ANNUAL FINANCIAL REPORT

OVERTON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2009

TENNESSEE
COMPTROLLER
OF THE TREASURY

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ANNUAL FINANCIAL REPORT

OVERTON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2009

DEPARTMENT OF AUDIT
JUSTIN P. WILSON
Comptroller of the Treasury

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

JAMES R. ARNETTE
Director

CARL LOWE, CGFM
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Auditor 4

GARY D. RAMSEY, CPA
KELLEY J. McNEAL, CPA, CGFM
State Auditors

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

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Audit Highlights

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

- Expenditures exceeded appropriations approved by the County Commission in the Libraries major appropriation category (the legal level of control) of the General Fund by $138,055.

OFFICE OF DIRECTOR OF SCHOOLS

- The School Federal Projects Fund had a cash overdraft of $31,347 at June 30, 2009.
- Expenditures exceeded total appropriations approved by the County Commission in the Central Cafeteria Fund by $93,745. Also, expenditures exceeded appropriations approved by the County Commission in the Instruction – Special Education Program major appropriation category (the legal level of control) of the School Federal Projects Fund by $16,811.

OFFICE OF GENERAL SESSIONS COURT CLERK

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

OFFICE OF SHERIFF

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

OTHER FINDING

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

INTRODUCTORY SECTION

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Overton County Officials
June 30, 2009

Officials

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

Board of County Commissioners

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

Board of Education

Dolphus Dial, Chairman
Kelly Hill
Leonard Ledbetter
Larry Looper
Howard Miller
Mark Peek
Sam Pendergrass
Houston Robbins
David Sadler
Ray Smith

Budget and Purchasing Committee

Stanley Carter, Jr., Chairman
Cindy Robbins
Chris Speck
Jeff Staggs
Johnie Webb

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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

October 28, 2009

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Overton County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Overton County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Overton County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Overton County Nursing Home (which represent 15.2 percent and 23.7 percent, respectively, of the assets and revenues of the aggregate discretely presented component units) or the discretely presented Overton/Pickett County Emergency Communications District (which represent 2.5 percent and 2.2 percent, respectively, of the assets and revenues of the aggregate discretely presented component units). Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Overton County Nursing Home and the Overton/Pickett County Emergency Communications District, is based on the reports of the other auditors.

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

accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Overton 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 October 28, 2009, on our consideration of Overton County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., Overton County has adopted 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.

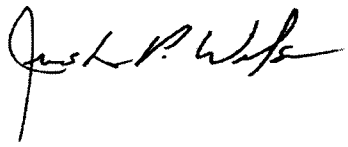
The management of Overton County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States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

The budgetary comparison, pension, and postemployment benefits information on pages 79 through 87 are not required parts of the basic financial statements but they do provide supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Overton County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Overton County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt

Service Fund, combining and individual fund financial statements of the Overton County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

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Basic Financial Statements

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Exhibit A

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

	Primary Government	Component Units		
	Governmental Activities	Overton County School Department	Overton County Nursing Home	Overton/ Pickett Emergency Communica-tions District
ASSETS				
Cash	$ 1,100	$ 210	$ 2,475,271	$ 194,214
Equity in Pooled Cash and Investments	4,807,991	3,915,988	0	0
Inventories	0	53,907	0	0
Accounts Receivable	417,877	0	861,966	4,984
Allowance for Uncollectibles	(54,550)	0	(40,000)	0
Due from Other Governments	656,331	519,793	0	65,132
Property Taxes Receivable	4,031,230	1,916,557	0	0
Allowance for Uncollectible Property Taxes	(75,457)	(35,872)	0	0
Unamortized Debt Issuance Cost	192,733	0	0	0
Other Restricted Assets	0	0	66,518	0
Prepaid Expenses	0	0	26,509	24,397
Capital Assets:				
Assets Not Depreciated:				
Land	1,414,964	460,517	56,500	19,625
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	8,546,766	16,102,862	877,939	187,639
Other Capital Assets	1,835,930	1,244,873	325,377	251,881
Infrastructure	7,348,086	821,569	0	0
Total Assets	$ 29,123,001	$ 25,000,404	$ 4,650,080	$ 747,872
LIABILITIES				
Accounts Payable	$ 66,980	$ 0	$ 181,070	$ 4,757
Accrued Payroll	0	48,057	138,562	6,778
Payroll Deductions Payable	46,110	1	43,559	668
Cash Overdraft	0	31,347	0	0
Retainage Payable	72,382	0	0	0
Claims and Judgments Payable	23,616	0	0	0
Accrued Interest Payable	50,563	89,424	0	0
Due to State of Tennessee	10,524	1	0	0
Other Payables from Restricted Assets	0	0	66,518	0
Deferred Revenue - Current Property Taxes	3,757,169	1,786,277	0	0
Noncurrent Liabilities:				
Due Within One Year	982,391	557,875	116,443	0
Due in More Than One Year	8,724,851	11,830,141	13,827	17,821
Total Liabilities	$ 13,734,586	$ 14,343,123	$ 559,979	$ 30,024
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	$ 9,836,574	$ 6,899,821	$ 1,242,717	$ 459,145
Restricted for:				
Debt Service	1,791,393	277,701	0	0
Courthouse and Jail Maintenance	5,165	0	0	0
Solid Waste/Sanitation	143,454	0	0	0
Drug Control	12,964	0	0	0
Highway/Public Works	799,249	0	0	0
School Federal Projects	0	47,895	0	0
Central Cafeteria	0	299,818	0	0
Other Purposes	97,246	2,505,111	0	0
Unrestricted	2,702,370	626,935	2,847,384	258,703
Total Net Assets	$ 15,388,415	$ 10,657,281	$ 4,090,101	$ 717,848

