



ANNUAL FINANCIAL REPORT CROCKETT COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2009



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

DEPARTMENT OF AUDIT
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Comptroller of the Treasury

DIVISION OF COUNTY AUDIT
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Assistant to the Comptroller

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Director

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Auditor 4

B. KEITH RICE, CGFM
ELISHA CROWELL, CFE
State Auditors

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

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CROCKETT COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		9-10
<u>INTRODUCTORY SECTION</u>		11
Crockett County Officials		13
<u>FINANCIAL SECTION</u>		15
Independent Auditor's Report		17-19
BASIC FINANCIAL STATEMENTS:		21
Government-wide Financial Statements:		
Statement of Net Assets	A	23
Statement of Activities	B	24-25
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	26
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	27
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	29
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	30
Notes to the Financial Statements		31-60
REQUIRED SUPPLEMENTARY INFORMATION:		61
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	E-1	63-64
Highway/Public Works Fund	E-2	65
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Crockett County School Department	E-3	66
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Crockett County School Department	E-4	67
Notes to the Required Supplementary Information		69

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		71
Nonmajor Governmental Funds:		73
Combining Balance Sheet	F-1	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	76
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Solid Waste/Sanitation Fund	F-3	77
Drug Control Fund	F-4	78
Major Governmental Fund:		79
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	81
Fiduciary Funds:		83
Combining Statement of Fiduciary Assets and Liabilities	H-1	85
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	86-87
Component Unit:		
Discretely Presented Crockett County School Department:		89
Statement of Activities	I-1	91
Balance Sheet – Governmental Funds	I-2	92
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	I-3	93
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	94
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	95
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	97
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Purpose School Fund	I-8	98-99
School Federal Projects Fund	I-9	100
Central Cafeteria Fund	I-10	101
School Transportation Fund	I-11	102
Miscellaneous Schedules:		103
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds	J-1	105
Schedule of Long-term Debt Requirements by Year	J-2	106-107
Schedule of Investments	J-3	108
Schedule of Notes Receivable	J-4	109

	Exhibit	Page(s)
Schedule of Transfers – Primary Government and Discretely Presented Crockett County School Department	J-5	110
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Crockett County School Department	J-6	111
Schedule of Detailed Revenues – All Governmental Fund Types	J-7	112-116
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Crockett County School Department	J-8	117-118
Schedule of Detailed Expenditures – All Governmental Fund Types	J-9	119-136
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Crockett County School Department	J-10	137-148
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	J-11	149
 <u>SINGLE AUDIT SECTION</u>		 151
Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		153-155
Auditor’s Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u>		157-159
Schedule of Expenditures of Federal Awards and State Grants		161-162
Schedule of Audit Findings Not Corrected		163-164
Schedule of Findings and Questioned Costs		165-173
Auditee Reporting Responsibilities		175

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Audit Highlights
Annual Financial Report
Crockett County, Tennessee
For the Year Ended June 30, 2009

Scope

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

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements do not include a component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

Our audit resulted in 11 findings and recommendations, which we have reviewed with Crockett County management. Detailed findings and recommendations are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

CROCKETT COUNTY AND CROCKETT COUNTY SCHOOL DEPARTMENT

- ◆ Crockett County and the Crockett County School Department do not have the resources to produce financial statements and notes to the financial statements.
- ◆ The General, General Debt Service, Highway/Public Works, and School Transportation funds required material audit adjustments for proper financial statement presentation.

OFFICES OF COUNTY MAYOR AND ROAD SUPERVISOR

- ◆ The offices had deficiencies in computer system backup procedures.

OFFICE OF COUNTY MAYOR

- ◆ The office had not established a formal purchase order system.
 - ◆ General ledger cash accounts were not reconciled with county trustee reports.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Expenditures exceeded appropriations in seven major categories in the General Purpose School Fund. Salaries exceeded line-item appropriations in the General Purpose School and Central Cafeteria funds by amounts ranging from \$174 to \$14,390.
-

OFFICES OF TRUSTEE AND CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ The offices did not implement adequate controls to protect their information resources.
-

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ The office had deficiencies in computer system backup procedures.
-

OFFICE OF ASSESSOR OF PROPERTY

- ◆ Assessment records were changed during the year as property transfers were made, violating state statute.
-

OTHER FINDINGS

- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.
- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff.

INTRODUCTORY SECTION

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Crockett County Officials
June 30, 2009

Officials

Larry Griffin, County Mayor
Milton Legions, Road Supervisor
Stan Black, Director of Schools
Gary Spraggins, Trustee
Gary Reasons, Assessor of Property
Ernest Bushart, County Clerk
Kim Kail, Circuit, General Sessions, and Juvenile Courts Clerk
Nancy Evans, Clerk and Master
Alan Castellaw, Register
Troy Klyce, Sheriff

Board of County Commissioners

Larry Griffin, County Mayor, Chairman	Donald Prescott
Pat Branch	John Schwerdt
Harold Craig	Jane Smith
James East	Edwin Tritt
Flynold Gregory	Gaylon Turnage
Lee Hickman	Ronnie Turner
Letha Johnson	Richard Walker
Marlon Jordan	Charles Paul Ward
Melvin Lawson	Jimmy Webb
Jerrel Little	Cartha Williams
Darrell Lowery	Gary Williams
Carolyn Nance	Alpha Worrell
Harold Park	

Road Commission

Thomas Haynes, Chairman
Paul North
William Beard

Board of Education

Jasper Taylor, IV, Chairman
John Cole
David Eubanks
Mark Faulkner
Henry King
David Russell
Will Spence

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FINANCIAL SECTION

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**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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INDEPENDENT AUDITOR'S REPORT

September 10, 2009

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Crockett County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Crockett County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

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

In our opinion, except for the effects of not including the financial statements of the Crockett County Emergency Communications District as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate discretely presented component units of Crockett County, Tennessee, at June 30, 2009, and the results of operations of the aggregate discretely presented component units, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 10, 2009, on our consideration of Crockett 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.

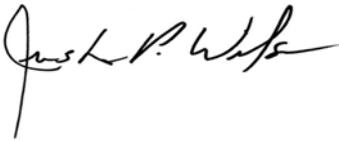
As described in Note V.B., Crockett County has implemented the provisions of Governmental Accounting Standards Board Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

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

The budgetary comparison, pension, and postemployment benefits information on pages 63 through 69 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 Crockett County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Crockett County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Crockett County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent initial "J" and a long, sweeping underline.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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BASIC FINANCIAL STATEMENTS

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Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Crockett County School Department</u>
<u>ASSETS</u>		
Cash	\$ 11,674	\$ 0
Equity in Pooled Cash and Investments	3,164,921	1,825,462
Accounts Receivable	615,604	16,088
Allowance for Uncollectibles	(145,413)	0
Due from Other Governments	463,185	363,635
Property Taxes Receivable	4,199,690	1,382,952
Allowance for Uncollectible Property Taxes	(133,655)	(44,012)
Capital Assets:		
Assets Not Depreciated:		
Land	845,130	824,805
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	1,484,121	13,721,568
Infrastructure	1,112,824	337,281
Other Capital Assets	786,492	608,282
Total Assets	<u>\$ 12,404,573</u>	<u>\$ 19,036,061</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 22,848
Accrued Interest Payable	205,813	0
Deferred Revenue - Current Property Taxes	3,762,383	1,238,948
Noncurrent Liabilities:		
Due Within One Year	1,408,175	0
Due in More Than One Year	15,913,439	170,464
Total Liabilities	<u>\$ 21,289,810</u>	<u>\$ 1,432,260</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 3,302,986	\$ 0
Invested in Capital Assets	0	15,491,936
Restricted for:		
Solid Waste/Sanitation	156,048	0
Highway/Public Works	1,253,326	0
School Federal Projects	0	60,117
Central Cafeteria	0	31,824
School Transportation	0	28,006
Debt Service	1,333,763	0
Capital Projects	204,029	0
Career Ladder - Extended Contract	0	24,954
Basic Education Program	0	60,121
Other Purposes	84,687	0
Unrestricted	<u>(15,220,076)</u>	<u>1,906,843</u>
Total Net Assets	<u>\$ (8,885,237)</u>	<u>\$ 17,603,801</u>

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

Exhibit B

Crockett County, Tennessee
Statement of Activities
For the Year Ended June 30, 2009

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					
	Program Revenues			Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Crockett County School Department
	Expenses	Charges for Services	Operating Grants and Contributions			
<u>Primary Government:</u>						
Governmental Activities:						
General Government	\$ 550,387	\$ 70,244	\$ 15,912	\$ 0	\$ (464,231)	\$ 0
Finance	503,428	307,811	5,931	0	(189,686)	0
Administration of Justice	591,575	268,215	50,164	0	(273,196)	0
Public Safety	2,026,521	174,795	50,358	30,322	(1,771,046)	0
Public Health and Welfare	1,332,231	918,122	116,139	0	(297,970)	0
Social, Cultural, and Recreational Services	557,912	985	272,603	6,468	(277,856)	0
Agriculture and Natural Resources	192,002	0	36,831	0	(155,171)	0
Other Operations	133,656	0	0	0	(133,656)	0
Highway/Public Works	2,200,023	1,046	1,340,425	642,535	(216,017)	0
Interest on Long-term Debt	831,673	0	150,000	0	(681,673)	0
Other Debt Service	26,738	0	0	0	(26,738)	0
Total Primary Government	\$ 8,946,146	\$ 1,741,218	\$ 2,038,363	\$ 679,325	\$ (4,487,240)	\$ 0
<u>Component Unit:</u>						
Crockett County School Department	\$ 13,770,828	\$ 348,245	\$ 2,053,916	\$ 18,475	\$ 0	\$ (11,350,192)
Total Component Unit	\$ 13,770,828	\$ 348,245	\$ 2,053,916	\$ 18,475	\$ 0	\$ (11,350,192)

(Continued)

Exhibit B

Crockett County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
				Total Governmental Activities	Crockett County School Department
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 2,847,712	\$ 1,220,159
Property Taxes Levied for Debt Service				840,065	0
Local Option Sales Taxes				607,668	312,895
Wheel Tax				648,909	121,371
Other Local Taxes				241,987	1,460
Grants and Contributions Not Restricted to Specific Programs				371,483	9,045,745
Unrestricted Investment Income				60,208	56,697
Miscellaneous				24,901	28,236
Total General Revenues				\$ 5,642,933	\$ 10,786,563
Change in Net Assets				\$ 1,155,693	\$ (563,629)
Net Assets, July 1, 2008				(10,040,930)	18,167,430
Net Assets, June 30, 2009				\$ (8,885,237)	\$ 17,603,801

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

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Highway /	General	Other	
		Public	Debt	Govern-	
	Works	Service	Funds	Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 11,674	\$ 11,674
Equity in Pooled Cash and Investments	435,071	1,002,246	1,387,137	340,467	3,164,921
Accounts Receivable	615,604	0	0	0	615,604
Allowance for Uncollectibles	(145,413)	0	0	0	(145,413)
Due from Other Governments	48,687	301,564	81,045	31,889	463,185
Due from Other Funds	11,674	0	0	0	11,674
Property Taxes Receivable	3,242,247	0	957,443	0	4,199,690
Allowance for Uncollectible Property Taxes	(103,185)	0	(30,470)	0	(133,655)
Total Assets	\$ 4,104,685	\$ 1,303,810	\$ 2,395,155	\$ 384,030	\$ 8,187,680
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 11,674	\$ 11,674
Deferred Revenue - Current Property Taxes	2,904,637	0	857,746	0	3,762,383
Deferred Revenue - Delinquent Property Taxes	224,033	0	66,158	0	290,191
Other Deferred Revenues	407,114	106,278	40,071	8,900	562,363
Total Liabilities	\$ 3,535,784	\$ 106,278	\$ 963,975	\$ 20,574	\$ 4,626,611
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 11,813	\$ 11,813
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	29,659	0	0	0	29,659
Reserved for Sexual Offender Registration	1,183	0	0	0	1,183
Reserved for Computer System - Register	26,345	0	0	0	26,345
Reserved for Automation Purposes - Chancery Court	6,722	0	0	0	6,722
Reserved for Automation Purposes - Sheriff	1,796	0	0	0	1,796
Reserved for State Reappraisal Grant	6,703	0	0	0	6,703
Unreserved, Reported In:					
General Fund	496,493	0	0	0	496,493
Special Revenue Funds	0	1,197,532	0	159,427	1,356,959
Debt Service Fund	0	0	1,431,180	0	1,431,180
Capital Projects Funds	0	0	0	192,216	192,216
Total Fund Balances	\$ 568,901	\$ 1,197,532	\$ 1,431,180	\$ 363,456	\$ 3,561,069
Total Liabilities and Fund Balances	\$ 4,104,685	\$ 1,303,810	\$ 2,395,155	\$ 384,030	\$ 8,187,680

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

Exhibit C-2

Crockett 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)		\$	3,561,069
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	845,130	
Add: buildings and improvements net of accumulated depreciation		1,484,121	
Add: infrastructure net of accumulated depreciation		1,112,824	
Add: other capital assets net of accumulated depreciation		<u>786,492</u>	4,228,567
(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	\$	(338,003)	
Less: capital leases payable		(206,845)	
Less: bonds payable		(16,709,951)	
Less: compensated absences payable		(50,398)	
Less: other postemployment benefits liability		(16,417)	
Less: accrued interest on notes, capital leases, and bonds		<u>(205,813)</u>	(17,527,427)
(3) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>852,554</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>(8,885,237)</u></u>

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

Exhibit C-3

Crockett 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	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 2,941,925	\$ 361,132	\$ 1,582,388	\$ 231,793	\$ 5,117,238
Licenses and Permits	6,659	0	0	0	6,659
Fines, Forfeitures, and Penalties	68,660	0	0	5,055	73,715
Charges for Current Services	703,033	244	0	8,899	712,176
Other Local Revenues	61,313	7,154	158,508	4,796	231,771
Fees Received from County Officials	557,778	0	0	0	557,778
State of Tennessee	866,496	1,999,620	0	61,518	2,927,634
Federal Government	105,319	0	0	1,312	106,631
Other Governments and Citizens Groups	15,161	425	150,000	1,000	166,586
Total Revenues	\$ 5,326,344	\$ 2,368,575	\$ 1,890,896	\$ 314,373	\$ 9,900,188
<u>Expenditures</u>					
Current:					
General Government	\$ 512,242	\$ 0	\$ 0	\$ 97	\$ 512,339
Finance	378,695	0	0	0	378,695
Administration of Justice	480,171	0	0	66	480,237
Public Safety	1,642,081	0	0	10,865	1,652,946
Public Health and Welfare	867,559	0	0	269,672	1,137,231
Social, Cultural, and Recreational Services	463,883	0	0	0	463,883
Agriculture and Natural Resources	176,151	0	0	0	176,151
Other Operations	887,707	0	0	0	887,707
Highways	0	2,268,050	0	0	2,268,050
Capital Outlay	0	0	0	1,077	1,077
Debt Service:					
Principal on Debt	60,736	29,507	1,112,210	0	1,202,453
Interest on Debt	6,729	7,000	818,530	0	832,259
Other Debt Service	0	0	26,738	0	26,738
Capital Projects	0	0	0	1,312	1,312
Total Expenditures	\$ 5,475,954	\$ 2,304,557	\$ 1,957,478	\$ 283,089	\$ 10,021,078
Excess (Deficiency) of Revenues Over Expenditures					
	\$ (149,610)	\$ 64,018	\$ (66,582)	\$ 31,284	\$ (120,890)
<u>Other Financing Sources (Uses)</u>					
Capital Leases Issued	\$ 22,950	\$ 0	\$ 0	\$ 0	\$ 22,950
Insurance Recovery	12,048	0	0	0	12,048
Transfers In	0	0	16,496	0	16,496
Transfers Out	(16,496)	0	0	0	(16,496)
Total Other Financing Sources (Uses)	\$ 18,502	\$ 0	\$ 16,496	\$ 0	\$ 34,998
Net Change in Fund Balances					
	\$ (131,108)	\$ 64,018	\$ (50,086)	\$ 31,284	\$ (85,892)
Fund Balance, July 1, 2008	700,009	1,133,514	1,481,266	332,172	3,646,961
Fund Balance, June 30, 2009	\$ 568,901	\$ 1,197,532	\$ 1,431,180	\$ 363,456	\$ 3,561,069

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

Exhibit C-4

Crockett 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)		\$	(85,892)
(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	\$	342,957	
Less: current year depreciation expense		<u>(469,791)</u>	(126,834)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2009	\$	852,554	
Less: deferred delinquent property taxes and other deferred June 30, 2008		<u>(650,901)</u>	201,653
(3) The issuance of long-term debt (e.g. capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.			
Less: capital lease proceeds	\$	(22,950)	
Add: principal payments on notes		83,361	
Add: principal payments on capital leases		90,243	
Add: principal payments on bonds		<u>1,028,849</u>	1,179,503
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	584	
Change in other postemployment benefits liability		(9,177)	
Change in compensated absences payable		<u>(4,144)</u>	<u>(12,737)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ 1,155,693</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 4,984
Cash	399,183
Investments	116,890
Due from Other Governments	87,140
Property Taxes Receivable	597,992
Allowance for Uncollectible Property Taxes	(19,007)
Notes Receivable - Long-term	<u>7,428</u>
Total Assets	<u>\$ 1,194,610</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 671,109
Due to Litigants, Heirs, and Others	<u>523,501</u>
Total Liabilities	<u>\$ 1,194,610</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Crockett 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 Crockett County:

A. Reporting Entity

Crockett County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Crockett 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 Crockett County School Department operates the public school system for the county, and the voters of Crockett 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 Crockett County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Crockett County, and the Crockett County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Crockett County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Crockett County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the

Crockett County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Crockett County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Crockett County Emergency Communications District
884 South Cavalier Drive
Alamo, TN 38001

B. Government-wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund 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 Crockett County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary; however, Crockett County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

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

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

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not

measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary fund financial statements are reported using the economic resources measurement focus (except for agency funds, which have no measurement focus) and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Crockett County reports the following major governmental funds:

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

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

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

Additionally, Crockett County reports the following fund types:

Capital Projects Funds – These funds account for transactions for the acquisition or construction of major capital facilities.

