects	\$	715,746	
Other Equipment		2,419	
Other Capital Outlay		484,296	
Total Regular Capital Outlay			1,202,461

Principal on Debt

Education

Principal on Notes	\$	74,258	
Total Education			74,258

Interest on Debt

Education

Interest on Notes	\$	9,606	
Total Education			9,606

Total General Purpose School Fund \$ 31,488,354

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	348,365	
Educational Assistants		32,692	
Other Salaries and Wages		51,743	
Certified Substitute Teachers		1,920	
Non-certified Substitute Teachers		9,065	
Social Security		27,068	
State Retirement		29,616	
Life Insurance		2,301	
Medical Insurance		63,557	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	6,330	
Instructional Supplies and Materials		66,026	
Other Supplies and Materials		2,038	
Other Charges		276	
Total Regular Instruction Program			\$ 640,997

Special Education Program

Teachers	\$	73,668	
Educational Assistants		359,285	
Other Salaries and Wages		7,595	
Certified Substitute Teachers		270	
Non-certified Substitute Teachers		18,500	
Social Security		26,811	
State Retirement		32,093	
Life Insurance		6,006	
Medical Insurance		188,001	
Employer Medicare		6,270	
Maintenance and Repair Services - Equipment		3,631	
Other Contracted Services		56,940	
Instructional Supplies and Materials		7,777	
Textbooks		6,653	
Other Supplies and Materials		8,496	
Other Charges		3,633	
Special Education Equipment		2,416	
Other Equipment		9,468	
Total Special Education Program			817,513

Vocational Education Program

Instructional Supplies and Materials	\$	8,375	
Vocational Instruction Equipment		59,365	
Total Vocational Education Program			67,740

Support Services

Other Student Support

Social Workers	\$	9,805	
Social Security		608	
State Retirement		629	
Employer Medicare		142	
Evaluation and Testing		6,380	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Travel	\$	12,067	
Instructional Supplies and Materials		481	
In Service/Staff Development		4,560	
Other Charges		5,632	
Total Other Student Support			\$ 40,304

Regular Instruction Program

Supervisor/Director	\$	29,799	
Secretary(ies)		24,851	
Social Security		3,037	
State Retirement		3,966	
Life Insurance		361	
Medical Insurance		14,943	
Employer Medicare		710	
Travel		791	
Other Contracted Services		1,735	
Other Supplies and Materials		22,220	
In Service/Staff Development		81,319	
Other Charges		49	
Other Equipment		5,563	
Total Regular Instruction Program			189,344

Special Education Program

Psychological Personnel	\$	3,555	
Secretary(ies)		18,096	
Social Security		1,342	
State Retirement		1,723	
Life Insurance		167	
Medical Insurance		1,918	
Employer Medicare		314	
Travel		1,638	
Other Supplies and Materials		5,094	
In Service/Staff Development		4,098	
Other Charges		3,854	
Administration Equipment		4,136	
Other Equipment		4,734	
Total Special Education Program			50,669

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Travel	\$ 1,902	
In Service/Staff Development	3,397	
Total Vocational Education Program		\$ 5,299

Office of the Principal

Communication	\$ 1,500	
Total Office of the Principal		1,500

Total School Federal Projects Fund \$ 1,813,366

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 54,498	
Accountants/Bookkeepers	31,603	
Cafeteria Personnel	594,610	
Other Salaries and Wages	15,023	
Social Security	40,391	
State Retirement	49,100	
Life Insurance	6,870	
Medical Insurance	243,342	
Dental Insurance	10,319	
Employer Medicare	9,446	
Accounting Services	600	
Communication	2,713	
Maintenance and Repair Services - Equipment	6,270	
Travel	10,346	
Other Contracted Services	14,896	
Food Preparation Supplies	61,130	
Food Supplies	857,013	
Office Supplies	3,057	
Other Supplies and Materials	639	
Liability Insurance	321	
In Service/Staff Development	2,342	
Other Charges	2,309	
Food Service Equipment	45,110	
Total Food Service		\$ 2,061,948

Total Central Cafeteria Fund 2,061,948

(Continued)