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Units: Overton County School Department	Net (Expense) Revenue and Changes in Net Assets: Component Units: Overton County Nursing Home	Net (Expense) Revenue and Changes in Net Assets: Component Units: Overton/ Pickett Emergency Communications District
Primary Government:								
Governmental Activities:								
General Government	$ 1,485,954	$ 113,875	$ 8,962	$ 0	$ (1,363,117)	$ 0	$ 0	$ 0
Finance	552,620	437,484	9,033	0	(106,103)	0	0	0
Administration of Justice	561,951	452,291	0	0	(109,660)	0	0	0
Public Safety	2,927,224	1,081,842	131,348	0	(1,714,034)	0	0	0
Public Health and Welfare	2,008,937	1,207,444	38,738	0	(762,755)	0	0	0
Social, Cultural, and Recreational Services	343,619	3,844	146,872	0	(192,903)	0	0	0
Agriculture and Natural Resources	88,515	0	3,963	0	(84,552)	0	0	0
Other Operations	271,958	28,021	291,401	0	47,464	0	0	0
Highways/Public Works	2,135,901	0	1,603,373	32,936	(499,592)	0	0	0
Interest on Long-term Debt	316,217	0	0	0	(316,217)	0	0	0
Other Debt Service	77,377	0	0	0	(77,377)	0	0	0
Total Primary Government	$ 10,770,273	$ 3,324,801	$ 2,233,690	$ 32,936	$ (5,178,846)	$ 0	$ 0	$ 0
Component Units:								
School Department	$ 24,964,601	$ 576,029	$ 3,637,342	$ 0	$ 0	$ (20,751,230)	$ 0	0
Nursing Home	7,059,024	7,522,497					463,473	
Emergency Communications District	765,473	293,887	224,613	0	0	0	0	(246,973)
Total Component Units	$ 32,789,098	$ 8,392,413	$ 3,861,955	$ 0	$ 0	$ (20,751,230)	$ 463,473	$ (246,973)

(Continued)

Exhibit B

Overton County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total Governmental Activities	Component Units: Overton County School Department	Component Units: Overton County Nursing Home	Component Units: Overton/ Pickett Emergency Communications District
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					$ 3,424,649	$ 1,754,178	$ 0	$ 0
Property Taxes Levied for Debt Service					391,109	0	0	0
Local Option Sales Tax					709,396	1,430,383	0	0
Wheel Tax					0	570,904	0	0
Wholesale Beer Tax					0	132,958	0	0
Litigation Tax - General					117,945	0	0	0
Mineral Severance Tax					129,707	0	0	0
Business Tax					100,022	0	0	0
Other Local Taxes					27,607	4,743	0	0
Grants and Contributions Not Restricted for Specific Programs					635,992	17,491,755	0	223,835
Unrestricted Investment Earnings					154,632	466	60,248	13,815
Sale of Equipment					18,978	43	0	0
Miscellaneous					73,298	16,215	25,802	0
Total General Revenues					$ 5,783,335	$ 21,401,645	$ 86,050	$ 237,650
Insurance Recovery					$ 7,778	$ 6,705	$ 0	$ 1,370
Change in Net Assets					$ 612,267	$ 657,120	$ 549,523	$ (7,953)
Prior-period Adjustment					0	0	(116,285)	0
Net Assets, July 1, 2008					14,776,148	10,000,161	3,656,863	725,801
Net Assets, June 30, 2009					$ 15,388,415	$ 10,657,281	$ 4,090,101	$ 717,848

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 1,100	$ 1,100
Equity in Pooled Cash and Investments	2,254,454	566,454	1,815,907	171,176	4,807,991
Accounts Receivable	363,668	0	0	54,209	417,877
Allowance for Uncollectibles	(54,550)	0	0	0	(54,550)
Due from Other Governments	246,341	280,127	0	129,863	656,331
Due from Other Funds	1,100	0	0	0	1,100
Property Taxes Receivable	3,106,262	132,053	528,808	264,107	4,031,230
Allowance for Uncollectible Property Taxes	(58,146)	(2,471)	(9,897)	(4,943)	(75,457)
Total Assets	$ 5,859,129	$ 976,163	$ 2,334,818	$ 615,512	$ 9,785,622
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 4,571	$ 12,268	$ 0	$ 50,141	$ 66,980
Payroll Deductions Payable	25,862	17,953	0	2,295	46,110
Retainage Payable	0	0	0	72,382	72,382
Claims and Judgments Payable	0	23,616	0	0	23,616
Due to Other Funds	0	0	0	1,100	1,100
Due to State of Tennessee	10,524	0	0	0	10,524
Deferred Revenue - Current Property Taxes	2,895,076	123,077	492,862	246,154	3,757,169
Deferred Revenue - Delinquent Property Taxes	143,901	6,116	24,493	12,233	186,743
Other Deferred Revenues	329,118	121,346	0	34,000	484,464
Total Liabilities	$ 3,409,052	$ 304,376	$ 517,355	$ 418,305	$ 4,649,088
Fund Balances					
Reserved for Encumbrances	$ 79,863	$ 0	$ 0	$ 420	$ 80,283
Reserved for Alcohol and Drug Treatment	23,921	0	0	0	23,921
Reserved for Sexual Offender Registration	5,198	0	0	0	5,198
Reserved for Computer System - Register	61,161	0	0	0	61,161
Reserved for Automation Purposes - Sheriff	6,966	0	0	0	6,966
Unreserved, Reported In:					
General Fund	2,272,968	0	0	0	2,272,968
Special Revenue Funds	0	671,787	0	196,787	868,574
Debt Service Funds	0	0	1,817,463	0	1,817,463
Total Fund Balances	$ 2,450,077	$ 671,787	$ 1,817,463	$ 197,207	$ 5,136,534
Total Liabilities and Fund Balances	$ 5,859,129	$ 976,163	$ 2,334,818	$ 615,512	$ 9,785,622

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

Exhibit C-2

Overton County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Assets
June 30, 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)		$ 5,136,534
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 1,414,964	
Add: infrastructure net of accumulated depreciation	7,348,086	
Add: buildings and improvements net of accumulated depreciation	8,546,766	
Add: other capital assets net of accumulated depreciation	1,835,930	19,145,746
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	$ (6,603,705)	
Less: notes payable	(2,837,800)	
Less: other loans payable	(60,400)	
Less: accrued interest on bonds, notes, and other loans	(50,563)	
Less: compensated absences payable	(102,088)	
Less: other postemployment benefits obligation	(21,392)	
Less: landfill closure/postclosure care costs	(81,857)	
Add: deferred charges - debt issuance costs	192,733	(9,565,072)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		671,207
Net assets of governmental activities (Exhibit A)		$ 15,388,415