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 Crockett County, and the city school systems’ shares of educational revenues. 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 Crockett County School Department reports the following major governmental funds:

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

School Transportation Fund – This fund accounts for a local tax levy used to fund the transportation of all students in the county.

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

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; 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 Crockett 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 and General Purpose School funds. In addition, investments are held separately by the county's Constitutional Officers - Agency Fund. Crockett County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state

treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. Receivables and Payables

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

All ambulance 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 1.78 percent of total taxes levied.

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

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

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

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

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25-50
Other Capital Assets	3-20
Infrastructure:	
Roads	8-20
Bridges	15-30

4. Compensated Absences

The policy of Crockett County (with the exception of the Highway Department) does not provide for employees to receive compensation for unused accumulated vacation or sick leave days. The Highway Department permits its employees to accumulate a limited amount of earned but unused sick leave benefits, which will be paid to employees upon retirement from county service. A liability for sick leave benefits is reported in governmental funds only if amounts have matured, for example, as a result of employee retirements.

There is no liability for unpaid accumulated vacation leave for employees of the discretely presented Crockett County School Department since those benefits do not vest or accumulate and must

be used within the year or lost. There is also no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the government.

5. Long-term Obligations

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

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

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

6. Net Assets and Fund Equity

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

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

grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

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

As of June 30, 2009, Crockett County had \$16,329,218 in outstanding debt for capital purposes for the discretely presented Crockett County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Alamo School System and City of Bells School System) based on average daily attendance proration. This debt is a liability of Crockett County, but the capital assets acquired are reported in the financial statements of the School Department and the City of Alamo and the City of Bells school systems. Therefore, Crockett County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The County Commission has designated \$93,191 from the General Fund for library building construction.

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 to the government-wide statement of net assets.

Discretely Presented Crockett County School Department

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds to 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 changes in net assets of governmental activities reported in the government-wide statement of activities.

Discretely Presented Crockett County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

B. Fund Deficit

The Community Development/Industrial Park Fund had a deficit in unreserved fund balance of \$10,813 at June 30, 2009. This deficit resulted

from the unperformed portions of construction contracts of \$11,813 being reserved as encumbrances. Funding for these future expenditures is expected to be received from Home Investment Partnerships Program grants.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control) of the discretely presented Crockett County School Department's General Purpose School Fund:

<u>Fund/Major Category</u>	<u>Amount Overspent</u>
General Purpose School:	
Special Education Program	\$ 12,886
Other Student Support	11,131
Regular Instruction Program	1,249
Vocational Education Program	212
Adult Programs	895
Director of Schools	17,413
Community Services	1,846

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; 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, Crockett County had the following investments carried at fair value or cost. Except for the investments in the Constitutional Officers - Agency Fund, all investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Crockett County and the discretely presented Crockett County School Department since both pool their deposits and investments through the county trustee.

The investments in the Constitutional Officers - Agency Fund are by court order at the request of a litigant. These investments do not expose the county to any risk; therefore, further disclosure is not required.

Investment	Maturities	Fair Value or Cost
County Trustee's Investment Pool:		
State Treasurer's Investment Pool	Daily	\$ 305,283
Constitutional Officers - Agency Fund:		
Goldman Sachs Government Money Market	On Demand	9,192
Dodge & Cox Income Mutual Fund	On Demand	8,271
Goldman Sachs Short Duration Government Mutual Fund	On Demand	3,729
Pioneer Strategic Income Mutual Fund	On Demand	4,169
Vanguard Bond Mutual Fund	On Demand	22,033
DWS Dreman Small Cap Value Mutual Fund	On Demand	3,507
Dodge & Cox Stock Mutual Fund	On Demand	4,780
Federated Intercontinental Mutual Fund	On Demand	4,000
Fidelity Advisor Diversified International Mutual Fund	On Demand	5,925
Fidelity Low Price Stock Mutual Fund	On Demand	5,917
Franklin Mutual Discovery Mutual Fund	On Demand	7,058
T. Rowe Price Growth Stock Mutual Fund	On Demand	17,475
T. Rowe Price Equity Income Mutual Fund	On Demand	4,450
T. Rowe Price Mid Cap Growth Mutual Fund	On Demand	9,877
Royce Pennsylvania Mutual Fund	On Demand	<u>6,507</u>
 Total Investments		 <u>\$ 422,173</u>

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Crockett County has no investment policy that would further limit its investment choices. As of June 30, 2009, Crockett County's investment in the State Treasurer's Investment Pool was unrated. The investments in the Constitutional Officers - Agency Fund are by court order at the request of a litigant. These investments do not expose the county to any credit risk.

B. Notes Receivable

Notes receivable in the Constitutional Officers - Agency Fund consist of loans receivable of \$7,428 in the Office of Clerk and Master.

C. 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	\$ 845,130	\$ 0	\$ 0	\$ 845,130
Total Capital Assets Not Depreciated	<u>\$ 845,130</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 845,130</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 3,943,395	\$ 0	\$ 0	\$ 3,943,395
Infrastructure	1,106,252	163,007	0	1,269,259
Other Capital Assets	3,051,357	179,950	98,935	3,132,372
Total Capital Assets Depreciated	<u>\$ 8,101,004</u>	<u>\$ 342,957</u>	<u>\$ 98,935</u>	<u>\$ 8,345,026</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,341,085	\$ 118,189	\$ 0	\$ 2,459,274
Infrastructure	115,032	41,403	0	156,435
Other Capital Assets	2,134,616	310,199	98,935	2,345,880
Total Accumulated Depreciation	<u>\$ 4,590,733</u>	<u>\$ 469,791</u>	<u>\$ 98,935</u>	<u>\$ 4,961,589</u>
Total Capital Assets Depreciated, Net	<u>\$ 3,510,271</u>	<u>\$ (126,834)</u>	<u>\$ 0</u>	<u>\$ 3,383,437</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,355,401</u>	<u>\$ (126,834)</u>	<u>\$ 0</u>	<u>\$ 4,228,567</u>

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

Governmental Activities:

General Government	\$ 14,548
Finance	1,800
Administration of Justice	880
Public Safety	103,335
Public Health and Welfare	80,747
Social, Cultural, and Recreational Services	19,664
Other Operations	981
Highway/Public Works	<u>247,836</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 469,791</u>

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

	Balance 7-1-08	Increases	Balance 6-30-09
	<hr/>		
Capital Assets Not Depreciated:			
Land	\$ 824,805	\$ 0	\$ 824,805
Total Capital Assets Not Depreciated	<u>\$ 824,805</u>	<u>\$ 0</u>	<u>\$ 824,805</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 19,328,841	\$ 0	\$ 19,328,841
Infrastructure	497,553	0	497,553
Other Capital Assets	2,576,537	142,347	2,718,884
Total Capital Assets Depreciated	<u>\$ 22,402,931</u>	<u>\$ 142,347</u>	<u>\$ 22,545,278</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 5,219,655	\$ 387,618	\$ 5,607,273
Infrastructure	135,394	24,878	160,272
Other Capital Assets	1,960,893	149,709	2,110,602
Total Accumulated Depreciation	<u>\$ 7,315,942</u>	<u>\$ 562,205</u>	<u>\$ 7,878,147</u>
Total Capital Assets Depreciated, Net	<u>\$ 15,086,989</u>	<u>\$ (419,858)</u>	<u>\$ 14,667,131</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,911,794</u>	<u>\$ (419,858)</u>	<u>\$ 15,491,936</u>

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

Governmental Activities:

Instruction	\$ 361,535
Support Services	158,425
Operation of Non-Instructional Services	<u>42,245</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 562,205</u></u>

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 11,674
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	2,892

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

Interfund Transfers:

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

Primary Government

<u>Transfer Out</u>	<u>Transfer In</u>
	General
	Debt
	Service
	Fund
General Fund	\$ 16,496

Discretely Presented Crockett County School Department

	<u>Transfers In</u>
	General Purpose School Fund
Transfers Out	
School Transportation Fund	\$ 299,515
Nonmajor governmental fund	8,720
	\$ 308,235
Total	\$ 308,235

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

E. Capital Leases

On April 25, 2007, Crockett County entered into a three-year lease-purchase agreement for two dump trucks. The terms of the agreement require total lease payments of \$205,706 plus interest payments of 4.39 percent. Titles to the dump trucks transfer to Crockett County at the end of the lease period. The lease payments are made from the Highway/Public Works Fund.

On August 27, 2007, Crockett County entered into a two-year lease-purchase agreement for a patrol car. The terms of the agreement require total lease payments of \$22,850 plus interest payments of 6.65 percent. Title to the patrol car transfers to Crockett County at the end of the lease period. The lease payments are made from the General Fund.

On September 26, 2007, Crockett County entered into a two-year lease-purchase agreement for a sport utility vehicle. The terms of the agreement require total lease payments of \$28,944 plus interest payments of 6.4 percent. Title to the vehicle transfers to Crockett County at the end of the lease period. The lease payments are made from the General Fund.

On April 15, 2008, Crockett County entered into a two-year lease-purchase agreement for an ambulance. The terms of the agreement require total lease payments of \$94,355 plus interest payments of 6.5 percent. Title to the ambulance transfers to Crockett County at the end of the lease period. The lease payments are made from the General Fund.

On September 5, 2008, Crockett County entered into a two-year lease-purchase agreement for a patrol car. The terms of the agreement

require total lease payments of \$22,950 plus interest payments of 6.3 percent. Title to the patrol car transfers to Crockett County at the end of the lease period. The lease payments are made from the General Fund.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2009, were as follows:

Year Ending June 30	Governmental Funds
2010	\$ 208,623
2011	8,122
Total Minimum Lease Payments	\$ 216,745
Less: Amount Representing Interest	(9,900)
Present Value of Minimum Lease Payments	<u>\$ 206,845</u>

F. Long-term Debt

Primary Government

General Obligation Bonds and Notes

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 40 years for bonds and up to 12 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2009, will be retired from the General Debt Service Fund.

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

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation Bonds	4.5 to 5% \$	16,435,000 \$	7,749,951
General Obligation Bonds - Refunding	2.5 to 5	13,040,000	8,960,000
Capital Outlay Notes	0 to 5.1	904,000	338,003
Capital Leases	4.39 to 6.8	395,807	206,845

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	\$ 86,160	\$ 11,142	\$ 97,302
2011	48,866	7,626	56,492
2012	44,582	6,027	50,609
2013	46,010	4,598	50,608
2014	47,497	3,112	50,609
2015-2017	64,888	1,568	66,456
Total	\$ 338,003	\$ 34,073	\$ 372,076

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	\$ 1,120,291	\$ 755,970	\$ 1,876,261
2011	1,196,806	701,994	1,898,800
2012	1,228,396	644,314	1,872,710
2013	1,035,066	585,789	1,620,855
2014	1,106,819	538,686	1,645,505
2015-2019	7,535,957	1,759,434	9,295,391
2020-2024	3,251,860	265,714	3,517,574
2025-2029	66,187	52,393	118,580
2030-2034	84,473	34,108	118,581
2035-2038	84,096	10,768	94,864
Total	\$ 16,709,951	\$ 5,349,170	\$ 22,059,121

There is \$1,431,180 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,150, based on the 2000

federal census. Debt per capita, including bonds, notes, and capital leases totaled \$1,187, 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	Capital Leases
	<hr/>		
Balance, July 1, 2008	\$ 17,738,800	\$ 421,364	\$ 274,138
Additions	0	0	22,950
Deductions	(1,028,849)	(83,361)	(90,243)
	<hr/>		
Balance, June 30, 2009	<u>\$ 16,709,951</u>	<u>\$ 338,003</u>	<u>\$ 206,845</u>
	<hr/>		
Balance Due Within One Year	<u>\$ 1,120,291</u>	<u>\$ 86,160</u>	<u>\$ 199,204</u>

	Compensated Absences	Other Post Employment Benefits
	<hr/>	
Balance, July 1, 2008	\$ 46,254	\$ 7,240
Additions	28,514	17,545
Deductions	(24,370)	(8,368)
	<hr/>	
Balance, June 30, 2009	<u>\$ 50,398</u>	<u>\$ 16,417</u>
	<hr/>	
Balance Due Within One Year	<u>\$ 2,520</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 17,321,614
Less: Due Within One Year	<u>(1,408,175)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 15,913,439</u>

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

Defeasance of Prior Debt

In a prior year, Crockett County defeased certain outstanding general obligation bonds by placing the proceeds of the new bonds into an irrevocable trust to provide all future debt service payments on the old bonds until the old bonds are called on April 1, 2011. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2009, the following outstanding bonds are considered defeased:

	<u>Amount</u>
2001 General Obligation School	\$ 6,300,000

Discretely Presented Crockett County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Crockett County School Department for the year ended June 30, 2009, was as follows:

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2008	\$ 85,599
Additions	134,560
Deductions	<u>(49,695)</u>
Balance, June 30, 2009	<u>\$ 170,464</u>
Balance Due Within One Year	<u>\$ 0</u>

Other postemployment benefits will be paid from the employing funds, primarily the General Purpose School Fund.

G. On-Behalf Payments – Discretely Presented Crockett County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Crockett 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 \$32,550 and \$8,172, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

Crockett County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the General Fund. These notes were necessary because funds were not available to meet debt service payments coming due before current tax collections. Short-term debt activity for the year ended June 30, 2009, was as follows:

	Balance 7-1-08	Issued	Paid	Balance 6-30-09
Tax Anticipation Notes	\$ 0	\$ 300,000	\$ (300,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Employee Health Insurance

Primary Government

Crockett 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 government agencies 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 8-27-201, 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 Crockett County School Department

The discretely presented Crockett County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, 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.

Liability, Property, Casualty, and Workers' Compensation Insurance

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

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 Crockett County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Crockett 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 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 Crockett County for the year ended June 30, 2009, since the county had no endowment investments. However, it is reasonably expected that Crockett County could have endowment investments in subsequent years.

C. Subsequent Event

On September 2, 2009, the county's General Debt Service Fund issued a \$300,000 tax anticipation note to the General Fund for temporary operating funds.

D. Contingent Liabilities

The county attorney has advised of two pending lawsuits involving Crockett County. Any potential claims against the county not covered by insurance resulting from such litigation should not materially affect the county's financial statements.

E. Retirement Commitments

Employees

Plan Description

Employees of Crockett 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 Crockett 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

Crockett 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 5.3 percent of annual covered payroll. The contribution requirement of plan

members is set by state statute. The contribution requirement for Crockett County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, Crockett County's annual pension cost of \$224,246 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 post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Crockett 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 18 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	\$224,246	100%	\$0
6-30-08	290,665	100	0
6-30-07	287,752	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 95.60 percent funded. The actuarial accrued liability for benefits was \$10.02 million, and the actuarial value of assets was \$9.58 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.44 million. The covered payroll (annual payroll of active employees covered by the plan) was \$3 million, and the ratio of the UAAL to the covered payroll was 14.18 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 \$395,564, \$371,688, and \$338,109, respectively, equal to the required contributions for each year.