Exhibit K-8

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

<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Architects	\$	20,744	
Building Improvements		<u>543,001</u>	
Total Education Capital Projects			<u>\$ 563,745</u>
Total Education Capital Projects Fund			\$ 563,745
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Architects	\$	125,169	
Legal Services		2,390	
Building Improvements		1,129,956	
Site Development		<u>65,315</u>	
Total Education Capital Projects			<u>\$ 1,322,830</u>
Total Other Capital Projects Fund			<u>1,322,830</u>
Total Governmental Funds - Coffee County School Department			<u>\$ 37,250,243</u>

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2009

	Enterprise Fund
	Wayside Acres Sewer Fund
<hr/>	
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Water Treatment Charges	\$ 11,978
Other General Service Charges	18,367
Water Tap Sales	100
Service Charges	940
<u>Other Local Revenues</u>	
Miscellaneous Refunds	39
Total Operating Revenues	<u>\$ 31,424</u>
Total Revenues	<u>\$ 31,424</u>
 <u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Public Health and Welfare</u>	
Communication	\$ 418
Engineering Services	8,721
Permits	20
Other Contracted Services	19,030
Electricity	1,902
Water and Sewer	84
Other Supplies and Materials	3,024
Liability Insurance	650
Depreciation	35,428
Total Operating Expenses	<u>\$ 69,277</u>
<u>Nonoperating Expenses</u>	
Interest on Other Loans	\$ 13,376
Total Nonoperating Expenses	<u>\$ 13,376</u>
Total Expenses	<u>\$ 82,653</u>

Exhibit K-10

Coffee County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2009

	Cities - Sales Tax Fund	City School ADA- Tulahoma Fund	City School ADA- Manchester Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 4,460,111	\$ 1,892,323	\$ 6,352,434
Trustee's Collections - Prior Years	0	129,285	54,851	184,136
Trustee's Collections - Bankruptcy	0	1,493	629	2,122
Circuit/Clerk and Master Collections - Prior Years	0	57,559	24,460	82,019
Interest and Penalty	0	53,264	22,610	75,874
Payments in-Lieu-of Taxes - TVA	0	388	165	553
Payments in-Lieu-of Taxes - Local Utilities	0	10,144	4,304	14,448
Payments in-Lieu-of Taxes - Other	0	27	11	38
Interstate Telecommunications Tax	0	2,178	924	3,102
Local Option Sales Tax	13,031,016	0	0	13,031,016
Marriage Licenses	0	1,470	625	2,095
Alcoholic Beverage Tax	0	3,419	1,451	4,870
Total Cash Receipts	\$ 13,031,016	\$ 4,719,338	\$ 2,002,353	\$ 19,752,707
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 12,900,706	\$ 4,614,297	\$ 1,957,470	\$ 19,472,473
Trustee's Commission	130,310	93,769	39,785	263,864
Total Cash Disbursements	\$ 13,031,016	\$ 4,708,066	\$ 1,997,255	\$ 19,736,337
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 11,272	\$ 5,098	\$ 16,370
Cash Balance, July 1, 2008	0	37,390	15,545	52,935
Cash Balance, June 30, 2009	\$ 0	\$ 48,662	\$ 20,643	\$ 69,305

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

March 12, 2010

Coffee County Mayor and
Board of County Commissioners
Coffee 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 Coffee County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Coffee County's basic financial statements and have issued our report thereon dated March 12, 2010. 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 Public Library Fund, Coffee County Emergency Communications District, Industrial Board of Coffee County, and Coffee County Public Building Authority as described in our report on Coffee 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 Coffee 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 Coffee County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Coffee County's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 09.02, 09.03, 09.04(B), 09.05, and 09.09.

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 Coffee County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 09.05 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coffee County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 09.01, 09.04(A), 09.06, and 09.07.

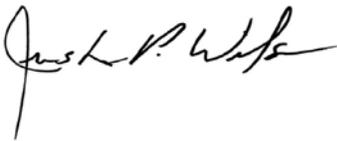
We consider item 09.08 described in the accompanying Schedule of Findings and Questioned Costs to be a noteworthy control deficiency over financial operations. We also

noted certain matters that we reported to management of Coffee County in separate communications.