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues					
Local Taxes	$ 3,675,431	$ 177,592	$ 400,930	$ 742,996	$ 4,996,949
Licenses and Permits	750	0	0	0	750
Fines, Forfeitures, and Penalties	118,910	0	0	48,270	167,180
Charges for Current Services	1,238,451	0	0	217,932	1,456,383
Other Local Revenues	140,843	14,252	156,663	44,720	356,478
Fees Received from County Officials	783,404	0	0	0	783,404
State of Tennessee	1,129,008	1,621,002	459,101	219,595	3,428,706
Federal Government	247,582	0	0	126,606	374,188
Other Governments and Citizens Groups	90,962	0	0	28,021	118,983
Total Revenues	$ 7,425,341	$ 1,812,846	$ 1,016,694	$ 1,428,140	$ 11,683,021
Expenditures					
Current:					
General Government	$ 1,379,200	$ 0	$ 0	$ 80,262	$ 1,459,462
Finance	551,614	0	0	682	552,296
Administration of Justice	550,180	0	0	4,054	554,234
Public Safety	2,684,326	0	0	65,237	2,749,563
Public Health and Welfare	1,567,544	0	0	1,009,028	2,576,572
Social, Cultural, and Recreational Services	313,152	0	0	0	313,152
Agriculture and Natural Resources	88,646	0	0	0	88,646
Other Operations	137,789	0	0	47	137,836
Highways	36,845	1,877,892	0	0	1,914,737
Debt Service:					
Principal on Debt	0	0	857,620	0	857,620
Interest on Debt	0	0	366,371	0	366,371
Other Debt Service	0	0	270,110	0	270,110
Capital Projects	0	0	0	133,990	133,990
Total Expenditures	$ 7,309,296	$ 1,877,892	$ 1,494,101	$ 1,293,300	$ 11,974,589
Excess (Deficiency) of Revenues Over Expenditures	$ 116,045	$ (65,046)	$ (477,407)	$ 134,840	$ (291,568)
Other Financing Sources (Uses)					
Notes Issued	$ 133,000	$ 0	$ 0	$ 117,980	$ 250,980
Refunding Debt Issued	0	0	5,520,000	0	5,520,000
Insurance Recovery	7,778	0	0	0	7,778
Transfers In	32,000	0	462,817	0	494,817
Transfers Out	(28,020)	(40,000)	0	(426,797)	(494,817)
Payments to Refunded Debt Escrow Agent	0	0	(5,323,386)	0	(5,323,386)
Total Other Financing Sources (Uses)	$ 144,758	$ (40,000)	$ 659,431	$ (308,817)	$ 455,372
Net Change in Fund Balances	$ 260,803	$ (105,046)	$ 182,024	$ (173,977)	$ 163,804
Fund Balance, July 1, 2008	2,189,274	776,833	1,635,439	371,184	4,972,730
Fund Balance, June 30, 2009	$ 2,450,077	$ 671,787	$ 1,817,463	$ 197,207	$ 5,136,534

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

Exhibit C-4

Overton County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 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)		$ 163,804
(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	$ 546,157	
Less: current year depreciation expense	(599,097)	(52,940)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets		(14,210)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2009	$ 671,207	
Less: deferred delinquent property taxes and other deferred June 30, 2008	(973,566)	(302,359)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Less: note proceeds	$ (250,980)	
Less: refunding bond	(5,520,000)	
Add: change in deferred debt issuance costs	192,733	
Add: principal payments on notes	560,479	
Add: principal payments on bonds	283,291	
Add: principal payments on other loans	13,850	
Add: payment to refunding agent	5,323,386	602,759
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued interest on bonds	$ 44,655	
Change in accrued interest on notes	5,499	
Change in closure/postclosure care costs	157,660	
Change in compensated absences payable	18,251	
Change in other postemployment benefits obligation	(10,852)	215,213
Change in net assets of governmental activities (Exhibit B)		$ 612,267

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

Exhibit D

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

	Agency Funds
ASSETS	
Cash	$ 719,662
Accounts Receivable	77
Due from Other Governments	113,981
Total Assets	$ 833,720
LIABILITIES	
Due to Other Taxing Units	$ 113,981
Due to Litigants, Heirs, and Others	719,739
Total Liabilities	$ 833,720

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overton County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Overton County:

A. Reporting Entity

Overton County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Overton County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Overton County School Department operates the public school system in the county, and the voters of Overton County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Overton County Nursing Home provides residential nursing care to the citizens of Overton County, and the Overton County Commission appoints its governing body. Patient charges provide the majority of the revenues for the entity. Before the issuance of debt instruments, the entity must obtain the County Commission's approval.

The Overton/Pickett Emergency Communications District was established with the merger of the Pickett County Emergency Communications District and the Overton County Emergency Communications District. The merger was adopted by both boards with an effective date of February 1, 2002. The board of the district includes 13 members; nine are appointed by the Overton County Commission, and the remaining four are appointed by the Pickett County Commission. The district is funded primarily through a service

charge levied on telephone services. Before the issuance of most debt, the district must obtain approval of the Overton County Commission.

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

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

Administrative Offices:

Overton County Nursing Home
318 Bilbrey Street
Livingston, TN 38570

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

B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or

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

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

Fund financial statements of Overton County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Overton County has no proprietary funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the

revenues are available. Overton County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

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

Overton County reports the following major governmental funds:

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

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

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

Additionally, Overton County reports the following fund types:

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used 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 and local sales taxes received by the state to be forwarded to the various cities in Overton County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Overton County School Department reports the following major governmental fund:

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

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

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

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

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

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; 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 Overton County

School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Overton County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

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

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

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

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

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

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

Retainage payable in the primary government's nonmajor governmental funds represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the nonmajor governmental funds.

3. **Inventories**

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

4. **Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $10,000 or more and an estimated useful life of more

than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

5. **Compensated Absences**

It is the county's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Overton County does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

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

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

6. **Long-term Obligations**

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

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

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

7. **Net Assets and Fund Equity**

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

a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors,

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

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

On the government-wide statement of net assets (Exhibit A), the account Restricted for Other Purposes for the primary government consists of various restrictions totaling $97,246, with the primary restrictions being for: (1) computer system for the register ($61,161); and (2) alcohol and drug treatment ($23,921). For the discretely presented School Department, the account balance in Restricted for Other Purposes ($2,505,111) consists primarily of a restriction for the Basic Education Program ($2,410,834).

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Overton County School Department

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

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

Primary Government

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

Discretely Presented Overton County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

B. Cash Overdraft

The discretely presented School Federal Projects Fund (special revenue fund) had a cash overdraft of $31,347 at June 30, 2009. This cash overdraft resulted from issuing warrants exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2009.

C. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations approved by the County Commission in the discretely presented Central Cafeteria Fund by $98,745.

Also, expenditures exceeded appropriations approved by the County Commission in the Libraries major appropriation category (the legal level of control) of the General Fund by $138,055 and in the Instruction – Special Education Program major appropriation category of the School Federal Projects Fund by $16,811.