F. Other Postemployment Benefits (OPEB)

Plan Description

Crockett County and the Crockett 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 8-27-207, Tennessee Code Annotated (TCA), for local governments and Section 8-27-302, TCA, for teachers and support personnel. 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 plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a partial 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. Retirees' contributions vary depending on the insurance options they select. During the year ended June 30, 2009, Crockett County and the Crockett County School Department contributed \$8,051 and \$45,946, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 17,219	\$ 130,708
Interest on the NPO	326	3,852
Adjustment to the ARC	(317)	(3,749)
Annual OPEB cost	\$ 17,228	\$ 130,811
Less: Amount of contribution	(8,051)	(45,946)
Increase/decrease in NPO	\$ 9,177	\$ 84,865
Net OPEB obligation, 7-1-08	7,240	85,599
Net OPEB obligation, 6-30-09	\$ 16,417	\$ 170,464

Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group	\$ 132,172	35 %	\$ 85,999
6-30-09	"	130,811	35	170,464
6-30-08	Local Government Group	15,398	53	7,240
6-30-09	"	17,228	47	16,417

* 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)	\$ 119,467	\$ 1,358,503
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 119,467	\$ 1,358,503
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 1,759,213	\$ 5,037,291
UAAL as a % of covered payroll	7%	27%

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

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under 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 of percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

G. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, Tennessee Code Annotated (TCA). This act provides for all purchases exceeding \$10,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Road Supervisor

Purchasing procedures for the Highway Department are governed by provisions of Chapter 26, Private Acts of 1933, as amended, and the Uniform Road Law, Section 54-7-113, TCA. These statutes place purchasing responsibilities with the County Road Commission and require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the 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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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Exhibit E-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,941,925	\$ 2,996,230	\$ 2,996,230	\$ (54,305)
Licenses and Permits	6,659	5,900	5,900	759
Fines, Forfeitures, and Penalties	68,660	82,225	85,625	(16,965)
Charges for Current Services	703,033	715,100	715,100	(12,067)
Other Local Revenues	61,313	135,921	143,694	(82,381)
Fees Received from County Officials	557,778	597,500	597,500	(39,722)
State of Tennessee	866,496	848,010	946,614	(80,118)
Federal Government	105,319	80,584	115,032	(9,713)
Other Governments and Citizens Groups	15,161	5,000	10,900	4,261
Total Revenues	\$ 5,326,344	\$ 5,466,470	\$ 5,616,595	\$ (290,251)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 14,104	\$ 14,204	\$ 14,204	\$ 100
Board of Equalization	0	420	420	420
Beer Board	200	400	400	200
County Mayor/Executive	131,432	144,238	144,238	12,806
County Attorney	1,971	2,000	2,000	29
Election Commission	110,777	103,576	111,747	970
Register of Deeds	87,573	92,204	92,204	4,631
County Buildings	166,185	193,981	193,981	27,796
<u>Finance</u>				
Accounting and Budgeting	4,360	5,600	5,600	1,240
Property Assessor's Office	112,822	121,196	121,196	8,374
Reappraisal Program	5,238	5,890	5,890	652
County Trustee's Office	116,716	119,760	119,760	3,044
County Clerk's Office	139,559	141,268	141,268	1,709
<u>Administration of Justice</u>				
Circuit Court	187,133	188,399	188,399	1,266
General Sessions Judge	90,798	90,606	90,876	78
Drug Court	48,855	54,941	54,941	6,086
Chancery Court	88,021	87,129	88,629	608
Juvenile Court	56,371	57,470	57,470	1,099
Other Administration of Justice	8,993	8,597	9,000	7
<u>Public Safety</u>				
Sheriff's Department	710,413	760,240	749,237	38,824
Jail	776,860	747,939	813,589	36,729
Juvenile Services	499	500	500	1
Fire Prevention and Control	52,000	53,000	53,000	1,000
Civil Defense	46,647	54,069	54,069	7,422
Rescue Squad	8,000	8,000	8,000	0
Other Emergency Management	39,646	9,000	39,646	0
County Coroner/Medical Examiner	4,815	5,600	5,600	785

(Continued)

Exhibit E-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Safety (Cont.)</u>				
Other Public Safety	\$ 3,201	\$ 3,201	\$ 3,201	\$ 0
<u>Public Health and Welfare</u>				
Local Health Center	77,848	78,291	82,439	4,591
Rabies and Animal Control	36,594	39,887	39,887	3,293
Ambulance/Emergency Medical Services	647,875	704,926	671,414	23,539
Maternal and Child Health Services	4,000	4,000	4,000	0
Alcohol and Drug Programs	15,165	15,165	15,165	0
Crippled Children Services	1,650	1,650	1,650	0
Other Local Health Services	2,000	2,000	2,000	0
Appropriation to State	51,900	51,900	51,900	0
Other Local Welfare Services	570	1,500	1,500	930
Waste Pickup	29,957	34,237	34,237	4,280
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	376,552	288,402	379,398	2,846
Libraries	80,653	76,800	83,362	2,709
Parks and Fair Boards	6,678	9,975	9,975	3,297
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	52,786	53,772	53,772	986
Soil Conservation	100,030	90,366	100,030	0
Flood Control	10,150	10,150	10,150	0
Other Agriculture and Natural Resources	13,185	12,000	15,460	2,275
<u>Other Operations</u>				
Veterans' Services	16,836	16,910	16,910	74
Other Charges	265,947	263,521	268,369	2,422
Contributions to Other Agencies	42,300	42,300	42,300	0
Employee Benefits	537,294	625,000	559,350	22,056
Miscellaneous	25,330	43,686	43,686	18,356
<u>Principal on Debt</u>				
General Government	60,736	0	60,736	0
<u>Interest on Debt</u>				
General Government	6,729	0	6,729	0
Total Expenditures	\$ 5,475,954	\$ 5,539,866	\$ 5,723,484	\$ 247,530
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (149,610)	\$ (73,396)	\$ (106,889)	\$ (42,721)
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 22,950	\$ 0	\$ 22,950	\$ 0
Insurance Recovery	12,048	300	300	11,748
Transfers Out	(16,496)	(19,000)	(19,000)	2,504
Total Other Financing Sources (Uses)	\$ 18,502	\$ (18,700)	\$ 4,250	\$ 14,252
Net Change in Fund Balance				
Fund Balance, July 1, 2008	\$ 700,009	\$ 650,269	\$ 650,269	\$ 49,740
Fund Balance, June 30, 2009				
	\$ 568,901	\$ 558,173	\$ 547,630	\$ 21,271

Exhibit E-2

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 361,132	\$ 344,131	\$ 344,131	\$ 17,001
Charges for Current Services	244	0	0	244
Other Local Revenues	7,154	1,000	1,000	6,154
State of Tennessee	1,999,620	2,119,613	2,119,613	(119,993)
Other Governments and Citizens Groups	425	2,500	2,500	(2,075)
Total Revenues	<u>\$ 2,368,575</u>	<u>\$ 2,467,244</u>	<u>\$ 2,467,244</u>	<u>\$ (98,669)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 165,797	\$ 178,494	\$ 178,494	\$ 12,697
Highway and Bridge Maintenance	610,705	864,209	864,209	253,504
Operation and Maintenance of Equipment	306,337	479,376	479,376	173,039
Other Charges	89,669	94,893	94,893	5,224
Employee Benefits	213,519	224,705	224,705	11,186
Capital Outlay	882,023	1,407,755	1,371,248	489,225
<u>Principal on Debt</u>				
Highways and Streets	29,507	0	29,507	0
<u>Interest on Debt</u>				
Highways and Streets	7,000	0	7,000	0
Total Expenditures	<u>\$ 2,304,557</u>	<u>\$ 3,249,432</u>	<u>\$ 3,249,432</u>	<u>\$ 944,875</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 64,018</u>	<u>\$ (782,188)</u>	<u>\$ (782,188)</u>	<u>\$ 846,206</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 1,000	\$ 1,000	\$ (1,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ (1,000)</u>
Net Change in Fund Balance	\$ 64,018	\$ (781,188)	\$ (781,188)	\$ 845,206
Fund Balance, July 1, 2008	<u>1,133,514</u>	<u>996,410</u>	<u>996,410</u>	<u>137,104</u>
Fund Balance, June 30, 2009	<u>\$ 1,197,532</u>	<u>\$ 215,222</u>	<u>\$ 215,222</u>	<u>\$ 982,310</u>

Exhibit E-3

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

(Dollar amounts in thousands)

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-08	6-30-07	\$ 9,580	\$ 10,021	\$ 441	95.60 %	\$ 3,111	14.18 %
6-30-09	6-30-07	9,580	10,021	441	95.60	3,111	14.18

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, only two years of data are presented.

Exhibit E-4

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

(Dollar amounts in thousands)

Year Ended	Actuarial Valuation Date*	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
6-30-08	7-1-07	\$ 0	\$ 119	\$ 119	0%	\$ 1,681	7%
6-30-09	7-1-07	0	119	119	0	1,681	7
<u>DISCRETELY PRESENTED CROCKETT COUNTY SCHOOL DEPARTMENT</u>							
6-30-08	7-1-07	0	1,359	1,359	0	7,372	18
6-30-09	7-1-07	0	1,359	1,359	0	7,372	18

*Data only available for two years.

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CROCKETT 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 Crockett County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Beer Board, County Mayor/Executive, County Attorney, etc). Management may make revisions within major categories, but only the Crockett 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.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Crockett County’s convenience center operations.

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

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

Capital Projects 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 funds to be used for the construction of an adult education technology center.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for grant proceeds received for housing improvements for low-income households.

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Exhibit F-1

	Special Revenue Funds			Capital Projects Funds				Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	Total	
Cash	0 \$	0 \$	11,674 \$	11,674 \$	0 \$	0 \$	0 \$	11,674
Equity in Pooled Cash and Investments	124,159	12,279	0	136,438	203,029	1,000	204,029	340,467
Due from Other Governments	31,889	0	0	31,889	0	0	0	31,889
Total Assets	156,048 \$	12,279 \$	11,674 \$	180,001 \$	203,029 \$	1,000 \$	204,029 \$	384,030
LIABILITIES AND FUND BALANCES								
Liabilities								
Due to Other Funds	0 \$	0 \$	11,674 \$	11,674 \$	0 \$	0 \$	0 \$	11,674
Other Deferred Revenues	8,900	0	0	8,900	0	0	0	8,900
Total Liabilities	8,900 \$	0 \$	11,674 \$	20,574 \$	0 \$	0 \$	0 \$	20,574
Fund Balances								
Reserved for Encumbrances	0 \$	0 \$	0 \$	0 \$	0 \$	11,813	11,813	11,813
Unreserved (Deficit)	147,148	12,279	0	159,427	203,029	(10,813)	192,216	351,643
Total Fund Balances	147,148 \$	12,279 \$	0 \$	159,427 \$	203,029 \$	1,000 \$	204,029 \$	363,456
Total Liabilities and Fund Balances	156,048 \$	12,279 \$	11,674 \$	180,001 \$	203,029 \$	1,000 \$	204,029 \$	384,030

Exhibit F-2

Crockett 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			Capital Projects Funds				Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constituti- onal Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	Total	
Revenues								
Local Taxes	\$ 231,793	\$ 0	\$ 0	231,793	\$ 0	\$ 0	0	231,793
Fines, Forfeitures, and Penalties	0	5,055	0	5,055	0	0	0	5,055
Charges for Current Services	8,736	0	163	8,899	0	0	0	8,899
Other Local Revenues	1,542	0	0	1,542	3,254	0	3,254	4,796
State of Tennessee	61,518	0	0	61,518	0	0	0	61,518
Federal Government	0	0	0	0	0	1,312	1,312	1,312
Other Governments and Citizens Groups	0	0	0	0	0	1,000	1,000	1,000
Total Revenues	\$ 303,589	\$ 5,055	\$ 163	\$ 308,807	\$ 3,254	\$ 2,312	\$ 5,566	\$ 314,373
Expenditures								
Current:								
General Government	\$ 0	\$ 0	\$ 97	97	\$ 0	\$ 0	0	97
Administration of Justice	0	0	66	66	0	0	0	66
Public Safety	0	10,865	0	10,865	0	0	0	10,865
Public Health and Welfare	269,672	0	0	269,672	0	0	0	269,672
Capital Outlay	0	0	0	0	1,077	0	1,077	1,077
Capital Projects	0	0	0	0	0	1,312	1,312	1,312
Total Expenditures	\$ 269,672	\$ 10,865	\$ 163	\$ 280,700	\$ 1,077	\$ 1,312	\$ 2,389	\$ 283,089
Excess (Deficiency) of Revenues Over Expenditures	\$ 33,917	\$ (5,810)	\$ 0	\$ 28,107	\$ 2,177	\$ 1,000	\$ 3,177	\$ 31,284
Net Change in Fund Balances Fund Balance, July 1, 2008	\$ 33,917	\$ (5,810)	\$ 0	\$ 28,107	\$ 2,177	\$ 1,000	\$ 3,177	\$ 31,284
	113,231	18,089	0	131,320	200,852	0	200,852	332,172
Fund Balance, June 30, 2009	\$ 147,148	\$ 12,279	\$ 0	\$ 159,427	\$ 203,029	\$ 1,000	\$ 204,029	\$ 363,456

Exhibit F-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 231,793	\$ 233,650	\$ 233,650	\$ (1,857)
Charges for Current Services	8,736	9,500	9,500	(764)
Other Local Revenues	1,542	554	554	988
State of Tennessee	61,518	51,000	51,000	10,518
Total Revenues	<u>\$ 303,589</u>	<u>\$ 294,704</u>	<u>\$ 294,704</u>	<u>\$ 8,885</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 269,672	\$ 327,373	\$ 327,373	\$ 57,701
Total Expenditures	<u>\$ 269,672</u>	<u>\$ 327,373</u>	<u>\$ 327,373</u>	<u>\$ 57,701</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 33,917</u>	<u>\$ (32,669)</u>	<u>\$ (32,669)</u>	<u>\$ 66,586</u>
Net Change in Fund Balance	\$ 33,917	\$ (32,669)	\$ (32,669)	\$ 66,586
Fund Balance, July 1, 2008	113,231	113,183	113,183	48
Fund Balance, June 30, 2009	<u>\$ 147,148</u>	<u>\$ 80,514</u>	<u>\$ 80,514</u>	<u>\$ 66,634</u>

Exhibit F-4

Crockett 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	\$ 5,055	\$ 10,000	\$ 10,000	\$ (4,945)
Total Revenues	\$ 5,055	\$ 10,000	\$ 10,000	\$ (4,945)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 10,865	\$ 17,200	\$ 17,200	\$ 6,335
Total Expenditures	\$ 10,865	\$ 17,200	\$ 17,200	\$ 6,335
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,810)	\$ (7,200)	\$ (7,200)	\$ 1,390
Net Change in Fund Balance	\$ (5,810)	\$ (7,200)	\$ (7,200)	\$ 1,390
Fund Balance, July 1, 2008	18,089	18,089	18,089	0
Fund Balance, June 30, 2009	\$ 12,279	\$ 10,889	\$ 10,889	\$ 1,390

Major Governmental Fund

General Debt Service Fund

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

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Exhibit G

Crockett 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	\$ 1,582,388	\$ 1,579,219	\$ 1,579,219	\$ 3,169
Other Local Revenues	158,508	195,000	195,000	(36,492)
Other Governments and Citizens Groups	150,000	150,000	150,000	0
Total Revenues	<u>\$ 1,890,896</u>	<u>\$ 1,924,219</u>	<u>\$ 1,924,219</u>	<u>\$ (33,323)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 72,947	\$ 73,821	\$ 72,947	\$ 0
Education	1,039,263	1,040,535	1,039,263	0
<u>Interest on Debt</u>				
General Government	35,626	35,352	35,627	1
Education	782,904	782,464	783,571	667
<u>Other Debt Service</u>				
General Government	25,445	28,531	28,001	2,556
Education	1,293	0	1,293	0
Total Expenditures	<u>\$ 1,957,478</u>	<u>\$ 1,960,703</u>	<u>\$ 1,960,702</u>	<u>\$ 3,224</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (66,582)</u>	<u>\$ (36,484)</u>	<u>\$ (36,483)</u>	<u>\$ (30,099)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 16,496	\$ 19,000	\$ 19,000	\$ (2,504)
Total Other Financing Sources (Uses)	<u>\$ 16,496</u>	<u>\$ 19,000</u>	<u>\$ 19,000</u>	<u>\$ (2,504)</u>
Net Change in Fund Balance	\$ (50,086)	\$ (17,484)	\$ (17,483)	\$ (32,603)
Fund Balance, July 1, 2008	<u>1,481,266</u>	<u>1,592,694</u>	<u>1,592,694</u>	<u>(111,428)</u>
Fund Balance, June 30, 2009	<u>\$ 1,431,180</u>	<u>\$ 1,575,210</u>	<u>\$ 1,575,211</u>	<u>\$ (144,031)</u>

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Fiduciary Funds

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

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

City School ADA - Alamo Fund and City School ADA - Bells Fund – These two funds are used to account for the city school systems' shares of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school systems on a monthly basis.

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

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Crockett County, Tennessee
 Combining Statement of Fiduciary Assets and Liabilities
 Fiduciary Funds
 For the Year Ended June 30, 2009

	Agency Funds						Total
	Cities - Sales Tax	City School ADA - Alamo	School ADA - Bells	City School ADA - Bells	Constitu- tional Officers - Agency		
\$	0	2,956	2,028	0	0	4,984	
	0	0	0	399,183	0	399,183	
	0	0	0	116,890	0	116,890	
	59,899	16,157	11,084	0	0	87,140	
	0	354,209	243,783	0	0	597,992	
	0	(11,273)	(7,734)	0	0	(19,007)	
	0	0	0	7,428	0	7,428	
\$	59,899	362,049	249,161	523,501	0	1,194,610	

ASSETS

Equity in Pooled Cash and Investments	
Cash	
Investments	
Due from Other Governments	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	
Notes Receivable - Long-term	
Total Assets	

LIABILITIES

Due to Other Taxing Units	
Due to Litigants, Heirs, and Others	
Total Liabilities	

Exhibit H-2

Crockett 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	\$ 294,906	\$ 294,906	\$ 0
Due from Other Governments	60,382	59,899	60,382	59,899
Total Assets	\$ 60,382	\$ 354,805	\$ 355,288	\$ 59,899
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 60,382	\$ 354,805	\$ 355,288	\$ 59,899
Total Liabilities	\$ 60,382	\$ 354,805	\$ 355,288	\$ 59,899
<u>City School ADA - Alamo Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 905	\$ 53,718	\$ 51,667	\$ 2,956
Accounts Receivable	860	0	860	0
Due from Other Governments	13,974	16,157	13,974	16,157
Taxes Receivable	319,338	354,209	319,338	354,209
Allowance for Uncollectible Taxes	(30,319)	(11,273)	(30,319)	(11,273)
Total Assets	\$ 304,758	\$ 412,811	\$ 355,520	\$ 362,049
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 304,758	\$ 412,811	\$ 355,520	\$ 362,049
Total Liabilities	\$ 304,758	\$ 412,811	\$ 355,520	\$ 362,049
<u>City School ADA - Bells Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 685	\$ 36,014	\$ 34,671	\$ 2,028
Accounts Receivable	650	0	650	0
Due from Other Governments	10,573	11,084	10,573	11,084
Taxes Receivable	220,783	243,783	220,783	243,783
Allowance for Uncollectible Taxes	(20,961)	(7,734)	(20,961)	(7,734)
Total Assets	\$ 211,730	\$ 283,147	\$ 245,716	\$ 249,161
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 211,730	\$ 283,147	\$ 245,716	\$ 249,161
Total Liabilities	\$ 211,730	\$ 283,147	\$ 245,716	\$ 249,161

(Continued)

Exhibit H-2

Crockett County, Tennessee

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 472,184	\$ 2,701,087	\$ 2,774,088	\$ 399,183
Investments	115,539	1,351	0	116,890
Notes Receivable - Long-term	7,428	0	0	7,428
Total Assets	<u>\$ 595,151</u>	<u>\$ 2,702,438</u>	<u>\$ 2,774,088</u>	<u>\$ 523,501</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 595,151	\$ 2,702,438	\$ 2,774,088	\$ 523,501
Total Liabilities	<u>\$ 595,151</u>	<u>\$ 2,702,438</u>	<u>\$ 2,774,088</u>	<u>\$ 523,501</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 1,590	\$ 384,638	\$ 381,244	\$ 4,984
Cash	472,184	2,701,087	2,774,088	399,183
Investments	115,539	1,351	0	116,890
Accounts Receivable	1,510	0	1,510	0
Due from Other Governments	84,929	87,140	84,929	87,140
Taxes Receivable	540,121	597,992	540,121	597,992
Allowance for Uncollectible Taxes	(51,280)	(19,007)	(51,280)	(19,007)
Notes Receivable - Long-term	7,428	0	0	7,428
Total Assets	<u>\$ 1,172,021</u>	<u>\$ 3,753,201</u>	<u>\$ 3,730,612</u>	<u>\$ 1,194,610</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 576,870	\$ 1,050,763	\$ 956,524	\$ 671,109
Due to Litigants, Heirs, and Others	595,151	2,702,438	2,774,088	523,501
Total Liabilities	<u>\$ 1,172,021</u>	<u>\$ 3,753,201</u>	<u>\$ 3,730,612</u>	<u>\$ 1,194,610</u>

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Crockett County School Department

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

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

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

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

School Transportation Fund – The School Transportation Fund is used to account for a local tax levy to fund the transportation of all students in the county.