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

This report is intended solely for the information and use of management, the county mayor, director of schools, road superintendent, County Commission, Board of Education, Road Commission, others within Coffee 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/yu

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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

March 12, 2010

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Coffee 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, 2009. Coffee 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 Coffee County's management. Our responsibility is to express an opinion on Coffee County's compliance based on our audit.

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

In our opinion, Coffee 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, 2009.

Internal Control Over Compliance

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

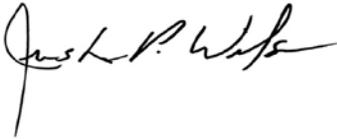
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Coffee County's basic financial statements and have issued our reports thereon dated March 12, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise a

portion of Coffee 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.

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

This report is intended solely for the information and use of management, the county mayor, director of schools, road superintendent, County Commission, Board of Education, Road Commission, others within Coffee 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 written in a cursive style with a large initial "J" and a long, sweeping underline.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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Coffee County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2009

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	\$ 274,321 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	302,348
National School Lunch Program	10.555	N/A	903,264 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	21,542
Total U.S. Department of Agriculture			<u>\$ 1,501,475</u>
U.S. Department of Commerce:			
Direct Program:			
Economic Development - Support for Planning Organizations	11.302	04-88-06067	\$ 134,385
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Home Investment Partnership Program	14.239	HM-06-12	\$ 455,217
U.S. Department of Interior:			
Passed-through State Department of Environment and Conservation:			
Historic Preservation Fund Grants-in-Aid	15.904	GG-09-27098-00	\$ 3,160
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	Z-08-023289-00	\$ 3,520
U.S. Department of Transportation:			
Passed-through Governor's Highway Safety Office:			
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	Z-07-023995-00	\$ 18,026
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(4)	28,999
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	GG-08-24209-00	5,322
Total U.S. Department of Transportation			<u>\$ 52,347</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 688,300
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	867,945
Special Education - Preschool Grants	84.173	N/A	24,892
Vocational Education - Basic Grants to States	84.048	N/A	90,253
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	11,881
Education Technology State Grants	84.318	(2)	4,753
Improving Teacher Quality State Grants	84.367	N/A	159,040
Total U.S. Department of Education			<u>\$ 1,847,064</u>
Election Assistance Commission:			
Passed-through Tennessee Office of Secretary of State:			
Help America Vote Act Requirements Payment	90.401	Z-07-037416-00	\$ 6,800
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	(2)	\$ 16,676
Emergency Management Performance Grants	97.042	(5)	46,808
Homeland Security Grant Program	97.067	GG-08-24119-00	95,603
Total U.S. Department of Homeland Security			<u>\$ 159,087</u>
Total Expenditures of Federal Awards			<u>\$ 4,163,055</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Juvenile Services Program - State Commission on Children and Youth	N/A	Z-09-22840-00	\$ 9,000
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	Z-08-023289-00	845
FastTrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	GG-08-25002-00	35,658
Three Star Economic Development Education Grant - State Department of Economic and Community Development	N/A	(2)	1,290
Drug Court Treatment Grant - State Department of Finance and Administration	N/A	Z-05-025519-02	99,936
Rural Dispatcher Grant - State Emergency Communications Board	N/A	(2)	80,000
Rural Local Health Services - State Department of Health	N/A	(6)	571,787
Coordinated School Health Program - State Department of Health	N/A	(2)	90,000
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	18,262
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(2)	605,732
Family Resource - State Department of Education	N/A	(2)	66,600
Safe Schools Act - State Department of Education	N/A	(2)	22,500
ACT-EXP - Internet Connectivity - State Department of Education	N/A	(2)	21,201
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	Z-05-020914-00	22,805
Litter Program - State Department of Transportation	N/A	Z-09-212734-00	38,166
Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-212942-00	<u>41,500</u>
Total State Grants			<u>\$ 1,725,282</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 \$1,177,585.
- (4) Z-09-214588-00: \$22,362; Z-08-024024-00: \$6,637.
- (5) GG-09-26622-00: \$26,000; (2): \$20,808.
- (6) Z-09-213715-00: \$525,339; GG-09-25532-00: \$46,448.

Coffee County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2009

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 Coffee County, Tennessee, for the year ended June 30, 2008, which have not been corrected.