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by greater than anticipated revenues and available fund balances.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured

amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

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

Investment	Maturities	Cost
State Treasurer's Investment Pool	Daily	$ 9,543,193

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Overton County has no investment policy that would further limit its investment choices. As of

June 30, 2009, Overton County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	$ 1,414,964	$ 0	$ 0	$ 1,414,964
Total Capital Assets Not Depreciated	$ 1,414,964	$ 0	$ 0	$ 1,414,964
Capital Assets Depreciated:				
Buildings and Improvements	$ 10,752,687	$ 267,914	$ 0	$ 11,020,601
Infrastructure	11,043,586	40,000	0	11,083,586
Other Capital Assets	4,134,117	238,243	(93,097)	4,279,263
Total Capital Assets Depreciated	$ 25,930,390	$ 546,157	$ (93,097)	$ 26,383,450
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 2,277,268	$ 196,567	$ 0	$ 2,473,835
Infrastructure	3,636,079	99,421	0	3,735,500
Other Capital Assets	2,219,111	303,109	(78,887)	2,443,333
Total Accumulated Depreciation	$ 8,132,458	$ 599,097	$ (78,887)	$ 8,652,668
Total Capital Assets Depreciated, Net	$ 17,797,932	$ (52,940)	$ (14,210)	$ 17,730,782
Governmental Activities Capital Assets, Net	$ 19,212,896	$ (52,940)	$ (14,210)	$ 19,145,746

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

Governmental Activities:

General Government	$ 26,971
Administration of Justice	8,438
Public Safety	186,943
Public Health and Welfare	98,571
Social, Cultural, and Recreational Services	31,762
Highways/Public Works	246,412
Total Depreciation Expense - Governmental Activities	$ 599,097

Discretely Presented Overton County School Department

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	$ 460,517	$ 0	$ 0	$ 460,517
Total Capital Assets Not Depreciated	$ 460,517	$ 0	$ 0	$ 460,517
Capital Assets Depreciated:				
Buildings and Improvements	$ 22,890,505	$ 0	$ 0	$ 22,890,505
Infrastructure	963,193	0	0	963,193
Other Capital Assets	2,471,449	381,933	(216,541)	2,636,841
Total Capital Assets Depreciated	$ 26,325,147	$ 381,933	$ (216,541)	$ 26,490,539
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 6,289,682	$ 497,961	$ 0	$ 6,787,643
Infrastructure	120,554	21,070	0	141,624
Other Capital Assets	1,425,502	159,422	(192,956)	1,391,968
Total Accumulated Depreciation	$ 7,835,738	$ 678,453	$ (192,956)	$ 8,321,235
Total Capital Assets Depreciated, Net	$ 18,489,409	$ (296,520)	$ (23,585)	$ 18,169,304
Governmental Activities Capital Assets, Net	$ 18,949,926	$ (296,520)	$ (23,585)	$ 18,629,821

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

Governmental Activities:

Instruction	$ 529,820
Support Services	148,633
Total Depreciation Expense - Governmental Activities	$ 678,453

C. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 1,100
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	356
Nonmajor governmental	General Purpose School	162

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.

The receivable in the General Purpose School Fund ($356) was in transit from the School Federal Projects Fund at June 30, 2009.

Interfund Transfers:

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

Primary Government

Transfers Out	Transfers In: General Fund	Transfers In: General Debt Service Fund
General Fund	$ 0	$ 28,020
Highway/Public Works Fund	0	40,000
Nonmajor governmental funds	32,000	394,797
Total	$ 32,000	$ 462,817

Discretely Presented Overton County School Department

Transfers Out	Transfers In: General Purpose School Fund	Transfers In: Nonmajor Governmental Funds
General Purpose School Fund	$ 0	$ 956,205
Nonmajor governmental funds	13,871	0
Total	$ 13,871	$ 956,205

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.

D. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General

obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 24 years for bonds, up to 12 years for notes, and up to ten years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans payable from the primary government included in long-term debt as of June 30, 2009, will be retired from the General Debt Service Fund.

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

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation Bond	4.5 %	$ 1,650,000	$ 1,083,705
General Obligation Bond - Refunding	2 to 4.1	5,520,000	5,520,000
Capital Outlay Notes	3 to 5.07	4,341,980	2,837,800
Other Loan	variable	135,120	60,400

In prior years, Overton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this agreement, the authority loaned $135,120 to Overton County for an airport runway expansion. This loan is repayable at a tax-exempt variable rate of interest determined by the remarketing agent daily or weekly, depending on the particular program. At June 30, 2009, the variable interest rate was .39 percent on this loan. In addition, the county pays various fees (remarketing, administrative, letter of credit, etc.) in connection with this loan, which totals approximately .53 percent of the outstanding loan principal and a trustee fee of $85 per month.

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

Year Ending June 30	Bonds Principal	Bonds Interest	Bonds Total
2010	$ 340,911	$ 239,437	$ 580,348
2011	347,752	231,596	579,348
2012	354,676	220,522	575,198
2013	366,687	209,211	575,898
2014	378,787	197,511	576,298
2015-2019	2,078,913	791,052	2,869,965
2020-2024	2,502,576	368,174	2,870,750
2025-2027	233,403	20,662	254,065
Total	$ 6,603,705	$ 2,278,165	$ 8,881,870

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	$ 519,605	$ 120,904	$ 640,509
2011	494,605	99,390	593,995
2012	416,270	79,509	495,779
2013	337,611	61,201	398,812
2014	290,210	45,685	335,895
2015-2019	779,499	80,793	860,292
Total	$ 2,837,800	$ 487,482	$ 3,325,282

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2010	$ 14,330	$ 236	$ 1,340	$ 15,906
2011	14,830	180	1,264	16,274
2012	15,350	122	1,186	16,658
2013	15,890	61	1,104	17,055
Total	$ 60,400	$ 599	$ 4,894	$ 65,893

There is $1,817,463 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled $328, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans totaled $476, based on the 2000 federal census.

Changes in Long-term Liabilities

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

Governmental Activities:

	Bonds	Notes	Other Loan
Balance, July 1, 2008	$ 6,690,382	$ 3,147,299	$ 74,250
Additions	5,520,000	250,980	0
Deductions	(5,606,677)	(560,479)	(13,850)
Balance, June 30, 2009	$ 6,603,705	$ 2,837,800	$ 60,400
Balance Due Within One Year	$ 340,911	$ 519,605	$ 14,330

	Other Post-employment Benefits	Compen-sated Absences	Landfill Postclosure Care Costs
Balance, July 1, 2008	$ 10,540	$ 120,339	$ 239,517
Additions	10,852	209,350	0
Deductions	0	(227,601)	(157,660)
Balance, June 30, 2009	$ 21,392	$ 102,088	$ 81,857
Balance Due Within One Year	$ 0	$ 102,088	$ 7,091

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	$ 9,707,242
Less: Balance Due Within One Year	(982,391)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 8,724,851

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

Discretely Presented Overton County School Department

General Obligation Bonds

The county issues general obligation bonds on behalf of the School Department to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds.