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Exhibit I-1

Crockett County, Tennessee
Statement of Activities
Discretely Presented Crockett 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	\$ 7,672,221	\$ 0	\$ 1,045,227	\$ 18,475	\$ (6,608,519)
Support Services	4,620,616	80,666	167,888	0	(4,372,062)
Operation of Non-Instructional Services	1,327,991	267,579	840,801	0	(219,611)
Other Debt Service	150,000	0	0	0	(150,000)
Total Governmental Activities	\$ 13,770,828	\$ 348,245	\$ 2,053,916	\$ 18,475	\$ (11,350,192)

General Revenues:		
Taxes:		
Property Taxes Levied for General Purposes		\$ 1,220,159
Local Option Sales Taxes		312,895
Wheel Tax		121,371
Other Local Taxes		1,460
Grants and Contributions Not Restricted to Specific Programs		9,045,745
Unrestricted Investment Income		56,697
Miscellaneous		28,236
Total General Revenues		\$ 10,786,563
Change in Net Assets		\$ (563,629)
Net Assets, July 1, 2008		18,167,430
Net Assets, June 30, 2009		\$ 17,603,801

Exhibit I-2

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

	Major Funds		Nonmajor Funds	Total Govern- mental Funds
	General Purpose School	School Transpor- tation	Other Govern- mental Funds	
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 1,751,934	\$ 9,126	\$ 64,402	\$ 1,825,462
Accounts Receivable	15,868	0	220	16,088
Due from Other Governments	324,115	0	39,520	363,635
Due from Other Funds	2,892	0	0	2,892
Property Taxes Receivable	1,121,832	261,120	0	1,382,952
Allowance for Uncollectible Property Taxes	(35,702)	(8,310)	0	(44,012)
Total Assets	<u>\$ 3,180,939</u>	<u>\$ 261,936</u>	<u>\$ 104,142</u>	<u>\$ 3,547,017</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 13,539	\$ 0	\$ 9,309	\$ 22,848
Due to Other Funds	0	0	2,892	2,892
Deferred Revenue - Current Property Taxes	1,005,018	233,930	0	1,238,948
Deferred Revenue - Delinquent Property Taxes	77,516	18,043	0	95,559
Other Deferred Revenues	26,346	0	0	26,346
Total Liabilities	<u>\$ 1,122,419</u>	<u>\$ 251,973</u>	<u>\$ 12,201</u>	<u>\$ 1,386,593</u>
<u>Fund Balances</u>				
Reserved for Career Ladder - Extended Contract	\$ 24,954	\$ 0	\$ 0	\$ 24,954
Reserved for Basic Education Program	60,121	0	0	60,121
Reserved for Title I Grants to Local Education Agencies	0	0	15,044	15,044
Reserved for Special Education - Grants to States	0	0	34,682	34,682
Other Federal Reserves	0	0	10,391	10,391
Unreserved, Reported In:				
General Fund	1,973,445	0	0	1,973,445
Special Revenue Funds	0	9,963	31,824	41,787
Total Fund Balances	<u>\$ 2,058,520</u>	<u>\$ 9,963</u>	<u>\$ 91,941</u>	<u>\$ 2,160,424</u>
Total Liabilities and Fund Balances	<u>\$ 3,180,939</u>	<u>\$ 261,936</u>	<u>\$ 104,142</u>	<u>\$ 3,547,017</u>

Exhibit I-3

Crockett County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Crockett 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 I-2)		\$ 2,160,424
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 824,805	
Add: buildings and improvements net of accumulated depreciation	13,721,568	
Add: infrastructure net of accumulated depreciation	337,281	
Add: other capital assets net of accumulated depreciation	608,282	15,491,936
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability		(170,464)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		121,905
Net assets of governmental activities (Exhibit A)		\$ 17,603,801

Exhibit I-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Transpor - tation	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 1,308,060	\$ 305,767	\$ 0	\$ 1,613,827
Licenses and Permits	741	0	0	741
Charges for Current Services	53,308	0	294,937	348,245
Other Local Revenues	119,254	0	603	119,857
State of Tennessee	9,427,021	0	8,511	9,435,532
Federal Government	124,784	0	1,510,888	1,635,672
Other Governments and Citizens Groups	125,876	0	0	125,876
Total Revenues	\$ 11,159,044	\$ 305,767	\$ 1,814,939	\$ 13,279,750
<u>Expenditures</u>				
Current:				
Instruction	\$ 6,542,175	\$ 0	\$ 661,791	\$ 7,203,966
Support Services	4,426,067	5,234	185,538	4,616,839
Operation of Non-Instructional Services	304,943	0	935,783	1,240,726
Capital Outlay	54,878	0	0	54,878
Debt Service:				
Other Debt Service	150,000	0	0	150,000
Total Expenditures	\$ 11,478,063	\$ 5,234	\$ 1,783,112	\$ 13,266,409
Excess (Deficiency) of Revenues Over Expenditures	\$ (319,019)	\$ 300,533	\$ 31,827	\$ 13,341
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 42,371	\$ 0	\$ 0	\$ 42,371
Transfers In	308,235	0	0	308,235
Transfers Out	0	(299,515)	(8,720)	(308,235)
Total Other Financing Sources (Uses)	\$ 350,606	\$ (299,515)	\$ (8,720)	\$ 42,371
Net Change in Fund Balances	\$ 31,587	\$ 1,018	\$ 23,107	\$ 55,712
Fund Balance, July 1, 2008	2,026,933	8,945	68,834	2,104,712
Fund Balance, June 30, 2009	\$ 2,058,520	\$ 9,963	\$ 91,941	\$ 2,160,424

Exhibit I-5

Crockett County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Crockett 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 I-4)		\$	55,712
(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	\$	142,347	
Less: current year depreciation expense		<u>(562,205)</u>	(419,858)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property tax and other deferred June 30, 2009	\$	121,905	
Less: deferred delinquent property tax and other deferred June 30, 2008		<u>(236,523)</u>	(114,618)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in other postemployment benefits liability			<u>(84,865)</u>
Change in net assets of governmental activities (Exhibit B)		\$	<u><u>(563,629)</u></u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 60,800	\$ 3,602	\$ 64,402
Accounts Receivable	0	220	220
Due from Other Governments	2,209	37,311	39,520
Total Assets	<u>\$ 63,009</u>	<u>\$ 41,133</u>	<u>\$ 104,142</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 0	\$ 9,309	\$ 9,309
Due to Other Funds	2,892	0	2,892
Total Liabilities	<u>\$ 2,892</u>	<u>\$ 9,309</u>	<u>\$ 12,201</u>
<u>Fund Balances</u>			
Reserved for Title I Grants to Local Education Agencies	\$ 15,044	\$ 0	\$ 15,044
Reserved for Special Education - Grants to States	34,682	0	34,682
Other Federal Reserves	10,391	0	10,391
Unreserved	0	31,824	31,824
Total Fund Balances	<u>\$ 60,117</u>	<u>\$ 31,824</u>	<u>\$ 91,941</u>
Total Liabilities and Fund Balances	<u>\$ 63,009</u>	<u>\$ 41,133</u>	<u>\$ 104,142</u>

Exhibit I-7

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

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 294,937	\$ 294,937
Other Local Revenues	0	603	603
State of Tennessee	0	8,511	8,511
Federal Government	887,500	623,388	1,510,888
Total Revenues	<u>\$ 887,500</u>	<u>\$ 927,439</u>	<u>\$ 1,814,939</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 661,791	\$ 0	\$ 661,791
Support Services	185,538	0	185,538
Operation of Non-Instructional Services	0	935,783	935,783
Total Expenditures	<u>\$ 847,329</u>	<u>\$ 935,783</u>	<u>\$ 1,783,112</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 40,171</u>	<u>\$ (8,344)</u>	<u>\$ 31,827</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (8,720)	\$ 0	\$ (8,720)
Total Other Financing Sources (Uses)	<u>\$ (8,720)</u>	<u>\$ 0</u>	<u>\$ (8,720)</u>
Net Change in Fund Balances	\$ 31,451	\$ (8,344)	\$ 23,107
Fund Balance, July 1, 2008	28,666	40,168	68,834
Fund Balance, June 30, 2009	<u>\$ 60,117</u>	<u>\$ 31,824</u>	<u>\$ 91,941</u>

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,308,060	\$ 1,341,994	\$ 1,341,994	\$ (33,934)
Licenses and Permits	741	685	685	56
Charges for Current Services	53,308	37,965	37,965	15,343
Other Local Revenues	119,254	152,665	152,665	(33,411)
State of Tennessee	9,427,021	9,226,578	9,267,300	159,721
Federal Government	124,784	122,150	122,150	2,634
Other Governments and Citizens Groups	125,876	79,310	79,310	46,566
Total Revenues	<u>\$ 11,159,044</u>	<u>\$ 10,961,347</u>	<u>\$ 11,002,069</u>	<u>\$ 156,975</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 5,127,739	\$ 5,339,030	\$ 5,340,180	\$ 212,441
Alternative Instruction Program	49,721	68,810	68,810	19,089
Special Education Program	650,876	624,990	637,990	(12,886)
Vocational Education Program	677,346	777,265	777,265	99,919
Adult Education Program	36,493	60,400	60,400	23,907
<u>Support Services</u>				
Attendance	80,428	79,445	80,945	517
Health Services	147,819	146,290	148,290	471
Other Student Support	408,386	397,255	397,255	(11,131)
Regular Instruction Program	378,234	376,985	376,985	(1,249)
Vocational Education Program	8,212	6,000	8,000	(212)
Adult Programs	80,455	70,360	79,560	(895)
Other Programs	40,722	0	40,722	0
Board of Education	192,717	220,365	201,365	8,648
Director of Schools	207,238	189,725	189,825	(17,413)
Office of the Principal	828,022	839,985	847,985	19,963
Fiscal Services	102,222	129,115	129,115	26,893
Operation of Plant	1,010,811	1,037,460	1,037,460	26,649
Maintenance of Plant	346,951	359,840	359,890	12,939
Transportation	593,850	661,350	627,080	33,230
<u>Operation of Non-Instructional Services</u>				
Community Services	139,756	129,310	137,910	(1,846)
Early Childhood Education	165,187	192,000	191,100	25,913
<u>Capital Outlay</u>				
Regular Capital Outlay	54,878	518,000	518,000	463,122
<u>Other Debt Service</u>				
Education	150,000	141,430	150,000	0
Total Expenditures	<u>\$ 11,478,063</u>	<u>\$ 12,365,410</u>	<u>\$ 12,406,132</u>	<u>\$ 928,069</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (319,019)</u>	<u>\$ (1,404,063)</u>	<u>\$ (1,404,063)</u>	<u>\$ 1,085,044</u>

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 42,371	\$ 0	\$ 0	\$ 42,371
Transfers In	308,235	311,690	311,690	(3,455)
Total Other Financing Sources (Uses)	<u>\$ 350,606</u>	<u>\$ 311,690</u>	<u>\$ 311,690</u>	<u>\$ 38,916</u>
Net Change in Fund Balance	\$ 31,587	\$ (1,092,373)	\$ (1,092,373)	\$ 1,123,960
Fund Balance, July 1, 2008	<u>2,026,933</u>	<u>1,775,133</u>	<u>1,775,133</u>	<u>251,800</u>
Fund Balance, June 30, 2009	<u>\$ 2,058,520</u>	<u>\$ 682,760</u>	<u>\$ 682,760</u>	<u>\$ 1,375,760</u>

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 887,500	\$ 893,614	\$ 903,243	\$ (15,743)
Total Revenues	<u>\$ 887,500</u>	<u>\$ 893,614</u>	<u>\$ 903,243</u>	<u>\$ (15,743)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 342,334	\$ 357,820	\$ 364,461	\$ 22,127
Special Education Program	285,588	309,843	309,843	24,255
Vocational Education Program	33,869	33,857	33,857	(12)
<u>Support Services</u>				
Other Student Support	25,501	33,450	26,187	686
Regular Instruction Program	116,640	120,538	139,989	23,349
Special Education Program	15,189	16,906	16,906	1,717
Vocational Education Program	603	1,200	603	0
Transportation	27,605	36,129	36,129	8,524
Total Expenditures	<u>\$ 847,329</u>	<u>\$ 909,743</u>	<u>\$ 927,975</u>	<u>\$ 80,646</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 40,171	\$ (16,129)	\$ (24,732)	\$ 64,903
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 84,910	\$ 91,269	\$ (91,269)
Transfers Out	(8,720)	(97,448)	(95,203)	86,483
Total Other Financing Sources (Uses)	<u>\$ (8,720)</u>	<u>\$ (12,538)</u>	<u>\$ (3,934)</u>	<u>\$ (4,786)</u>
Net Change in Fund Balance	\$ 31,451	\$ (28,667)	\$ (28,666)	\$ 60,117
Fund Balance, July 1, 2008	28,666	28,667	28,666	0
Fund Balance, June 30, 2009	<u>\$ 60,117</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 60,117</u>

Exhibit I-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 294,937	\$ 343,453	\$ 278,141	\$ 16,796
Other Local Revenues	603	2,222	437	166
State of Tennessee	8,511	8,927	8,511	0
Federal Government	623,388	632,561	618,968	4,420
Total Revenues	<u>\$ 927,439</u>	<u>\$ 987,163</u>	<u>\$ 906,057</u>	<u>\$ 21,382</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 935,783	\$ 924,283	\$ 936,501	\$ 718
Total Expenditures	<u>\$ 935,783</u>	<u>\$ 924,283</u>	<u>\$ 936,501</u>	<u>\$ 718</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (8,344)</u>	<u>\$ 62,880</u>	<u>\$ (30,444)</u>	<u>\$ 22,100</u>
Net Change in Fund Balance	\$ (8,344)	\$ 62,880	\$ (30,444)	\$ 22,100
Fund Balance, July 1, 2008	40,168	76,346	76,346	(36,178)
Fund Balance, June 30, 2009	<u>\$ 31,824</u>	<u>\$ 139,226</u>	<u>\$ 45,902</u>	<u>\$ (14,078)</u>

Exhibit I-11

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Crockett County School Department
School Transportation Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 305,767	\$ 309,802	\$ 309,802	\$ (4,035)
Total Revenues	\$ 305,767	\$ 309,802	\$ 309,802	\$ (4,035)
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 5,234	\$ 5,300	\$ 5,300	\$ 66
Total Expenditures	\$ 5,234	\$ 5,300	\$ 5,300	\$ 66
Excess (Deficiency) of Revenues Over Expenditures	\$ 300,533	\$ 304,502	\$ 304,502	\$ (3,969)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (299,515)	\$ (304,502)	\$ (304,502)	\$ 4,987
Total Other Financing Sources (Uses)	\$ (299,515)	\$ (304,502)	\$ (304,502)	\$ 4,987
Net Change in Fund Balance	\$ 1,018	\$ 0	\$ 0	\$ 1,018
Fund Balance, July 1, 2008	8,945	8,101	8,101	844
Fund Balance, June 30, 2009	\$ 9,963	\$ 8,101	\$ 8,101	\$ 1,862