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.02	254	Compensation was paid in-lieu-of insurance benefits for some employees
08.04	256	The Ambulance Service did not implement adequate internal controls to protect its information resources

COFFEE COUNTY LIBRARIES

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.06(A,B)	257	The Coffee County Library audit report prepared by an accounting firm disclosed deficiencies

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.07	259	Tax anticipation note was not issued in compliance with state statutes

OTHER FINDINGS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.13	262	A central system of accounting and budgeting had not been adopted
08.14	262	Duties were not segregated adequately in the Offices of County Mayor, Director of Schools, Trustee, County Clerk, Clerk and Master, Register, and Sheriff

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COFFEE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2009

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Coffee County is unqualified.
2. The audit of the financial statements of Coffee County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements.
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 Home Investment Partnership Program (CFDA No. 14.239), Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the Special Education Cluster: Special Education Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Coffee County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the county mayor are quoted in this report. The finding, recommendation, and management's response from the Library Board for the Coffee County Libraries is paraphrased from the report of other auditors.

OFFICE OF COUNTY MAYOR

FINDING 09.01 **COMPENSATION WAS PAID IN-LIEU-OF INSURANCE BENEFITS FOR SOME EMPLOYEES (Noncompliance Under Government Auditing Standards)**

It is the policy of the Coffee County Commission to provide single health insurance coverage for its employees. If employees desire family coverage, it is their responsibility to pay the additional cost above single coverage. In prior years, the County Commission approved paying additional compensation to employees who chose not to be covered under the county's plan and could show proof of coverage under another plan, such as a spouse's health insurance plan. The compensation paid to these employees is equal to 67 percent of the cost of single coverage provided to other county employees. The state attorney general has opined (Opinion 04-162) that "Counties do not have the authority to make a cash payment to an official or employee who elects not to participate in the county insurance plan." This deficiency exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The county should not pay employees additional compensation to cover their insurance costs under another health plan.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

According to the previous County Attorney Robert F. Hazard, the Coffee County Commissioners have not committed a crime by virtue of passing a budget that provides for payments in-lieu-of insurance. At this time, we are not aware of any statute that exists making this a criminal offense. By offering the opt-out benefit to eligible county employees, the county saves a substantial amount of taxpayer dollars towards health-care premiums. The opt-out benefit will be offered until such time that it is a crime or it is not economically feasible.

REBUTTAL

The state attorney general has opined (Opinion 04-162) that "Counties do not have the authority to make cash payment to an official or employee who elects not to participate in the county insurance plan."

FINDING 09.02 THE AMBULANCE SERVICE DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES

(Internal Control – Significant Deficiency Under Government Auditing Standards)

The office did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), Tennessee Code Annotated. Sound business practices dictate that proper controls be implemented. Without these controls, unauthorized system activity could occur. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The office should ensure that adequate controls over information systems and the resources associated with those systems are implemented.

FINDING 09.03 THE BUILDING PERMITS SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS

(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office to generate receipts and permits did not provide a record of changes to previously issued receipts or permits. Users had the capability of changing information on previously issued receipts and permits, leaving no evidence of the original information. Users could delete a receipt or permit, leaving no evidence of the original receipt or permit. The lack of application controls could allow for inappropriate activity. Since the vendor did not design the system with these controls, inappropriate system activity could occur. The vendor corrected these deficiencies during the current audit period.

COFFEE COUNTY LIBRARIES

FINDING 09.04 **THE COFFEE COUNTY LIBRARIES FUND AUDIT REPORT PREPARED BY AN ACCOUNTING FIRM DISCLOSED DEFICIENCIES**

(A. – Noncompliance Under Government Auditing Standards; B. – Internal Control – Significant Deficiency Under Government Auditing Standards)

The financial statements of the Coffee County Library Fund (a nonmajor special revenue fund) for the year ended June 30, 2009, were audited by other auditors. Their report listed the following deficiencies:

- A. Actual expenditures exceeded the amount appropriated in the budget. This practice is contrary to state statutes, which requires all expenditures be authorized by the governing body.
- B. A review of disbursements revealed that purchase orders were not utilized for all qualifying expenditures, and purchase orders were not always filled out completely.