These general obligation bonds are direct obligations and pledge the full faith and credit of the government. These general obligation bonds outstanding were issued for original terms of up to 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds payable from the discretely presented Overton County School Department included in long-term debt as of June 30, 2009, will be retired from the Education Debt Service Fund.

General obligation bonds outstanding as of June 30, 2009, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation Bonds - Refunding	2 to 5 %	$ 12,885,000	$ 11,730,000

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	$ 545,000	$ 493,816	$ 1,038,816
2011	555,000	479,791	1,034,791
2012	570,000	464,228	1,034,228
2013	585,000	446,728	1,031,728
2014	615,000	417,878	1,032,878
2015-2019	3,575,000	1,602,540	5,177,540
2020-2024	4,315,000	756,237	5,071,237
2025	970,000	41,710	1,011,710
Total	$ 11,730,000	$ 4,702,928	$ 16,432,928

Changes in Long-term Liabilities

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

Governmental Activities:

	Bonds	Other Post-employment Benefits	Compen-sated Absences
Balance, July 1, 2008	$ 12,265,000	$ 279,645	$ 88,638
Additions	0	280,059	22,549
Deductions	(535,000)	0	(12,875)
Balance, June 30, 2009	$ 11,730,000	$ 559,704	$ 98,312
Balance Due Within One Year	$ 545,000	$ 0	$ 12,875

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	$ 12,388,016
Less: Balance Due Within One Year	(557,875)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 11,830,141

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

Current Refunding

On March 31, 2009, Overton County refunded several general obligation bond issues with a separate general obligation bond issue. The county issued $5,520,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the liability for the refunded bonds has been removed from the county's long-term debt. As a result of this refunding, total debt service payments over the next 16 years will be reduced by $339,478, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of $267,459 was obtained.

Defeasance of Prior Debt

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

	Amount
1999 School Construction and Renovation	$ 6,525,000

E. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Overton County. These payments are made by the state to the Medicare Supplement Plan, which is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial

Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2009, were $1,762. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

Discretely Presented Overton County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Overton County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2009, were $87,825 and $19,613, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

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

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

The discretely presented Overton County School Department joined the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays annual premiums to the TN-RMT for its general liability, property,

casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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

B. Accounting Changes

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 Overton County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Overton County could have pollution remediation liabilities in subsequent years.

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

C. Subsequent Event

On July 1, 2009, Matt Eldridge was appointed director of schools, succeeding Michael Gilpatrick.

D. Contingent Liabilities

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

E. Change in Administration

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

F. Landfill Closure/Postclosure Care Costs

Overton County has an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. These closure and postclosure care costs generally are paid near or after the date that the landfill stops accepting waste. Overton County closed its landfill in 1994. The Solid Waste/Sanitation Fund (special revenue fund) reports the postclosure care costs of the closed landfill as expenditures in each period in which they are incurred. The $81,857 reported as landfill postclosure care liability at June 30, 2009, represents the net amount reported to date based on 100 percent use of the estimated capacity of the landfill. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Retirement Commitments

Employees

Plan Description

Employees of Overton County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment.

There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Overton County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to 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

Overton County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 4.79 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Overton County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, Overton County's annual pension cost of $430,271 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. Overton County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was nine 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	$430,271	100%	$0
6-30-08	431,600	100	0
6-30-07	393,760	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 97.68 percent funded. The actuarial accrued liability for benefits was $15.32 million, and the actuarial value of assets was $14.96 million, resulting in an unfunded actuarial accrued liability (UAAL) of $.36 million. The covered payroll (annual payroll of active employees covered by the plan) was $8 million, and the ratio of the UAAL to the covered payroll was 4.72 percent.

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

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

<u>School Teachers</u>

Plan Description

The Overton County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service

who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at 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 Overton County 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 Overton County School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2009, 2008, and 2007, were $749,799, $737,462, and $690,593, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Plan Description

Overton County and the School Department participate in the state-administered Local Education Group Insurance Plan and Medicare Supplement Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, Tennessee Code Annotated (TCA), for teachers and Section 8-27-701, TCA, for the Medicare Supplement Plan. 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 subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for pre-65 retirees ranges from 55 to 75 percent based on the years of service less a subsidy of up to $1,150 annually, which is paid by the School Department. For retirees that choose the TCRS supplemental insurance to go along with Medicare, the county and the School Department provide monthly support based on years of service. During the year ended June 30, 2009, $149,437 was contributed for postemployment benefits by Overton County ($1,350) and the discretely presented Overton County School Department ($148,087).

Annual OPEB Cost and Net OPEB Obligation

	Medicare Supplement Plan - Primary Government	Local Education Group Plan	Medicare Supplement Plan - School Department
ARC	$ 12,190	$ 387,000	$ 40,810
Interest on the NPO	474	10,881	1,704
Adjustment to the ARC	(462)	(10,590)	(1,658)
Annual OPEB cost	$ 12,202	$ 387,291	$ 40,856
Amount of contribution	(1,350)	(144,037)	(4,050)
Increase/decrease in NPO	$ 10,852	$ 243,254	$ 36,806
Net OPEB obligation - 7-1-08	10,540	241,785	37,860
Net OPEB obligation - 6-30-09	$ 21,392	$ 485,039	$ 74,666

Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Medicare Supplement - Primary Government	$ 11,440	8%	$ 10,540
6-30-09	"	12,202	11	21,392
6-30-08	Local Education Group	382,000	37	241,785
6-30-09	"	387,291	37	485,039
6-30-08	Medicare Supplement - School Department	40,560	7	37,860
6-30-09	"	40,856	10	74,666

* 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:

	Medicare Supplement Plan - Primary Government	Local Education Group Plan	Medicare Supplement Plan - School Department
Actuarial valuation date	7-1-07	7-1-07	7-1-07
Actuarial accrued liability (AAL)	$ 105,800	$ 3,801,000	$ 354,200
Actuarial value of plan assets	$ 0	$ 0	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 105,800	$ 3,801,000	$ 354,200
Actuarial value of assets as a % of the AAL	0%	0%	0%
Covered payroll (active plan members)	$ 0	$ 11,438,234	$ 0
UAAL as a % of covered payroll	0%	33%	0%

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

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of

sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2007, actuarial valuation, the projected unit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of six percent after ten years. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

I. Office of Central Accounting and Budgeting

Office of Director of Accounts and Budgets

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

J. Purchasing Laws

Offices of County Mayor and Highway Superintendent

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

Office of Director of Schools

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

VI. OTHER NOTES - DISCRETELY PRESENTED OVERTON COUNTY NURSING HOME

A. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Overton County Nursing Home is presented to assist in understanding the nursing home's financial statements. The financial statements and notes are representations of the nursing home's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles.