MISCELLANEOUS SCHEDULES

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Exhibit J-1

Crockett County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds
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	Outstanding 6-30-09
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
School Classrooms and Fieldhouse	\$ 360,000	5.1%	6-22-1998	6-30-10	\$ 75,404	0 \$	37,051 \$	38,353
Trash Compactors and Site Preparation	60,000	3.974	Various	4-15-11	17,283	0	5,698	11,585
School Construction	400,000	3.95	3-6-03	12-15-14	253,077	0	32,212	220,865
Emergency Management Building	84,000	0	6-30-07	2-17-17	75,600	0	8,400	67,200
Total Notes Payable					\$ 421,364	0 \$	83,361 \$	338,003
CAPITAL LEASES PAYABLE								
<u>Payable through General Fund</u>								
Sheriff's Patrol Car	21,002	6.8	1-19-07	1-19-09	6,990	0 \$	6,990 \$	0
Sheriff's Patrol Car	22,850	6.65	8-27-07	8-27-09	14,738	0	7,133	7,605
Sheriff's Sport Utility Vehicle	28,944	6.4	9-26-07	9-26-09	18,692	0	9,056	9,636
Ambulance	94,355	6.5	4-15-08	4-15-10	60,843	0	29,435	31,408
Sheriff's Patrol Car	22,950	6.3	9-5-08	9-5-10	0	22,950	8,122	14,828
Total Payable through General Fund					\$ 101,263	22,950 \$	60,736 \$	63,477
<u>Payable through Highway/Public Works Fund</u>								
Dump Trucks	205,706	4.39	4-25-07	5-25-10	172,875	0 \$	29,507 \$	143,368
Total Capital Leases Payable					\$ 274,138	22,950 \$	90,243 \$	206,845
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Courthouse and Library	200,000	5	1-28-1976	1-1-16	75,721	0 \$	8,070 \$	67,651
Courthouse and Library	50,000	5	12-30-1976	12-1-16	18,862	0	2,022	16,840
Nursing Home	300,000	5	10-26-1977	1-1-17	125,161	0	11,529	113,632
Nursing Home	50,000	5	2-9-1979	1-1-19	24,483	0	1,741	22,742
Nursing Home	500,000	5	8-9-1982	1-1-11	90,000	0	30,000	60,000
School Refunding 1997 Series	3,595,000	4 to 5	11-1-1997	4-1-12	2,065,000	0	485,000	1,580,000
Courthouse and Senior Citizens' Buildings Renovations	400,000	5	10-14-1999	10-14-37	364,573	0	5,487	359,086
General Obligation School	9,850,000	4.5 to 4.875	8-9-01	4-1-17	3,020,000	0	145,000	2,875,000
General Obligation School Refunding	2,710,000	2.5 to 4.875	4-17-02	4-1-14	990,000	0	145,000	845,000
General Obligation School	5,085,000	4.55 to 5	4-17-02	4-1-17	4,410,000	0	175,000	4,235,000
General Obligation School Refunding	6,735,000	4.15	9-1-05	4-1-21	6,555,000	0	20,000	6,535,000
Total Bonds Payable					\$ 17,738,800	0 \$	1,028,849 \$	16,709,951

Exhibit J-2

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

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2010	\$ 86,160	\$ 11,142	\$ 97,302
2011	48,866	7,626	56,492
2012	44,582	6,027	50,609
2013	46,010	4,598	50,608
2014	47,497	3,112	50,609
2015	48,088	1,568	49,656
2016	8,400	0	8,400
2017	8,400	0	8,400
Total	\$ 338,003	\$ 34,073	\$ 372,076

Year Ending June 30	Capital Lease Principal	Capital Lease Interest	Total Capital Lease Requirements
2010	\$ 199,204	\$ 9,419	\$ 208,623
2011	7,641	481	8,122
Total	\$ 206,845	\$ 9,900	\$ 216,745

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2010	\$ 1,120,291	\$ 755,970	\$ 1,876,261
2011	1,196,806	701,994	1,898,800
2012	1,228,396	644,314	1,872,710
2013	1,035,066	585,789	1,620,855
2014	1,106,819	538,686	1,645,505
2015	1,313,660	487,341	1,801,001
2016	1,473,809	425,233	1,899,042
2017	1,575,749	355,005	1,930,754
2018	1,591,213	278,993	1,870,206
2019	1,581,526	212,862	1,794,388
2020	1,614,385	147,131	1,761,516
2021	1,604,855	80,054	1,684,909
2022	10,347	13,369	23,716
2023	10,865	12,852	23,717
2024	11,408	12,308	23,716
2025	11,978	11,738	23,716
2026	12,577	11,139	23,716
2027	13,206	10,510	23,716
2028	13,866	9,850	23,716

(Continued)

Exhibit J-2

Crockett County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bonds (Cont.)	Bond Principal	Bond Interest	Total Bond Requirements
2029		\$ 14,560	\$ 9,156	\$ 23,716
2030		15,288	8,429	23,717
2031		16,052	7,664	23,716
2032		16,854	6,862	23,716
2033		17,697	6,019	23,716
2034		18,582	5,134	23,716
2035		19,511	4,205	23,716
2036		20,487	3,229	23,716
2037		21,511	2,205	23,716
2038		22,587	1,129	23,716
Total		\$ 16,709,951	\$ 5,349,170	\$ 22,059,121

Exhibit J-3

Crockett County, Tennessee
Schedule of Investments
June 30, 2009

<u>Fund and Type</u>	<u>Amount</u>
<u>Constitutional Officers - Agency Fund</u>	
<u>Clerk and Master</u>	
Goldman Sachs Government Money Market	\$ 9,192
Dodge & Cox Income Mutual Fund	8,271
Goldman Sachs Short Duration Government Mutual Fund	3,729
Pioneer Strategic Income Mutual Fund	4,169
Vanguard Bond Mutual Fund	22,033
DWS Dreman Small Cap Value Mutual Fund	3,507
Dodge & Cox Stock Mutual Fund	4,780
Federated Intercontinental Mutual Fund	4,000
Fidelity Advisor Diversified International Mutual Fund	5,925
Fidelity Low Price Stock Mutual Fund	5,917
Franklin Discovery Mutual Fund	7,058
T. Rowe Price Growth Stock Mutual Fund	17,475
T. Rowe Price Equity Income Mutual Fund	4,450
T. Rowe Price Mid Cap Growth Mutual Fund	9,877
Royce Pennsylvania Mutual Fund	<u>6,507</u>
Total Investments	<u>\$ 116,890</u>

Exhibit J-4

Crockett County, Tennessee
Schedule of Notes Receivable
June 30, 2009

<u>Description</u>	<u>Amount</u>
<u>Constitutional Officers - Agency Fund</u>	
<u>Clerk and Master</u>	
Loan Notes	<u>\$ 7,428</u>
Total Notes Receivable	<u><u>\$ 7,428</u></u>

Exhibit J-5

Crockett County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Crockett 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	General Debt Service	Debt retirement	\$ 16,496
Total Transfers Primary Government			<u>\$ 16,496</u>
<u>DISCRETELY PRESENTED</u> <u>CROCKETT COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 8,720
School Transportation	General Purpose School	School transportation	<u>299,515</u>
Total Transfers Discretely Presented Crockett County School Department			<u>\$ 308,235</u>

Exhibit J-6

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

Official	Authorization for Salary	\$	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$	66,702	50,000	Auto Owners Insurance Company
Road Supervisor	Section 8-24-102, <u>TCA</u>		63,527	100,000	"
Director of Schools	State Board of Education and County Board of Education		100,840 (1)	150,000	Tennessee Risk Management Trust
Trustee	Section 8-24-102, <u>TCA</u>		57,751	609,280	Auto Owners Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>		57,751	10,000	"
County Clerk	Section 8-24-102, <u>TCA</u>		57,751	25,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>		57,751	25,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u>		57,751	30,000	"
Register	Section 8-24-102, <u>TCA</u>		57,751	15,000	"
Sheriff	Section 8-24-102, <u>TCA</u>		63,527 (2)	25,000	"
Employee Bonds:					
General Fund Employees				150,000	Tennessee Risk Management Trust
Road Department Bookkeeper				10,000	Western Surety Company
School Department Employees				150,000	Tennessee Risk Management Trust

(1) Includes chief executive officer training supplement of \$1,000.
(2) Does not include a law enforcement training supplement of \$600.

Exhibit J-7

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

	Special Revenue Funds					Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	General Capital Projects	Community Development/ Industrial Park		
Local Taxes											
<u>County Property Taxes</u>											
Current Property Tax	\$ 2,554,579	\$ 0	\$ 0	\$ 0	\$ 0	\$ 754,366	\$ 0	\$ 0	\$ 0	\$ 3,308,945	
Discount on Property Taxes	(20,431)	0	0	0	0	(6,033)	0	0	0	(26,464)	
Trustee's Collections - Prior Year	129,700	0	0	0	0	43,392	0	0	0	173,092	
Trustee's Collections - Bankruptcy	457	0	0	0	0	124	0	0	0	581	
Circuit/Clerk & Master Collections - Prior Years	54,383	0	0	0	0	14,091	0	0	0	68,474	
Interest and Penalty	21,254	0	0	0	0	6,911	0	0	0	28,165	
Payments in-Lieu-of Taxes - T.V.A.	96	0	0	0	0	7	0	0	0	103	
Payments in-Lieu-of Taxes - Other	2,376	0	0	0	0	0	0	0	0	2,376	
<u>County Local Option Taxes</u>											
Local Option Sales Tax	0	126,924	0	0	0	481,753	0	0	0	608,677	
Hotel/Motel Tax	11,123	0	0	0	0	0	0	0	0	11,123	
Wheel Tax	0	0	0	0	361,132	287,777	0	0	0	648,909	
Litigation Tax - General	43,279	0	0	0	0	0	0	0	0	43,279	
Litigation Tax - Jail, Workhouse, or Courthouse	16,040	0	0	0	0	0	0	0	0	16,040	
Business Tax	66,699	0	0	0	0	0	0	0	0	66,699	
<u>Statutory Local Taxes</u>											
Bank Excise Tax	62,370	0	0	0	0	0	0	0	0	62,370	
Wholesale Beer Tax	0	104,392	0	0	0	0	0	0	0	104,392	
Interstate Telecommunications Tax	0	477	0	0	0	0	0	0	0	477	
Total Local Taxes	\$ 2,941,925	\$ 231,793	\$ 0	\$ 0	\$ 361,132	\$ 1,582,388	\$ 0	\$ 0	\$ 0	\$ 5,117,238	
<u>Licenses and Permits</u>											
<u>Licenses</u>											
Animal Vaccination	\$ 2,192	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,192	
Cable TV Franchise	2,911	0	0	0	0	0	0	0	0	2,911	
<u>Permits</u>											
Beer Permits	1,556	0	0	0	0	0	0	0	0	1,556	
Total Licenses and Permits	\$ 6,659	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,659	

(Continued)

Exhibit J-7

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Constitutional Officers - Fees		Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park		
			Drug Control							
<u>Fines, Forfeitures, and Penalties</u>										
<u>Circuit Court</u>										
Fines	\$ 7,324	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,324
Officers Costs	3,635	0	0	0	0	0	0	0	0	3,635
Drug Control Fines	2,935	0	1,729	0	0	0	0	0	0	4,664
Drug Court Fees	177	0	0	0	0	0	0	0	0	177
Jail Fees	289	0	0	0	0	0	0	0	0	289
Data Entry Fee - Circuit Court	148	0	0	0	0	0	0	0	0	148
Courtroom Security Fee	110	0	0	0	0	0	0	0	0	110
<u>Criminal Court</u>										
Jail Fees	2,474	0	0	0	0	0	0	0	0	2,474
<u>General Sessions Court</u>										
Fines	13,888	0	0	0	0	0	0	0	0	13,888
Officers Costs	17,165	0	0	0	0	0	0	0	0	17,165
Drug Control Fines	2,741	0	3,098	0	0	0	0	0	0	5,839
Drug Court Fees	2,326	0	0	0	0	0	0	0	0	2,326
Jail Fees	3,860	0	0	0	0	0	0	0	0	3,860
DUI Treatment Fines	340	0	0	0	0	0	0	0	0	340
Data Entry Fee - General Sessions Court	3,386	0	0	0	0	0	0	0	0	3,386
Courtroom Security Fee	2,744	0	0	0	0	0	0	0	0	2,744
<u>Juvenile Court</u>										
Fines	190	0	0	0	0	0	0	0	0	190
Officers Costs	1,276	0	0	0	0	0	0	0	0	1,276
<u>Chancery Court</u>										
Officers Costs	1,960	0	0	0	0	0	0	0	0	1,960
Data Entry Fee - Chancery Court	1,212	0	0	0	0	0	0	0	0	1,212
Courtroom Security Fee	454	0	0	0	0	0	0	0	0	454
<u>Other Fines, Forfeitures, and Penalties</u>										
Proceeds from Confiscated Property	26	0	228	0	0	0	0	0	0	254
Total Fines, Forfeitures, and Penalties	\$ 68,660	\$ 0	\$ 5,055	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 73,715

(Continued)

Exhibit J-7

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

	Special Revenue Funds					Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/Industrial Park			
								Development/Industrial	Park		
Charges for Current Services											
<u>General Service Charges</u>											
Self-Insurance Premiums/Contributions	\$ 126 \$	0 \$	0 \$	0 \$	244 \$	0 \$	0 \$	0 \$	0 \$	370	
Convenience Waste Centers Collection Charge	0	8,736	0	0	0	0	0	0	0	8,736	
Patient Charges	689,415	0	0	0	0	0	0	0	0	689,415	
<u>Fees</u>											
Library Fees	985	0	0	0	0	0	0	0	0	985	
Telephone Commissions	4,016	0	0	0	0	0	0	0	0	4,016	
Vending Machine Collections	33	0	0	0	0	0	0	0	0	33	
Constitutional Officers' Fees and Commissions	0	0	163	0	0	0	0	0	0	163	
Data Processing Fee - Register	4,620	0	0	0	0	0	0	0	0	4,620	
Data Processing Fee - Sheriff	1,618	0	0	0	0	0	0	0	0	1,618	
Sexual Offender Registration Fees - Sheriff	1,350	0	0	0	0	0	0	0	0	1,350	
Data Processing Fee - County Clerk	870	0	0	0	0	0	0	0	0	870	
Total Charges for Current Services	\$ 703,033 \$	8,736 \$	163 \$	163 \$	244 \$	0 \$	0 \$	0 \$	0 \$	712,176	
Other Local Revenues											
<u>Recurring Items</u>											
Investment Income	\$ 1,954 \$	0 \$	0 \$	0 \$	0 \$	60,208 \$	3,254 \$	0 \$	0 \$	65,416	
Lease/Rentals	39,862	0	0	0	0	98,300	0	0	0	138,162	
Sale of Materials and Supplies	0	0	0	0	621	0	0	0	0	621	
Commissary Sales	1,779	0	0	0	0	0	0	0	0	1,779	
Miscellaneous Refunds	16,030	1,542	0	0	6,533	0	0	0	0	24,105	
<u>Nonrecurring Items</u>											
Sale of Property	428	0	0	0	0	0	0	0	0	428	
Contributions and Gifts	1,260	0	0	0	0	0	0	0	0	1,260	
Total Other Local Revenues	\$ 61,313 \$	1,542 \$	0 \$	0 \$	7,154 \$	158,508 \$	3,254 \$	0 \$	0 \$	231,771	
Fees Received from County Officials											
<u>Fees in-Lieu-of Salary</u>											
County Clerk	\$ 131,867 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	131,867	
Circuit Court Clerk	20,697	0	0	0	0	0	0	0	0	20,697	

(Continued)

Exhibit J-7

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park		
Fees Received from County Officials (Cont.)										
Fees in-Lieu-of Salary (Cont.)										
General Sessions Court Clerk	\$ 87,796	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 87,796
Clerk and Master	58,721	0	0	0	0	0	0	0	0	58,721
Juvenile Court Clerk	27,220	0	0	0	0	0	0	0	0	27,220
Register	49,216	0	0	0	0	0	0	0	0	49,216
Sheriff	9,337	0	0	0	0	0	0	0	0	9,337
Trustee	172,924	0	0	0	0	0	0	0	0	172,924
Total Fees Received from County Officials	\$ 557,778	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 557,778
State of Tennessee										
General Government Grants										
Juvenile Services Program	\$ 12,009	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,009
Aging Programs	266,703	0	0	0	0	0	0	0	0	266,703
State Reappraisal Grant	5,931	0	0	0	0	0	0	0	0	5,931
Solid Waste Grants	0	16,902	0	0	0	0	0	0	0	16,902
Public Safety Grants										
Law Enforcement Training Programs	7,200	0	0	0	0	0	0	0	0	7,200
Health and Welfare Grants										
Health Department Programs	66,857	0	0	0	0	0	0	0	0	66,857
Other Health and Welfare Grants	13,191	0	0	0	0	0	0	0	0	13,191
Public Works Grants										
State Aid Program	0	0	0	0	642,535	0	0	0	0	642,535
Litter Program	16,877	0	0	0	0	0	0	0	0	16,877
Other State Revenues										
Income Tax	16,766	0	0	0	0	0	0	0	0	16,766
Beer Tax	0	18,701	0	0	0	0	0	0	0	18,701
Alcoholic Beverage Tax	0	25,915	0	0	0	0	0	0	0	25,915
Mixed Drink Tax	512	0	0	0	0	0	0	0	0	512
State Revenue Sharing - T.V.A.	244,696	0	0	0	0	0	0	0	0	244,696
Contracted Prisoner Boarding	156,695	0	0	0	0	0	0	0	0	156,695
Gasoline and Motor Fuel Tax	0	0	0	0	1,345,415	0	0	0	0	1,345,415

(Continued)