RECOMMENDATION

- A. All expenditures should be authorized either in the original budget or as an amendment to the budget.
- B. The use of a purchase order system allows control of expenditures within budget guidelines and ensures expenditures are in accordance with the purpose of the appropriation. Purchase orders should be completed with the date, amount of the purchase that matches the invoice attached, and signed by an individual instead of printed from the computer.

LIBRARY BOARD'S COMMENTS

- A. The budget will be monitored more closely in the future.
- B. We will correct this problem.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

Management will meet with library staff and members of the Library Board to discuss how to eliminate these types of findings in the future.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 09.05 THE GENERAL PURPOSE SCHOOL AND OTHER CAPITAL PROJECTS FUNDS AND THE CAPITAL ASSET RECORDS REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION
(Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2009, certain general ledger account balances in the General Purpose School and Other Capital Projects funds, as well as the capital asset records were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the School Department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the School Department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the School Department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

The School Department should have appropriate processes in place to ensure that its accounting records are materially correct.

FINDING 09.06 TAX ANTICIPATION NOTES WERE NOT ISSUED IN COMPLIANCE WITH STATE STATUTES
(Noncompliance Under Government Auditing Standards)

During the year, the General Purpose School Fund borrowed \$50,000 from the Central Cafeteria Fund to provide temporary operating funds without the approval of the state director of Local Finance. Also, the School Federal Projects Fund borrowed \$100,000 from the General Purpose School Fund and \$75,000 from the Central Cafeteria Fund prior to receiving approval from the state director of Local Finance. Section 9-21-801, Tennessee Code Annotated, allows the County Commission to issue tax anticipation notes with the approval of the state director of Local Finance.

RECOMMENDATION

Tax anticipation notes should be issued in compliance with state statute.

OFFICE OF TRUSTEE

FINDING 09.07 **THE TRUSTEE DID NOT REQUIRE A DEPOSITORY TO ADEQUATELY COLLATERALIZE FUNDS (Noncompliance Under Government Auditing Standards)**

The trustee did not require a depository holding county funds to pledge adequate securities to protect county funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 2009, deposits at this depository exceeded FDIC coverage and collateral securities by \$262,500. Section 5-8-201, Tennessee Code Annotated, provides for county officials to require any bank that is a depository of county funds to deposit collateral securities equal to 105 percent of funds exceeding FDIC coverage into an escrow account in a second bank. Subsequent to June 30, 2009, the trustee required the depository to pledge adequate securities to protect county funds that exceeded FDIC coverage.

RECOMMENDATION

The trustee should require all depositories to pledge adequate securities to protect county funds exceeding FDIC coverage as required by state statute.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 09.08 **A CENTRAL SYSTEM OF ACCOUNTING AND BUDGETING HAD NOT BEEN ADOPTED (Internal Control – Control Deficiency Under Government Auditing Standards)**

County officials had not adopted a central system of accounting and budgeting. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting and budgeting processes. This finding exists because management failed to correct the finding noted in the prior-year audit report. The absence of a central system of accounting and budgeting has been a management decision by the County Commission resulting in decentralization and some duplication of effort.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

The members of the Budget and Finance Committee requested that a representative of the County Technical Advisory Service (CTAS) attend a committee meeting on February 18, 2010, to facilitate discussion of the County Financial Management System of 1981. All of the county commissioners were invited to attend. The CTAS representative provided a very thorough summary of the act, and he answered numerous questions. The committee

requested that the information provided be forwarded to the county commissioners. Based on the questions raised at the meeting, the committee felt a private act resolution may need to be discussed and drafted based on the preferences of the committee as to certain portions of the act. A private act may better serve the interest of the citizens of Coffee County as a whole.

We appreciate the division bringing this issue to our attention as we work on an amiable solution to this finding.

FINDING 09.09 DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF COUNTY MAYOR, DIRECTOR OF SCHOOLS, TRUSTEE, COUNTY CLERK, CLERK AND MASTER, REGISTER, AND SHERIFF
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Offices of County Mayor, Director of Schools, Trustee, County 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. Also, this finding exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

Management intends to formulate a segregation of duty policy for submission to your office and upon your approval; the policy will be followed as part of the daily operations of the employees in the Office of the County Mayor.

REBUTTAL

Segregation of duties is an internal control policy established by management and designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations.

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

There were no findings and questioned costs for federal awards.

**COFFEE COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2009**

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