1. Organization

Overton County Nursing Home is a non-profit corporation chartered under the laws of the State of Tennessee on April 5, 1962, operating as a political subdivision of Overton County, Tennessee. The purpose of the nursing home is to provide nursing care to residents primarily from the Overton County area. The corporation is managed by a board of five directors who are county commissioners, appointed by the County Commission of Overton County, Tennessee.

2. Financial Reporting Entity - Component Unit

As specified and described by Statement No. 14 of the Governmental Accounting Standards Board (GASB); the nursing home is a component unit of the primary government of Overton County, Tennessee. The nursing home reports its financial statements separately from Overton County; however, the county in its financial statements also presents the nursing home's financial information.

Legally, the nursing home is a separate nonprofit entity that has considerable legal, financial, and administrative autonomy. However, as the governing body is not elected but instead is entirely appointed by the county's board of Commissioners, the nursing home cannot be a primary government.

GASB Statement No. 14 specifies that component units must be legally separate organizations, which have financial accountability to a primary government. Financial accountability exists prima facie if a special purpose government is not fiscally independent. GASB states that to be fiscally independent, the government has to have the authority to do all of three activities. One of these activities is to issue bonded debt without approval by another government. Overton County Nursing Home may not issue debt without approval of Overton County, Tennessee, and the county remains contingently liable for all debt obligations. Because the nursing home is both a legal entity and financially accountable to the primary government of Overton County as the County Commission appoints all members of

the governing board and by nature of its fiscal dependence on Overton County as described above, it is a component unit of Overton County, Tennessee.

At June 30, 2009, there were no related receivables or payables between Overton County and the nursing home. The nursing home did not engage in any activities that were subject to the approval of Overton County.

3. Basis of Presentation

The financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. The nursing home has elected under GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Funds that Use Proprietary Fund Accounting, to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

As a component unit of Overton County, the accounts of the nursing home are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the nursing home's assets, liabilities, net assets, revenues, and expenses. Enterprise funds account for activities that are either (1) financed with debt that is secured by a pledge of the net revenues from fees and charges of the activity, (2) required by laws or regulations that the activity's cost of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (3) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

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

4. Cash Flow - Cash and Cash Equivalents

Overton County Nursing Home presents its cash flow statement using the direct method. For purposes of cash flow presentation, the nursing home considers cash in operating bank accounts, cash on hand, and certificates of deposit, which have original maturities of

three months or less as cash and cash equivalents. At June 30, 2009, there were no certificates of deposit that qualified as cash equivalents.

5. Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amount that the nursing home expects to collect from outstanding balances. The nursing home provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based upon a review of outstanding receivables, historical collection information, and existing economic conditions. The allowance for doubtful accounts was $40,000 at June 30, 2009. Account balances are charged against the allowance after reasonable collection efforts have been exhausted and the potential for recovery is considered remote.

6. Net Patient Revenue

Gross patient revenue is recorded on an accrual basis based on services rendered at amounts equal to established rates. Allowances for contractual adjustments are recorded for the differences between established rates and amounts estimated to be paid by the Medicare and Medicaid programs and other third-party payors. Contractual adjustments are deducted from gross patient revenue to determine net patient revenue. Amounts paid under the Medicare and Medicaid programs are generally based on fixed rates per patient day, adjusted prospectively. All amounts earned under the Medicare, Medicaid, and other governmental programs are subject to review by the third-party payors. Any differences between estimated settlements and final determinations are reflected in operations in the year finalized.

7. Property and Equipment

Property and equipment are stated at cost. Purchases in excess of $1,000 are capitalized. For financial statement purposes, depreciation of property and equipment is provided using the straight-line method. The nursing home estimates the useful lives of the respective classes of plant and equipment as follows:

Assets	Years
Land Improvements	5 - 20
Building and Improvements	5 - 50
Transportation Equipment	4 - 5
Equipment	3 - 25

Maintenance and repairs are charged to operations when incurred. The nursing home eliminates the costs and related allowances from

the accounts for properties sold or retired, and any resulting gains or losses are included in income.

8. **Compensated Absences**

Nursing home employees accrue vacation, sick, and holiday time, or compensated absences, by a prescribed formula based on length of service. Compensated absences related to the nursing home employees are recorded within the period earned.

9. **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

10. **Income Taxes**

The Internal Revenue Service has determined that the nursing home is exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes.

11. **Operating Revenues and Expenses**

The nursing home's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its principal ongoing operations. All other revenues and expenses are reported as nonoperating revenues and expenses and consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

B. Cash and Certificates of Deposits

The nursing home is authorized to make investments in bonds, notes or treasury bills of the United States, Federal Loan Bank bonds, Federal Home Loan Bank notes and bonds, Federal National Mortgage Association notes and debentures, banks or cooperative debentures, or any of its other agencies, or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law.

During the year ended June 30, 2009, the board of directors chose to limit the investment of funds to demand deposits and certificates of deposit accounts at banking institutions.

At June 30, 2009, the carrying amount of cash deposits, including patient funds, was $1,662,463 and the bank balance was $1,718,279. At June 30, 2009, the carrying amount of the certificate of deposit was $879,127 and the bank balance was $861,421. At June 30, 2009, the entire bank balance was covered by federal depository insurance, or pledged securities held as collateral in another institution in the name of the nursing home.

C. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	$ 56,500	$ 0	$ 0	$ 56,500
Construction in Progress	120,351	0	(120,351)	0
Total Capital Assets Not Depreciated	$ 176,851	$ 0	$ (120,351)	$ 56,500
Capital Assets Depreciated:				
Land Improvements	$ 96,508	$ 0	$ 0	$ 96,508
Buildings and Improvements	2,488,844	88,245	0	2,577,089
Transportation Equipment	27,600	0	0	27,600
Equipment	1,258,509	48,523	(2,887)	1,304,145
Total Capital Assets Depreciated	$ 3,871,461	$ 136,768	$ (2,887)	$ 4,005,342
Less Accumulated Depreciation For:				
Land Improvements	$ 21,626	$ 5,764	$ 0	$ 27,390
Buildings and Improvements	1,615,514	83,636	0	1,699,150
Transportation Equipment	21,710	1,240	0	22,950
Equipment	1,007,616	47,807	(2,887)	1,052,536
Total Accumulated Depreciation	$ 2,666,466	$ 138,447	$ (2,887)	$ 2,802,026
Total Capital Assets Depreciated, Net	$ 1,204,995	$ (1,679)	$ 0	$ 1,203,316
Capital Assets, Net	$ 1,381,846	$ (1,679)	$ (120,351)	$ 1,259,816

The reduction to Construction in Progress includes a prior-period adjustment of $116,285 for costs in the prior year that should have been charged to repairs and maintenance expense.