Exhibit J-7

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Development/Industrial	Community Park	
State of Tennessee (Cont.)										
Other State Revenues (Cont.)										
Petroleum Special Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,670	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,670
Registrar's Salary Supplement	14,912	0	0	0	0	0	0	0	0	14,912
Other State Grants	44,147	0	0	0	0	0	0	0	0	44,147
Total State of Tennessee	\$ 866,496	\$ 61,518	\$ 0	\$ 0	\$ 1,999,620	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,927,634
Federal Government										
Federal Through State										
USDA - Other	\$ 36,831	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,831
Civil Defense Reimbursement	38,166	0	0	0	0	0	0	0	0	38,166
Homeland Security Grants	30,322	0	0	0	0	0	0	0	0	30,322
Direct Federal Revenue										
FHA Grant	0	0	0	0	0	0	0	0	1,312	1,312
Total Federal Government	\$ 105,319	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,312	\$ 106,631
Other Governments and Citizens Groups										
Other Governments										
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,000	\$ 0	\$ 1,000	\$ 0	\$ 151,000
Contracted Services	9,261	0	0	0	425	0	0	0	0	9,686
Citizens Groups										
Donations	5,900	0	0	0	0	0	0	0	0	5,900
Total Other Governments and Citizens Groups	\$ 15,161	\$ 0	\$ 0	\$ 0	\$ 425	\$ 150,000	\$ 0	\$ 1,000	\$ 0	\$ 166,586
Total	\$ 5,326,344	\$ 303,589	\$ 5,055	\$ 163	\$ 2,368,575	\$ 1,890,896	\$ 3,254	\$ 2,312	\$ 9,900,188	

Exhibit J-8

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

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 882,717	\$ 0	\$ 0	\$ 204,961	\$ 1,087,678
Discount on Property Taxes	(7,070)	0	0	(1,646)	(8,716)
Trustee's Collections - Prior Year	47,787	0	0	10,779	58,566
Trustee's Collections - Bankruptcy	174	0	0	818	992
Circuit/Clerk & Master Collections - Prior Years	25,056	0	0	4,501	29,557
Interest and Penalty	7,530	0	0	1,704	9,234
Payments in-Lieu-of Taxes - T.V.A.	44	0	0	10	54
<u>County Local Option Taxes</u>					
Local Option Sales Tax	313,619	0	0	0	313,619
Wheel Tax	36,731	0	0	84,640	121,371
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	1,472	0	0	0	1,472
Total Local Taxes	\$ 1,308,060	\$ 0	\$ 0	\$ 305,767	\$ 1,613,827
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 741	\$ 0	\$ 0	\$ 0	741
Total Licenses and Permits	\$ 741	\$ 0	\$ 0	\$ 0	741
<u>Charges for Current Services</u>					
<u>Fees</u>					
Vending Machine Collections	\$ 833	\$ 0	\$ 0	\$ 0	833
<u>Education Charges</u>					
Lunch Payments - Children	0	0	140,229	0	140,229
Lunch Payments - Adults	0	0	17,234	0	17,234
Income from Breakfast	0	0	4,896	0	4,896
A la carte Sales	0	0	104,387	0	104,387
Transportation - Other State Systems	7,878	0	0	0	7,878
School Based Health Services - FFS	10,000	0	0	0	10,000
Receipts from Individual Schools	33,384	0	0	0	33,384
<u>Other Charges for Services</u>					
Other Charges for Services	1,213	0	28,191	0	29,404
Total Charges for Current Services	\$ 53,308	\$ 0	\$ 294,937	\$ 0	348,245
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 56,697	\$ 0	\$ 603	\$ 0	57,300
Lease/Rentals	17,147	0	0	0	17,147
Refund of Telecommunication & Internet Fees (E-Rate)	31,290	0	0	0	31,290
Miscellaneous Refunds	10,766	0	0	0	10,766
<u>Nonrecurring Items</u>					
Sale of Equipment	323	0	0	0	323
Contributions and Gifts	3,000	0	0	0	3,000
<u>Other Local Revenues</u>					
Other Local Revenues	31	0	0	0	31
Total Other Local Revenues	\$ 119,254	\$ 0	\$ 603	\$ 0	119,857

(Continued)

Exhibit J-8

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

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Total
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 40,722	\$ 0	\$ 0	\$ 0	40,722
<u>State Education Funds</u>					
Basic Education Program	8,651,274	0	0	0	8,651,274
Early Childhood Education	165,187	0	0	0	165,187
School Food Service	0	0	8,511	0	8,511
Driver Education	9,075	0	0	0	9,075
Other State Education Funds	278,048	0	0	0	278,048
Career Ladder Program	63,136	0	0	0	63,136
Career Ladder - Extended Contract	56,500	0	0	0	56,500
Other Vocational	9,977	0	0	0	9,977
<u>Other State Revenues</u>					
Mixed Drink Tax	352	0	0	0	352
State Revenue Sharing - T.V.A.	50,000	0	0	0	50,000
Other State Grants	84,275	0	0	0	84,275
Other State Revenues	18,475	0	0	0	18,475
Total State of Tennessee	\$ 9,427,021	\$ 0	\$ 8,511	\$ 0	9,435,532
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 390,478	\$ 0	390,478
Breakfast	0	0	229,933	0	229,933
USDA - Other	0	0	2,977	0	2,977
Adult Education State Grant Program	82,966	0	0	0	82,966
Vocational Education - Basic Grants to States	0	45,557	0	0	45,557
Other Vocational	25,000	0	0	0	25,000
Title I Grants to Local Education Agencies	0	340,270	0	0	340,270
Special Education - Grants to States	0	339,324	0	0	339,324
Special Education Preschool Grants	0	9,595	0	0	9,595
Safe and Drug-Free Schools - State Grants	0	6,201	0	0	6,201
Rural Education	0	47,632	0	0	47,632
Eisenhower Professional Development State Grants	0	95,076	0	0	95,076
Other Federal through State	16,818	3,845	0	0	20,663
Total Federal Government	\$ 124,784	\$ 887,500	\$ 623,388	\$ 0	1,635,672
<u>Other Governments and Citizens Groups</u>					
<u>Other</u>					
Other	\$ 125,876	\$ 0	\$ 0	\$ 0	125,876
Total Other Governments and Citizens Groups	\$ 125,876	\$ 0	\$ 0	\$ 0	125,876
Total	\$ 11,159,044	\$ 887,500	\$ 927,439	\$ 305,767	13,279,750

Exhibit J-9

Crockett 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	\$ 12,804	
Dues and Memberships	1,300	
Total County Commission		\$ 14,104

Beer Board

Board and Committee Members Fees	\$ 200	
Total Beer Board		200

County Mayor/Executive

County Official/Administrative Officer	\$ 66,702	
Accountants/Bookkeepers	28,804	
Secretary(ies)	15,678	
Longevity Pay	800	
Contracts with Private Agencies	5,899	
Dues and Memberships	1,915	
Postal Charges	1,369	
Printing, Stationery, and Forms	271	
Travel	1,940	
Office Supplies	3,995	
Other Charges	60	
Office Equipment	3,999	
Total County Mayor/Executive		131,432

County Attorney

County Official/Administrative Officer	\$ 1,971	
Total County Attorney		1,971

Election Commission

County Official/Administrative Officer	\$ 51,976	
Temporary Personnel	10,778	
Other Salaries and Wages	475	
Election Commission	5,005	
Election Workers	18,705	
Contracts with Private Agencies	6,999	
Data Processing Services	5,388	
Dues and Memberships	150	
Legal Notices, Recording, and Court Costs	2,293	
Postal Charges	1,890	
Printing, Stationery, and Forms	1,726	
Travel	1,348	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Office Supplies	\$	2,174	
Office Equipment		<u>1,870</u>	
Total Election Commission	\$		110,777

Register of Deeds

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		22,298	
Longevity Pay		200	
Data Processing Services		3,902	
Dues and Memberships		398	
Operating Lease Payments		828	
Postal Charges		318	
Printing, Stationery, and Forms		299	
Other Contracted Services		276	
Office Supplies		<u>1,303</u>	
Total Register of Deeds			87,573

County Buildings

Custodial Personnel	\$	3,858	
Other Salaries and Wages		79	
Communication		28,231	
Maintenance and Repair Services - Buildings		53,885	
Maintenance and Repair Services - Equipment		3,927	
Pest Control		2,675	
Other Contracted Services		447	
Custodial Supplies		11,939	
Electricity		26,500	
Natural Gas		10,964	
Water and Sewer		5,634	
Building and Contents Insurance		<u>18,046</u>	
Total County Buildings			166,185

Finance

Accounting and Budgeting

Audit Services	\$	<u>4,360</u>	
Total Accounting and Budgeting			4,360

Property Assessor's Office

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		42,506	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Longevity Pay	\$	350	
Contracts with Private Agencies		1,100	
Data Processing Services		5,189	
Dues and Memberships		1,178	
Postal Charges		210	
Printing, Stationery, and Forms		92	
Travel		1,498	
Office Supplies		533	
Premiums on Corporate Surety Bonds		258	
Office Equipment		1,357	
Other Equipment		800	
Total Property Assessor's Office			\$ 112,822

Reappraisal Program

Data Processing Personnel	\$	1,481	
In-Service Training		390	
Data Processing Services		1,635	
Travel		1,100	
Office Supplies		632	
Total Reappraisal Program			5,238

County Trustee's Office

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		44,106	
Longevity Pay		1,450	
Data Processing Services		4,001	
Dues and Memberships		383	
Maintenance Agreements		2,404	
Postal Charges		2,469	
Printing, Stationery, and Forms		46	
Travel		1,176	
Other Contracted Services		1,678	
Office Supplies		1,252	
Total County Trustee's Office			116,716

County Clerk's Office

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		62,334	
Longevity Pay		450	
Dues and Memberships		483	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Postal Charges	\$	3,414	
Printing, Stationery, and Forms		310	
Travel		1,265	
Other Contracted Services		10,066	
Office Supplies		2,161	
Office Equipment		1,325	
Total County Clerk's Office			\$ 139,559

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		103,006	
Longevity Pay		850	
Jury and Witness Fees		4,843	
Data Processing Services		7,648	
Dues and Memberships		568	
Postal Charges		1,682	
Printing, Stationery, and Forms		1,537	
Travel		22	
Office Supplies		7,431	
Other Charges		597	
Other Equipment		1,198	
Total Circuit Court			187,133

General Sessions Judge

Judge(s)	\$	79,306	
Dues and Memberships		140	
Travel		1,399	
Other Contracted Services		9,924	
Office Supplies		29	
Total General Sessions Judge			90,798

Drug Court

Assistant(s)	\$	14,045	
Supervisor/Director		24,970	
Communication		2,234	
Travel		2,000	
Drug Treatment		2,085	
Office Supplies		1,965	
Office Equipment		1,556	
Total Drug Court			48,855

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		23,218	
Longevity Pay		50	
Dues and Memberships		448	
Postal Charges		3,629	
Printing, Stationery, and Forms		365	
Travel		600	
Other Contracted Services		1,405	
Office Supplies		555	
Total Chancery Court	\$		88,021

Juvenile Court

Supervisor/Director	\$	27,364	
Probation Officer(s)		15,980	
Longevity Pay		1,000	
In-Service Training		1,228	
Communication		1,801	
Maintenance and Repair Services - Vehicles		599	
Travel		459	
Other Contracted Services		361	
Office Supplies		333	
Other Charges		5,871	
Office Equipment		1,375	
Total Juvenile Court			56,371

Other Administration of Justice

Other Salaries and Wages	\$	7,743	
In-Service Training		450	
Other Charges		800	
Total Other Administration of Justice			8,993

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	63,527	
Assistant(s)		36,673	
Deputy(ies)		344,860	
Data Processing Personnel		3,893	
Guards		11,435	
Secretary(ies)		19,803	
Longevity Pay		5,850	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Other Salaries and Wages	\$	35,381	
In-Service Training		7,790	
Communication		17,172	
Contracts with Private Agencies		12,077	
Data Processing Services		2,657	
Dues and Memberships		2,136	
Legal Notices, Recording, and Court Costs		60	
Maintenance and Repair Services - Vehicles		35,416	
Postal Charges		3,327	
Travel		2,364	
Other Contracted Services		500	
Gasoline		49,846	
Law Enforcement Supplies		1,992	
Office Supplies		5,029	
Tires and Tubes		3,212	
Uniforms		6,254	
Other Supplies and Materials		3,221	
Other Charges		150	
Data Processing Equipment		60	
Law Enforcement Equipment		1,950	
Motor Vehicles		24,637	
Office Equipment		1,345	
Other Equipment		7,796	
Total Sheriff's Department			\$ 710,413

Jail

Dispatchers/Radio Operators	\$	119,084
Guards		265,325
Cafeteria Personnel		16,021
Part-time Personnel		5,000
Longevity Pay		5,500
Other Salaries and Wages		33,790
In-Service Training		90
Contracts with Public Carriers		412
Medical and Dental Services		118,490
Travel		1,587
Custodial Supplies		10,642
Drugs and Medical Supplies		51,846
Electricity		27,624
Food Supplies		83,258

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Law Enforcement Supplies	\$	567	
Natural Gas		13,692	
Uniforms		4,829	
Water and Sewer		8,230	
Other Supplies and Materials		3,365	
Other Charges		2,457	
Office Equipment		4,990	
Other Equipment		61	
Total Jail			\$ 776,860

Juvenile Services

Other Charges	\$	499	
Total Juvenile Services			499

Fire Prevention and Control

Contributions	\$	52,000	
Total Fire Prevention and Control			52,000

Civil Defense

Assistant(s)	\$	11,997	
Supervisor/Director		13,058	
Communication		3,370	
Dues and Memberships		206	
Operating Lease Payments		680	
Maintenance and Repair Services - Equipment		415	
Maintenance and Repair Services - Vehicles		907	
Postal Charges		84	
Travel		2,115	
Electricity		3,454	
Gasoline		2,508	
Office Supplies		778	
Uniforms		420	
Utilities		2,971	
Other Supplies and Materials		1,361	
Other Charges		37	
Motor Vehicles		297	
Other Equipment		1,989	
Total Civil Defense			46,647

(Continued)

Exhibit J-9

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

<u>General Fund (Cont.)</u>		
<u>Public Safety (Cont.)</u>		
<u>Rescue Squad</u>		
Contributions	\$ 8,000	
Total Rescue Squad		\$ 8,000
 <u>Other Emergency Management</u>		
Other Supplies and Materials	\$ 9,000	
Other Equipment	30,646	
Total Other Emergency Management		39,646
 <u>County Coroner/Medical Examiner</u>		
Other Per Diem and Fees	\$ 2,500	
Contracts with Government Agencies	2,050	
Transportation - Other than Students	265	
Total County Coroner/Medical Examiner		4,815
 <u>Other Public Safety</u>		
Other Salaries and Wages	\$ 3,201	
Total Other Public Safety		3,201
 <u>Public Health and Welfare</u>		
<u>Local Health Center</u>		
Custodial Personnel	\$ 7,739	
Communication	3,500	
Contracts with Other Public Agencies	52,904	
Travel	863	
Custodial Supplies	1,550	
Drugs and Medical Supplies	663	
Office Supplies	637	
Utilities	9,492	
Other Charges	500	
Total Local Health Center		77,848
 <u>Rabies and Animal Control</u>		
Supervisor/Director	\$ 24,767	
Longevity Pay	1,000	
Communication	719	
Travel	5,689	
Other Contracted Services	470	
Other Supplies and Materials	3,949	
Total Rabies and Animal Control		36,594

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services

Supervisor/Director	\$	46,839	
Medical Personnel		329,831	
Secretary(ies)		22,149	
Part-time Personnel		50,463	
Longevity Pay		6,300	
Other Salaries and Wages		71,310	
In-Service Training		1,490	
Communication		4,749	
Contracts with Private Agencies		6,663	
Dues and Memberships		240	
Evaluation and Testing		74	
Licenses		397	
Maintenance and Repair Services - Vehicles		20,000	
Postal Charges		798	
Travel		954	
Custodial Supplies		56	
Diesel Fuel		32,642	
Drugs and Medical Supplies		34,749	
Office Supplies		3,577	
Uniforms		2,738	
Other Supplies and Materials		2,912	
Other Charges		1,000	
Other Equipment		7,944	
Total Ambulance/Emergency Medical Services			\$ 647,875

Maternal and Child Health Services

Contributions	\$	4,000	
Total Maternal and Child Health Services			4,000

Alcohol and Drug Programs

Contributions	\$	15,165	
Total Alcohol and Drug Programs			15,165

Crippled Children Services

Contributions	\$	1,650	
Total Crippled Children Services			1,650

Other Local Health Services

Contributions	\$	2,000	
Total Other Local Health Services			2,000

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Appropriation to State

Contracts with Government Agencies	\$	43,900	
Contracts with Other Public Agencies		6,000	
Contributions		2,000	
Total Appropriation to State			\$ 51,900

Other Local Welfare Services

Other Charges	\$	570	
Total Other Local Welfare Services			570

Waste Pickup

Other Salaries and Wages	\$	17,488	
Equipment and Machinery Parts		241	
Gasoline		1,831	
Instructional Supplies and Materials		10,397	
Total Waste Pickup			29,957

Social, Cultural, and Recreational Services

Adult Activities

Assistant(s)	\$	18,134	
Supervisor/Director		32,507	
Investigator(s)		8,319	
Social Workers		20,276	
Medical Personnel		113,946	
Bus Drivers		16,256	
Clerical Personnel		9,128	
Educational Assistants		29,043	
Cafeteria Personnel		14,705	
Maintenance Personnel		14,672	
Part-time Personnel		6,570	
Longevity Pay		2,150	
Other Salaries and Wages		585	
In-Service Training		919	
Communication		835	
Data Processing Services		11,484	
Licenses		1,790	
Maintenance and Repair Services - Buildings		2,674	
Maintenance and Repair Services - Vehicles		1,789	
Postal Charges		296	
Travel		30,357	
Other Contracted Services		9,946	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Adult Activities (Cont.)

Custodial Supplies	\$	3,500	
Food Supplies		1,159	
Gasoline		6,778	
Office Supplies		2,755	
Uniforms		1,018	
Utilities		11,189	
Other Charges		1,530	
Office Equipment		2,242	
Total Adult Activities			\$ 376,552

Libraries

Librarians	\$	25,000	
Custodial Personnel		1,050	
Longevity Pay		200	
Other Salaries and Wages		32,376	
Communication		1,634	
Postal Charges		90	
Travel		230	
Library Books/Media		8,207	
Office Supplies		358	
Utilities		8,248	
Other Supplies and Materials		245	
Other Charges		459	
Data Processing Equipment		1,776	
Office Equipment		780	
Total Libraries			80,653

Parks and Fair Boards

Other Contracted Services	\$	2,400	
Electricity		3,341	
Other Charges		937	
Total Parks and Fair Boards			6,678

Agriculture and Natural Resources

Agriculture Extension Service

County Official/Administrative Officer	\$	15,397	
Assistant(s)		12,868	
Supervisor/Director		11,633	
Clerical Personnel		4,679	
Communication		4,323	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Dues and Memberships	\$	325	
Travel		868	
Maintenance Equipment		2,693	
Total Agriculture Extension Service			\$ 52,786

Soil Conservation

Supervisor/Director	\$	31,529	
Secretary(ies)		23,767	
Longevity Pay		3,200	
Other Salaries and Wages		26,520	
Other Charges		15,014	
Total Soil Conservation			100,030

Flood Control

Dues and Memberships	\$	10,150	
Total Flood Control			10,150

Other Agriculture and Natural Resources

Part-time Personnel	\$	7,300	
Travel		1,015	
Other Supplies and Materials		4,870	
Total Other Agriculture and Natural Resources			13,185

Other Operations

Veterans' Services

Supervisor/Director	\$	10,843	
Postal Charges		330	
Travel		323	
Office Supplies		250	
Other Charges		5,090	
Total Veterans' Services			16,836

Other Charges

Legal Services	\$	66,793	
Liability Insurance		46,300	
Trustee's Commission		70,342	
Vehicle and Equipment Insurance		25,200	
Workers' Compensation Insurance		57,312	
Total Other Charges			265,947

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$ 42,300	
Total Contributions to Other Agencies		\$ 42,300

Employee Benefits

Social Security	\$ 229,453	
State Retirement	138,001	
Medical Insurance	162,015	
Unemployment Compensation	7,825	
Total Employee Benefits		537,294

Miscellaneous

Contracts with Government Agencies	\$ 9,250	
Legal Notices, Recording, and Court Costs	1,200	
Postal Charges	33	
Other Contracted Services	5,118	
Custodial Supplies	63	
Office Supplies	2,651	
Other Supplies and Materials	869	
Premiums on Corporate Surety Bonds	177	
Other Charges	4,634	
Office Equipment	1,335	
Total Miscellaneous		25,330

Principal on Debt

General Government

Principal on Capital Leases	\$ 60,736	
Total General Government		60,736

Interest on Debt

General Government

Interest on Capital Leases	\$ 6,729	
Total General Government		6,729

Total General Fund		\$ 5,475,954
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Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Attendants	\$ 35,954	
Social Security	2,750	

(Continued)

Exhibit J-9

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Communication	\$	2,002	
Contracts with Government Agencies		6,601	
Contracts with Private Agencies		196,053	
Maintenance and Repair Services - Equipment		420	
Other Contracted Services		8,409	
Utilities		2,945	
Trustee's Commission		2,850	
Other Charges		11,688	
Total Convenience Centers			\$ 269,672

Total Solid Waste/Sanitation Fund \$ 269,672

Drug Control Fund

Public Safety

Drug Enforcement

Contracts with Private Agencies	\$	1,000	
Maintenance and Repair Services - Vehicles		1,000	
Rentals		35	
Animal Food and Supplies		80	
Instructional Supplies and Materials		367	
Law Enforcement Supplies		4,841	
Trustee's Commission		57	
Other Charges		270	
Motor Vehicles		3,215	
Total Drug Enforcement			\$ 10,865

Total Drug Control Fund 10,865

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Printing, Stationery, and Forms	\$	97	
Total Register of Deeds			\$ 97

Administration of Justice

Chancery Court

Printing, Stationery, and Forms	\$	66	
Total Chancery Court			66

Total Constitutional Officers - Fees Fund 163

(Continued)

Exhibit J-9

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	63,527	
Accountants/Bookkeepers		59,141	
Board and Committee Members Fees		14,220	
Communication		2,551	
Data Processing Services		5,672	
Dues and Memberships		2,747	
Legal Notices, Recording, and Court Costs		1,628	
Maintenance and Repair Services - Buildings		1,052	
Maintenance and Repair Services - Office Equipment		228	
Postal Charges		411	
Printing, Stationery, and Forms		574	
Travel		1,911	
Custodial Supplies		970	
Data Processing Supplies		396	
Drugs and Medical Supplies		67	
Electricity		4,210	
Natural Gas		472	
Office Supplies		625	
Water and Sewer		1,346	
Other Charges		4,049	
Total Administration	\$		165,797

Highway and Bridge Maintenance

Foremen	\$	91,132	
Equipment Operators		50,867	
Truck Drivers		40,828	
Laborers		166,902	
Engineering Services		35,228	
Other Contracted Services		694	
Asphalt - Cold Mix		2,688	
Asphalt - Hot Mix		18,216	
Asphalt - Liquid		30,386	
Concrete		203	
Crushed Stone		109,791	
Fertilizer, Lime, and Seed		629	
Pipe		39,545	
Road Signs		6,519	
Wood Products		15,494	
Other Supplies and Materials		1,583	
Total Highway and Bridge Maintenance			610,705

(Continued)

Exhibit J-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Mechanic(s)	\$	55,646	
Laborers		53,947	
Laundry Service		2,819	
Maintenance and Repair Services - Equipment		14,655	
Diesel Fuel		90,802	
Equipment and Machinery Parts		40,711	
Garage Supplies		1,534	
Gasoline		16,427	
Lubricants		7,435	
Propane Gas		192	
Small Tools		488	
Tires and Tubes		21,334	
Other Supplies and Materials		347	
Total Operation and Maintenance of Equipment	\$		306,337

Other Charges

Premiums on Corporate Surety Bonds	\$	319	
Trustee's Commission		17,135	
Vehicle and Equipment Insurance		38,177	
Workers' Compensation Insurance		34,038	
Total Other Charges			89,669

Employee Benefits

Social Security	\$	37,005	
State Retirement		28,122	
Employee and Dependent Insurance		133,685	
Unemployment Compensation		6,053	
Employer Medicare		8,654	
Total Employee Benefits			213,519

Capital Outlay

Bridge Construction	\$	447,884	
Highway Equipment		147,874	
Maintenance Equipment		17,900	
Motor Vehicles		9,127	
Office Equipment		2,639	
State Aid Projects		256,599	
Total Capital Outlay			882,023

(Continued)

Exhibit J-9

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

Highway/Public Works Fund (Cont.)

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$ 29,507	
Total Highways and Streets		\$ 29,507

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$ 7,000	
Total Highways and Streets		<u>7,000</u>

Total Highway/Public Works Fund		\$ 2,304,557
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General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 58,849	
Principal on Notes	<u>14,098</u>	
Total General Government		\$ 72,947

Education

Principal on Bonds	\$ 970,000	
Principal on Notes	<u>69,263</u>	
Total Education		1,039,263

Interest on Debt

General Government

Interest on Bonds	\$ 34,940	
Interest on Notes	<u>686</u>	
Total General Government		35,626

Education

Interest on Bonds	\$ 769,060	
Interest on Notes	<u>13,844</u>	
Total Education		782,904

Other Debt Service

General Government

Trustee's Commission	\$ 25,445	
Total General Government		25,445

Education

Fiscal Agent Charges	\$ 1,293	
Total Education		<u>1,293</u>

Total General Debt Service Fund		1,957,478
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(Continued)

Exhibit J-9

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

General Capital Projects Fund

Capital Outlay

Regular Capital Outlay

Legal Notices, Recording, and Court Costs	\$	323	
Postal Charges		126	
Printing, Stationery, and Forms		443	
Other Charges		185	
Total Regular Capital Outlay		<u>1,077</u>	\$ <u>1,077</u>

Total General Capital Projects Fund \$ 1,077

Community Development/Industrial Park Fund

Capital Projects

Public Health and Welfare Projects

Contracts with Private Agencies	\$	1,312	
Total Public Health and Welfare Projects		<u>1,312</u>	\$ <u>1,312</u>

Total Community Development/Industrial Park Fund 1,312

Total Governmental Funds - Primary Government \$ 10,021,078

Exhibit J-10

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 3,638,932	
Career Ladder Program	31,500	
Career Ladder Extended Contracts	30,426	
Homebound Teachers	11,574	
Educational Assistants	108,458	
Other Salaries and Wages	14,996	
Certified Substitute Teachers	25,575	
Non-certified Substitute Teachers	56,851	
Social Security	221,241	
State Retirement	238,736	
Medical Insurance	356,829	
Unemployment Compensation	5,575	
Employer Medicare	52,780	
Maintenance and Repair Services - Equipment	13,244	
Instructional Supplies and Materials	64,304	
Textbooks	108,235	
Other Charges	9,433	
Regular Instruction Equipment	139,050	
Total Regular Instruction Program		\$ 5,127,739

Alternative Instruction Program

Teachers	\$ 42,544	
Career Ladder Program	1,000	
Social Security	2,700	
State Retirement	2,795	
Unemployment Compensation	51	
Employer Medicare	631	
Total Alternative Instruction Program		49,721

Special Education Program

Teachers	\$ 327,492
Career Ladder Program	4,000
Career Ladder Extended Contracts	1,716
Homebound Teachers	225
Educational Assistants	71,895
Social Security	22,147
State Retirement	21,938
Medical Insurance	84,408
Unemployment Compensation	650

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	5,180	
Other Contracted Services		110,000	
Other Charges		1,225	
Total Special Education Program			\$ 650,876

Vocational Education Program

Teachers	\$	505,599	
Career Ladder Program		4,000	
Career Ladder Extended Contracts		1,672	
Clerical Personnel		11,131	
Certified Substitute Teachers		1,200	
Non-certified Substitute Teachers		6,120	
Social Security		29,661	
State Retirement		33,203	
Medical Insurance		53,122	
Unemployment Compensation		705	
Employer Medicare		6,983	
Maintenance and Repair Services - Equipment		300	
Instructional Supplies and Materials		21,282	
Other Supplies and Materials		2,208	
Other Charges		160	
Total Vocational Education Program			677,346

Adult Education Program

Teachers	\$	30,940	
Social Security		1,841	
State Retirement		1,547	
Medical Insurance		1,645	
Unemployment Compensation		89	
Employer Medicare		431	
Total Adult Education Program			36,493

Support Services

Attendance

Supervisor/Director	\$	62,014	
Career Ladder Program		1,000	
Social Security		3,495	
State Retirement		4,045	
Medical Insurance		7,585	

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Unemployment Compensation	\$	51	
Employer Medicare		817	
Travel		1,421	
Total Attendance			\$ 80,428

Health Services

Medical Personnel	\$	42,844	
Other Salaries and Wages		64,054	
Social Security		6,128	
State Retirement		6,651	
Medical Insurance		10,624	
Unemployment Compensation		153	
Employer Medicare		1,433	
Travel		3,911	
Other Contracted Services		1,099	
Other Supplies and Materials		2,770	
Other Charges		8,152	
Total Health Services			147,819

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		171,790	
Career Ladder Extended Contracts		1,320	
Guards		2,300	
Secretary(ies)		40,100	
Other Salaries and Wages		54,996	
Social Security		15,813	
State Retirement		15,067	
Medical Insurance		18,901	
Unemployment Compensation		436	
Employer Medicare		3,731	
Evaluation and Testing		12,727	
Travel		245	
Other Contracted Services		3,290	
Other Supplies and Materials		2,635	
Other Charges		64,035	
Total Other Student Support			408,386

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	69,717	
Career Ladder Program		3,945	
Career Ladder Extended Contracts		2,310	
Librarians		89,074	
Other Salaries and Wages		84,795	
Social Security		14,348	
State Retirement		15,090	
Medical Insurance		21,248	
Unemployment Compensation		259	
Employer Medicare		3,356	
Travel		7,517	
Library Books/Media		38,776	
In Service/Staff Development		27,799	
Total Regular Instruction Program			\$ 378,234

Vocational Education Program

Travel	\$	5,252	
In Service/Staff Development		1,500	
Other Charges		1,460	
Total Vocational Education Program			8,212

Adult Programs

Supervisor/Director	\$	55,903	
Career Ladder Program		1,000	
Other Salaries and Wages		12,010	
Social Security		4,248	
State Retirement		3,653	
Unemployment Compensation		102	
Employer Medicare		994	
Travel		593	
In Service/Staff Development		1,910	
Other Charges		42	
Total Adult Programs			80,455

Other Programs

On-Behalf Payments to OPEB	\$	40,722	
Total Other Programs			40,722

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Board and Committee Members Fees	\$	4,325	
Social Security		268	
Unemployment Compensation		32	
Employer Medicare		63	
Audit Services		3,800	
Dues and Memberships		9,916	
Legal Services		7,241	
Travel		75	
Other Contracted Services		3,250	
Liability Insurance		19,298	
Trustee's Commission		42,269	
Workers' Compensation Insurance		73,823	
Refund to Applicant for Criminal Investigation		1,488	
Other Charges		26,869	
Total Board of Education			\$ 192,717

Director of Schools

County Official/Administrative Officer	\$	99,840	
Career Ladder Program		1,000	
Secretary(ies)		27,150	
Other Salaries and Wages		1,500	
Social Security		6,972	
State Retirement		7,913	
Medical Insurance		15,861	
Unemployment Compensation		102	
Employer Medicare		1,652	
Communication		6,131	
Postal Charges		2,362	
Travel		5,111	
Other Contracted Services		2,450	
Other Charges		178	
Administration Equipment		29,016	
Total Director of Schools			207,238

Office of the Principal

Principals	\$	315,822	
Career Ladder Program		11,000	
Career Ladder Extended Contracts		341	
Assistant Principals		184,436	

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Secretary(ies)	\$	86,364	
Clerical Personnel		11,131	
Social Security		35,158	
State Retirement		37,113	
Medical Insurance		52,558	
Unemployment Compensation		679	
Employer Medicare		8,223	
Communication		32,478	
Dues and Memberships		2,600	
Postal Charges		6,539	
Travel		5,632	
Other Contracted Services		29,585	
Office Supplies		7,323	
Administration Equipment		1,040	
Total Office of the Principal			\$ 828,022

Fiscal Services

Supervisor/Director	\$	46,300	
Accountants/Bookkeepers		1,771	
Clerical Personnel		29,764	
Social Security		4,413	
State Retirement		2,804	
Medical Insurance		5,825	
Unemployment Compensation		115	
Employer Medicare		1,032	
Data Processing Services		4,820	
Travel		428	
Office Supplies		3,508	
Administration Equipment		1,442	
Total Fiscal Services			102,222

Operation of Plant

Custodial Personnel	\$	171,156	
Social Security		9,758	
State Retirement		6,125	
Medical Insurance		17,968	
Unemployment Compensation		603	
Employer Medicare		2,282	
Other Contracted Services		60,683	

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Electricity	\$	453,585	
Natural Gas		133,148	
Water and Sewer		24,682	
Other Supplies and Materials		35,953	
Boiler Insurance		4,411	
Building and Contents Insurance		81,360	
Other Charges		7,025	
Plant Operation Equipment		<u>2,072</u>	
Total Operation of Plant			\$ 1,010,811

Maintenance of Plant

Maintenance Personnel	\$	110,500	
Social Security		6,008	
State Retirement		5,857	
Medical Insurance		22,756	
Unemployment Compensation		192	
Employer Medicare		1,405	
Communication		2,063	
Maintenance and Repair Services - Buildings		62,407	
Maintenance and Repair Services - Equipment		64,884	
Maintenance and Repair Services - Vehicles		6,378	
Travel		1,654	
Other Supplies and Materials		36,452	
Other Charges		13,414	
Maintenance Equipment		<u>12,981</u>	
Total Maintenance of Plant			346,951

Transportation

Supervisor/Director	\$	44,352	
Mechanic(s)		36,500	
Bus Drivers		186,598	
Other Salaries and Wages		1,209	
Social Security		13,479	
State Retirement		2,223	
Medical Insurance		7,585	
Unemployment Compensation		965	
Employer Medicare		3,811	
Communication		460	
Maintenance and Repair Services - Vehicles		3,708	

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Medical and Dental Services	\$	2,519	
Travel		516	
Diesel Fuel		81,556	
Gasoline		13,303	
Lubricants		3,042	
Tires and Tubes		4,056	
Vehicle Parts		15,344	
Other Supplies and Materials		1,689	
Vehicle and Equipment Insurance		24,811	
Other Charges		3,777	
Transportation Equipment		142,347	
Total Transportation			\$ 593,850

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	4,500	
Teachers		24,738	
Clerical Personnel		4,500	
Educational Assistants		21,439	
Other Salaries and Wages		47,508	
Social Security		6,192	
State Retirement		2,608	
Medical Insurance		3,193	
Unemployment Compensation		261	
Employer Medicare		1,448	
Communication		1,104	
Travel		607	
Instructional Supplies and Materials		14,146	
Other Supplies and Materials		6,319	
Other Charges		1,193	
Total Community Services			139,756