D. Patient Funds Held in Trust

At June 30, 2009, the nursing home held funds totaling $66,518 on behalf of the residents.

The nursing home is required to maintain a cash account as a depository for patient funds. The fund is restricted in use and can be used only for providing spending money for patients, purchasing supplies for patients with cash in the fund, or paying amounts due to the nursing home for patient care, provided the amount does not include monies stipulated for patients' use only. All funds in excess of $100 per recipient are required to be placed in an insured interest-bearing account.

E. Pension Plan

Plan Description

Employees of Overton County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The retirement plan for Overton County Nursing Home is included in the total retirement program for Overton County. Therefore, separate retirement information for the nursing home is not available. Details relative to the funding status and progress, actuarially determined contribution requirements and contribution made, and trend information regarding the retirement plan can be found in the Annual Financial Report for Overton County. Total contributions to the plan by the nursing home for the year ended June 30, 2009, totaled $114,683.

The TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Overton County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body. Overton County requires employees to contribute five percent of earnable compensation, and the county is required to contribute at an actuarially determined rate. The rate for fiscal year ended June 30, 2009, was 4.79 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Overton County is established and may be amended by the TCRS Board of Trustees.

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 Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at http://www.tn.gov/treasury/tcrs/.

F. Concentration of Credit Risk

The nursing home grants credits without collateral to its patients, most of who are insured under third-party payor agreements. The mix of receivables from patients and third-party payors are as follows:

Medicaid	47.01 %
Medicare	27.66
Insurance	17.52
Private	7.81

G. Risk Management

Risks related to the operation of the nursing home are managed through the purchase of commercial insurance policies. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years, and there have been no significant reductions in insurance coverage for the current year or for the prior five years.

H. Health Care Regulations

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as repayments for patient services previously billed. Management believes that the nursing home is in compliance with fraud and abuse statutes as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

I. Professional Liability Claims and Insurance

The long-term health care industry has experienced a dramatic increase in personal injury and wrongful death claims based on alleged negligence by

nursing homes and their employees in providing care to residents. The nursing home is subject to claims and suits, which arise in the ordinary course of business. In the opinion of management, the ultimate resolution of such pending legal proceedings has been adequately provided for through commercial insurance.

J. Capital Lease Obligation

The nursing home entered into a capital lease agreement to purchase equipment during the year ended June 30, 2009. The lease term expires in July 2013. The asset and liability were recorded at the fair value of the asset. The asset was capitalized for $19,695 and accumulated amortization related to this asset was $1,313 at June 30, 2009. This amortization expense of $1,313 was included in depreciation expense. The lease is payable to Marlin Leasing Corporation and is secured by the equipment purchased. Payments are $470.11 per month, including principal and interest at 15.151 percent imputed fixed annual rate.

The future minimum lease payments due under the capital lease are as follows:

Year Ending June 30	Future Minimum Lease Payments	Less Amount Representing Interest	Principal Portion
2010	$ 5,641	$ (2,369)	$ 3,272
2011	5,641	(1,838)	3,803
2012	5,641	(1,220)	4,421
2013	5,641	(502)	5,139
2014	470	(6)	464
Total	$ 23,034	$ (5,935)	$ 17,099

Activity related to the capital lease obligation for the year ended June 30, 2009, was as follows:

Balance 7-1-08	Additions	Deductions	Balance 6-30-09	Due Within One Year
$ 0	$ 19,695	$ 2,596	$ 17,099	$ 3,272

VII. OTHER NOTES - DISCRETELY PRESENTED OVERTON/PICKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Organization

The Overton/Pickett County E-911 Emergency Communications District was established as a result of a merger between the Overton County Emergency

Communications District and the Pickett County Emergency Communications District. The merger agreement was signed on January 22, 2002, to improve the response of emergency services in Overton and Pickett counties and to provide an enhanced 911 service for Overton and Pickett County citizens by acquiring equipment that enables emergency service providers to respond more rapidly and effectively due to increased speed in the transmission of critical information and improved reliability of address information.

The Overton/Pickett County E-911 Emergency Communications District is a component unit of Overton County, the commissioners appoint the nine members of the Board. The remaining four are appointed by the Pickett County Commission. The district must file a budget with Overton County each year. Any bond issued by the district is subject to approval by Overton County.

B. Summary of Significant Accounting Policies

1. Financial Statement Presentation

The Overton/Pickett County E-911 Emergency Communications District presents its financial statements on the accrual basis and according to Governmental Accounting Standards Board (GASB) Statement No. 20, follows pronouncements of the Financial Accounting Standards (FASB) issued before November 30, 1989, unless they conflict with or contradict GASB guidance. After November 30, 1989, the district follows GASB guidance only and does not follow any FASB guidance issued after that date.

2. Capital Assets

Capital assets are depreciated over their useful lives using the straight-line method over the following useful lives:

Assets	Years
Buildings, Land, and Improvements	10 - 40
Furniture and Fixtures	5 - 7
Equipment and Vehicles	3 - 10

C. Cash and Investments

Tennessee Code Annotated (TCA), requires Tennessee banks and savings and loan associations to secure a governmental entity's deposits by pledging government securities as collateral. The market value of pledged securities must equal 105 percent of the entity's deposits. The entity may waive collateral requirements for deposits that are fully insured up to $100,000 by the Federal Deposit Insurance Corporation (FDIC) or Savings Association Insurance Fund (SAIF).

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

Checking - First National Bank	$	18,251
Certificate of Deposit - People's Bank		105,465
Money Market - First National Bank		70,498
Total	$	194,214

At June 30, 2009, the carrying amount of the Overton/Pickett County E-911 Emergency Communications District's cash deposits was $194,214. The district's deposit accounts are covered up to $250,000 by the Federal Deposit Insurance Corporation. Any amounts over $250,000 are covered by collateralization pledged by First National Bank, held by Compass Bank in the district's name. The district is authorized to deposit and invest funds according to the provisions of Section 5-8-301 of the TCA. [Acts 1992, ch. 891, section 10].