Early Childhood Education

Teachers	\$	81,264	
Career Ladder Program		1,000	
Educational Assistants		29,000	
Social Security		6,125	
State Retirement		6,818	
Medical Insurance		16,979	

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Unemployment Compensation	\$	204	
Employer Medicare		1,433	
Travel		3,880	
Instructional Supplies and Materials		1,451	
Office Supplies		352	
Other Equipment		16,681	
Total Early Childhood Education			\$ 165,187

Capital Outlay

Regular Capital Outlay

Architects	\$	2,911	
Building Improvements		51,967	
Total Regular Capital Outlay			54,878

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	150,000	
Total Education			150,000

Total General Purpose School Fund \$ 11,478,063

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	209,514	
Educational Assistants		47,553	
Other Salaries and Wages		185	
Certified Substitute Teachers		75	
Non-certified Substitute Teachers		360	
Social Security		14,577	
State Retirement		15,960	
Medical Insurance		26,253	
Unemployment Compensation		461	
Employer Medicare		3,409	
Instructional Supplies and Materials		16,427	
Regular Instruction Equipment		7,560	
Total Regular Instruction Program			\$ 342,334

(Continued)

Exhibit J-10

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	94,557	
Educational Assistants		140,884	
Social Security		12,833	
State Retirement		11,683	
Unemployment Compensation		636	
Employer Medicare		3,001	
Maintenance and Repair Services - Equipment		198	
Other Contracted Services		18,466	
Instructional Supplies and Materials		3,330	
Total Special Education Program	\$		285,588

Vocational Education Program

Instructional Supplies and Materials	\$	5,712	
Vocational Instruction Equipment		28,157	
Total Vocational Education Program			33,869

Support Services

Other Student Support

Travel	\$	5,929	
Other Supplies and Materials		5,646	
In Service/Staff Development		5,156	
Other Charges		8,770	
Total Other Student Support			25,501

Regular Instruction Program

Supervisor/Director	\$	55,890	
Clerical Personnel		9,668	
Other Salaries and Wages		23,375	
Social Security		3,726	
State Retirement		4,101	
Medical Insurance		8,276	
Unemployment Compensation		99	
Employer Medicare		1,169	
Travel		3,544	
Other Supplies and Materials		3,352	
In Service/Staff Development		3,440	
Total Regular Instruction Program			116,640

(Continued)

Exhibit J-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Travel	\$	3,306	
Other Contracted Services		11,609	
In Service/Staff Development		263	
Other Charges		11	
Total Special Education Program			\$ 15,189

Vocational Education Program

Travel	\$	603	
Total Vocational Education Program			603

Transportation

Bus Drivers	\$	16,939	
Social Security		1,050	
Unemployment Compensation		80	
Employer Medicare		246	
Diesel Fuel		9,290	
Total Transportation			27,605

Total School Federal Projects Fund \$ 847,329

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	42,500	
Accountants/Bookkeepers		15,986	
Cafeteria Personnel		307,876	
Other Salaries and Wages		2,706	
Social Security		21,402	
State Retirement		15,858	
Medical Insurance		27,833	
Unemployment Compensation		1,411	
Employer Medicare		5,008	
Communication		2,550	
Maintenance and Repair Services - Equipment		7,856	
Payments to Schools - Lunch		24	
Postal Charges		714	
Travel		3,294	
Other Contracted Services		6,745	
Food Supplies		412,778	

(Continued)

Exhibit J-10

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Office Supplies	\$	2,599	
Uniforms		1,408	
Other Supplies and Materials		38,202	
Trustee's Commission		6	
In Service/Staff Development		1,159	
Other Charges		13,418	
Food Service Equipment		4,450	
Total Food Service			\$ 935,783

Total Central Cafeteria Fund \$ 935,783

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$	5,234	
Total Board of Education			\$ 5,234

Total School Transportation Fund 5,234

Total Governmental Funds - Crockett County School Department \$ 13,266,409

Exhibit J-11

Crockett 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 - Alamo Fund	City School ADA - Bells Fund	Total
<u>Cash Receipts</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 278,026	\$ 190,739	\$ 468,765
Discount on Property Taxes	0	(2,232)	(1,531)	(3,763)
Trustee's Collections - Prior Years	0	15,088	10,351	25,439
Trustee's Collections - Bankruptcy	0	52	37	89
Circuit/Clerk and Master Collections - Prior Years	0	7,006	4,743	11,749
Interest and Penalty	0	2,298	1,577	3,875
Payments in-Lieu-of Taxes - T.V.A.	0	14	9	23
Local Option Sales Tax	354,805	99,078	67,974	521,857
Wheel Tax	0	12,619	8,657	21,276
Interstate Telecommunications Tax	0	485	332	817
Marriage Licenses	0	268	184	452
Mixed Drink Tax	0	109	75	184
Total Cash Receipts	\$ 354,805	\$ 412,811	\$ 283,147	\$ 1,050,763
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 351,257	\$ 403,695	\$ 276,957	\$ 1,031,909
Trustee's Commission	3,548	7,065	4,847	15,460
Total Cash Disbursements	\$ 354,805	\$ 410,760	\$ 281,804	\$ 1,047,369
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 2,051	\$ 1,343	\$ 3,394
Cash Balance, July 1, 2008	0	905	685	1,590
Cash Balance, June 30, 2009	\$ 0	\$ 2,956	\$ 2,028	\$ 4,984

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SINGLE AUDIT SECTION

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

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

September 10, 2009

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Crockett County's basic financial statements and have issued our report thereon dated September 10, 2009. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Crockett County Emergency Communications District, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

reporting. Accordingly, we do not express an opinion on the effectiveness of Crockett 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: 09.01, 09.02, 09.03, 09.04, 09.07, 09.08, and 09.11.

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 Crockett County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 09.01 and 09.02 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crockett 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 09.05, 09.06, and 09.09.

We consider item 09.10 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 Crockett County in separate communications.

This report is intended solely for the information and use of management, the county mayor, director of schools, road supervisor, County Commission, Board of Education, others within Crockett 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

September 10, 2009

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

To the County Mayor and Board of County Commissioners:

Compliance

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

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

In our opinion, Crockett 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 Crockett County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Crockett County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Crockett County's internal control over compliance.

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

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

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

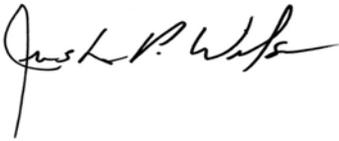
Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County as of and for the year ended June 30, 2009, and have issued our report thereon dated September 10, 2009. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Crockett County Emergency Communications District, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of

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

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

Yours very truly,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a large initial "J" and "W".

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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Crockett 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	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 229,933
National School Lunch Program	10.555	N/A	393,455 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	42,067 (3)
Soil and Water Conservation	10.902	(2)	36,831
Total U.S. Department of Agriculture			<u>\$ 702,286</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM-08-10	\$ 1,312
Total U.S. Department of Housing and Urban Development			<u>\$ 1,312</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(4)	\$ 12,009
Total U.S. Department of Justice			<u>\$ 12,009</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcoholic Open Container Requirements	20.607	Z09214304	\$ 4,992
Total U.S. Department of Transportation			<u>\$ 4,992</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 117,137
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	339,747
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	318,971
Special Education - Preschool Grants	84.173	N/A	9,410
Career and Technical Education - Basic Grants to States	84.048	N/A	117,206
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	3,300
Even Start - State Educational Agencies	84.213	(2)	16,818
Improving Teacher Quality State Grants	84.367	N/A	92,414
Total U.S. Department of Education			<u>\$ 1,015,003</u>
U.S. Elections Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	Z09217816	\$ 1,000
Total U.S. Elections Assistance Commission			<u>\$ 1,000</u>
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	\$ 266,703
Passed-through State Department of Education:			
Temporary Assistance for Needy Families	93.558	(2)	28,412
Total U.S. Department of Health and Human Services			<u>\$ 295,115</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(5)	\$ 38,166
Homeland Security Grant Program	97.067	GG-08-24743-00	30,322
Total U.S. Department of Homeland Security			<u>\$ 68,488</u>
Total Federal Awards			<u>\$ 2,100,205</u>

(Continued)

Crockett 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>			
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 5,931
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	(6)	5,213
Used Oil Grant - State Department of Environment and Conservation	N/A	Z-09-217786-00	11,689
Preventive Health and Human Services - State Department of Health	N/A	(7)	66,857
Litter Grant - State Department of Environment and Conservation	N/A	Z09212735	16,877
Lottery for Education: Afterschool Program - State Department of Education	N/A	(2)	90,744
High Schools That Work - State Department of Education	N/A	(2)	9,976
Drug Court Grant - State Department of Finance and Administration	N/A	Z-05-025523-00	38,155
Coordinated School Health Program - State Department of Health and Human Services	N/A	(2)	66,774
Crockett Academy - State Department of Children's Services	N/A	GG-08-21614-00	<u>84,275</u>
Total State Grants			<u>\$ 396,491</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 \$435,522.
- (4) Z-09-022841-00: \$9,000; Z-08-022746-00: \$2,250; Z-08-023290-00: \$759.
- (5) GG-08-26007-00: \$22,000; 341010000000696: \$16,166.
- (6) Z-08-020208: \$1,042; Z-08-212991-02: \$4,171.
- (7) Z-08-020335: \$14,008; Z-09-213714: \$52,849.

Crockett 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 Crockett County, Tennessee, for the year ended June 30, 2008, which have not been corrected.

CROCKETT COUNTY AND CROCKETT COUNTY SCHOOL DEPARTMENT

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.01	164	Crockett County and the Crockett County School Department do not have the resources to produce financial statements and notes to the financial statements

OFFICE OF COUNTY MAYOR AND ROAD SUPERVISOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.03	165	Material audit adjustments were required for proper financial statement presentation

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.04	166	A formal purchase order system had not been established

OFFICE OF ASSESSOR OF PROPERTY

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.07	167	Assessment records were changed during the year as property transfers were made

OTHER FINDINGS

Finding Number	Page Number	Subject
08.08	167	A central system of accounting, budgeting, and purchasing had not been adopted
08.09	168	Duties were not segregated adequately in the Offices of Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff

CROCKETT 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 aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Crockett County disclosed significant deficiencies in internal control. Two of these deficiencies were considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Crockett County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Title I Grants to Local 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. Crockett 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; however, management did not provide responses for inclusion in this report.

CROCKETT COUNTY AND CROCKETT COUNTY SCHOOL DEPARTMENT

FINDING 09.01 **CROCKETT COUNTY AND THE CROCKETT COUNTY SCHOOL DEPARTMENT DO NOT HAVE THE RESOURCES TO PRODUCE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS**

(Internal Control – Material Weakness Under Government Auditing Standards)

Generally accepted auditing standards require that Crockett County's and the Crockett County School Department's financial statements be the product of financial reporting systems that offer reasonable assurance that management is able to produce financial statements and notes to the financial statements that comply with generally accepted accounting principles (GAAP). The preparation of financial statements in accordance with GAAP requires that the county and the School Department have internal controls over reporting government-wide and fund financial information and preparing the related notes. It is permissible for us, as the external auditors, to assist Crockett County and the School Department in preparing their financial statements and notes as a matter of convenience as long as the county and the School Department have the skills needed to prepare their financial statements and notes. However, management, including the accounting staff, does not have the technical skills to prepare GAAP financial statements and disclosures. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. The inability to prepare financial statements and notes is an indication of a lack of controls, or ineffective controls, because material misstatements may not be detected.

RECOMMENDATION

Crockett County and the Crockett County School Department should develop the ability to produce financial statements and notes to the financial statements that comply with GAAP. This could include having at least one staff member trained in financial statement preparation. This staff member should have sufficient skills necessary to prepare a complete set of year-end financial statements even though the external auditors prepare the county's and the School Department's financial statements as a matter of convenience. If we, as the external auditors, continue to prepare the county's and the School Department's financial statements, this individual must have sufficient knowledge to determine the completeness of financial statement information and disclosures.

FINDING 09.02 MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED 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, General Debt Service, Highway/Public Works, and School Transportation funds 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 Crockett County and the Crockett County School Department to have adequate internal controls over the maintenance of their accounting records. Material audit adjustments were required because the county's and the School Department's financial reporting systems 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 county and the School Department have ineffective controls over the maintenance of their accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Crockett County and the School Department should have appropriate processes in place to ensure that their general ledgers are materially correct.

OFFICES OF COUNTY MAYOR AND ROAD SUPERVISOR

FINDING 09.03 THE OFFICES HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES
(Internal Control – Significant Deficiency Under Government Auditing Standards)

System backups in the Offices of County Mayor and Road Supervisor were not stored off-site until several months into the fiscal year. Sound business practices dictate that off-site storage of system backups be implemented. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process. Proper system backup procedures are now in place.

OFFICE OF COUNTY MAYOR

**FINDING 09.04 A FORMAL PURCHASE ORDER SYSTEM HAD NOT BEEN ESTABLISHED
(Internal Control – Significant Deficiency Under Government Auditing Standards)**

The office had not established a formal purchase order system. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. This deficiency can be attributed to the failure of management to correct the finding noted in the prior-year audit report. The absence of a formal purchase order system increases the risks of unauthorized purchases.

RECOMMENDATION

The office should establish a formal purchase order system to improve internal controls over the purchasing process and to document purchasing commitments.

**FINDING 09.05 GENERAL LEDGER CASH ACCOUNTS WERE NOT RECONCILED WITH COUNTY TRUSTEE REPORTS
(Noncompliance Under Government Auditing Standards)**

Our audit revealed that general ledger cash accounts in the following funds were not reconciled with county trustee reports:

- A. Officials attempted to reconcile the general ledger cash accounts in the General and General Debt Service funds with county trustee reports; however, due to numerous errors these balances did not reconcile. Examples of errors noted included August 2008 and June 2009 transfers from the General Fund to the General Debt Service Fund that were not posted to the accounting records, and outstanding warrants that were not accurately reconciled monthly in the General Fund.
- B. Receipts from the county trustee monthly reports were not posted to the accounting records of the General Capital Projects and Community Development/Industrial Park funds; therefore, no attempt had been made by officials to reconcile these funds' cash accounts with the trustee reports.

Section 9-2-138, Tennessee Code Annotated, requires officials to reconcile their respective fund accounts with the records of the county trustee monthly. These deficiencies resulted from a lack of management oversight and required numerous audit adjustments that management accepted to properly reflect these cash balances in the financial statements of this report.

RECOMMENDATION

The office should reconcile the cash accounts of the various funds with the county trustee reports monthly as required by state statute, and any errors discovered should be corrected promptly.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 09.06 **EXPENDITURES EXCEEDED APPROPRIATIONS**
(Noncompliance Under Government Auditing Standards)

Expenditures exceeded appropriations approved by the County Commission as noted below:

- A. Expenditures exceeded appropriations in the following major appropriation categories (the legal level of control) of the General Purpose School Fund:

<u>Major Category</u>	<u>Amount Overspent</u>
Special Education Program	\$ 12,886
Other Student Support	11,131
Regular Instruction Program	1,249
Vocational Education Program	212
Adult Programs	895
Director of Schools	17,413
Community Services	1,846

- B. Salaries exceeded line-item appropriations in the General Purpose School and Central Cafeteria funds by amounts ranging from \$174 to \$14,390.

Section 5-9-401, Tennessee Code Annotated, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

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

OFFICES OF TRUSTEE AND CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 09.07 **THE OFFICES DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT THEIR INFORMATION RESOURCES**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Offices of Trustee and the Circuit and General Sessions Courts Clerk did not implement adequate controls to protect their information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the offices' information systems 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. This deficiency was resolved after it was brought to the officials attention.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 09.08 **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The following weaknesses regarding computer system backup procedures in the office were identified during the audit period:

- A. System backups were not stored off-site on a regular basis. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process.
- B. Backups were not tested to ensure reliability. If backup integrity is not periodically tested, accurate backup data may not be available in the event of a disaster.

Sound business practices dictate that proper backup procedures be implemented. These deficiencies are the result of management's failure to implement adequate disaster recovery planning procedures.

RECOMMENDATION

System backups should be rotated off-site on a weekly basis. Some possibilities for an off-site storage location would be another county office building with a fireproof vault or a safe-deposit box at a local bank. Furthermore, these backups should be tested periodically to ensure reliability.

OFFICE OF ASSESSOR OF PROPERTY

FINDING 09.09 **ASSESSMENT RECORDS WERE CHANGED DURING THE YEAR AS PROPERTY TRANSFERS WERE MADE** (Noncompliance Under Government Auditing Standards)

The assessor updated the assessment records as property transfers were made during the year to reflect the current property owners. Section 67-5-502, Tennessee Code Annotated requires all property to be assessed “to the person or persons owning or claiming to own the same on January 1 for the year in which the assessment is made.” This deficiency exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Property should be assessed to the person or persons owning the property as of January 1 in compliance with state statute.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 09.10 **A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAD NOT BEEN ADOPTED** (Internal Control – Control Deficiency Under Government Auditing Standards)

County officials had not adopted a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. This deficiency can be attributed to the failure of management to correct the finding noted in the prior-year audit report. The absence of a central system of accounting, budgeting, and purchasing 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 system of central accounting, budgeting, and purchasing covering all county departments.

FINDING 09.11

DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; REGISTER; AND SHERIFF

(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among officials and employees in the Offices of Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff. Officials and employees responsible for maintaining the accounting records in these offices were also involved in issuing receipts, preparing bank deposits, taking deposits to the bank, posting receipts to the cash journal, and/or reconciling bank statements. These same employees also performed the daily reconciliation of receipts with cash. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability in 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 deficiency is the result of the failure of management to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

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

There were no findings and questioned costs for federal awards.

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CROCKETT 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.