D. Risk Management

The Overton/Pickett County E-911 Emergency Communication District is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The district purchases commercial insurance for all claims and for all other risks of loss. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

E. Capital Assets

The following is a schedule of equipment and depreciation at June 30, 2009:

	Cost	Accum. Deprec.	Deprec. Expense	Net
Non-Depreciable Assets				
Land	$ 19,625	$ 0	$ 0	$ 19,625
Depreciable Assets				
Land Improvements	$ 15,020	$ 4,122	$ 751	$ 10,898
Building/Improvements	282,037	94,398	14,712	187,639
Furniture/Fixtures	63,123	49,257	8,236	13,866
Office Equipment	151,114	89,842	23,173	61,272
Communication Equip.	870,001	733,248	31,964	136,753
Vehicles	41,150	12,058	8,230	29,092
Total Depreciable Assets	$ 1,422,445	$ 982,925	$ 87,066	$ 439,520
Total Assets	$ 1,442,070	$ 982,925	$ 87,066	$ 459,145

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

	Balance 7-1-08	Additions	Retirements	Balance 6-30-09
Non-Depreciable Assets				
Land	$ 19,625	$ 0	$ 0	$ 19,625
Depreciable Assets				
Land Improvements	$ 15,020	$ 0	$ 0	$ 15,020
Building/Improvements	280,137	1,900	0	282,037
Furniture/Fixtures	58,659	4,464	0	63,123
Office Equipment	143,120	7,994	0	151,114
Communication Equip.	854,815	15,186	0	870,001
Vehicles	41,150	0	0	41,150
Total Depreciable Assets	$ 1,392,901	$ 29,544	$ 0	$ 1,422,445
Total Assets	$ 1,412,526	$ 29,544	$ 0	$ 1,442,070

F. Cash and Cash Equivalents

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

G. Lease Payable

Lease payable at June 30, 2009, is comprised of a capital lease for equipment.

A schedule of changes in lease payable is as follows:

Balance, July 1, 2008	$ 27,926
Deductions	(27,926)
Balance, June 30, 2009	$ 0

H. Compensated Absences

Compensated absences are calculated for full-time employees for annual and sick leave. However, the sick leave does not vest; therefore, no liability has been recorded for sick leave. The liability shown in these statements of $17,821 represents the amount owed to employees for annual leave as of June 30, 2009.

I. Funding Sources

Monthly fees provide funds for operations from service users in Overton and Pickett counties. The service supplier in Overton and Pickett counties, Twin

Lakes Telephone Cooperative, collects the service fees and remits the funds to the district. The service supplier retains three percent of collections as an administration fee. The State of Tennessee remits to the district its share of wireless revenue.

J. Calculation of Net Assets Invested in Capital Assets

Net Book Value	$ 459,145
Invested in Capital Assets	$ 459,145

K. Budgetary Information

As stated in Note 1, the district must file a budget with Overton County each year, which must be legally adopted by the county. The budget is prepared on the accrual basis of accounting. Compliance with the legally adopted is required at the program level as well as the object level.

L. Pension Plan

Plan Description

Employees of Overton/Pickett County Emergency Communications District are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty.

Members joining the system after July 1, 1979, become vested after five years of service and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Overton/Pickett County Emergency Communications District participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Overton/Pickett County Emergency Communications District requires employees to contribute five percent of earnable compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2009, was 9.87 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Overton/Pickett County Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ending June 30, 2009, Overton/Pickett County Emergency Communications District's annual pension cost of $33,409 to TCRS was equal to Overton/Pickett County Emergency Communications District's required and actual contributions. The required contribution was determined as part of the July 1, 2005, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the calculation 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.

Overton/Pickett County Emergency Communications District's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was 18 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2009.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-09	$ 33,409	100 %	$ 0
6-30-07	33,083	100	0
6-30-06	18,790	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 46.08 percent funded. The actuarial accrued liability for benefits was $.25 million, and the actuarial value of assets was $.12 million, resulting in an unfunded actuarial accrued liability (UAAL) of $.14 million. The covered payroll (annual payroll of active employees covered by the plan) was $.35 million, and the ratio of the UAAL to the covered payroll was 39.11 percent.

The schedules of funding process, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

The annual required contribution (ARC) 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.

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Required Supplementary Information

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Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 3,675,431	$ 0	$ 0	$ 3,675,431	$ 3,536,413	$ 3,536,413	$ 139,018
Licenses and Permits	750	0	0	750	5,000	5,000	(4,250)
Fines, Forfeitures, and Penalties	118,910	0	0	118,910	110,450	110,450	8,460
Charges for Current Services	1,238,451	0	0	1,238,451	935,000	975,749	262,702
Other Local Revenues	140,843	0	0	140,843	58,200	58,747	82,096
Fees Received from County Officials	783,404	0	0	783,404	780,550	780,550	2,854
State of Tennessee	1,129,008	0	0	1,129,008	1,070,113	1,076,158	52,850
Federal Government	247,582	0	0	247,582	513,000	589,670	(342,088)
Other Governments and Citizens Groups	90,962	0	0	90,962	140,000	140,000	(49,038)
Total Revenues	$ 7,425,341	$ 0	$ 0	$ 7,425,341	$ 7,148,726	$ 7,272,737	$ 152,604
Expenditures							
General Government							
County Commission	$ 78,947	$ 0	$ 0	$ 78,947	$ 95,977	$ 95,977	$ 17,030
Board of Equalization	1,200	0	0	1,200	1,600	1,600	400
County Mayor/Executive	170,018	(120)	0	169,898	178,303	178,303	8,405
County Attorney	4,372	0	0	4,372	27,207	27,207	22,835
Election Commission	153,941	0	0	153,941	161,156	161,156	7,215
Register of Deeds	145,645	0	0	145,645	167,569	167,569	21,924
Planning	11,785	0	0	11,785	14,848	14,848	3,063
County Buildings	265,255	0	0	265,255	310,586	310,586	45,331
Other General Administration	548,037	0	0	548,037	606,519	600,818	52,781
Finance							
Accounting and Budgeting	46,948	0	0	46,948	47,088	47,088	140
Property Assessor's Office	145,144	0	0	145,144	150,984	150,984	5,840

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Finance (Cont.)							
Reappraisal Program	$ 32,300	$ 0	$ 0	$ 32,300	$ 34,465	$ 34,465	$ 2,165
County Trustee's Office	140,045	0	0	140,045	135,237	140,082	37
County Clerk's Office	187,177	0	0	187,177	197,959	197,959	10,782
Administration of Justice							
Circuit Court	238,722	0	0	238,722	247,531	247,531	8,809
General Sessions Court	126,008	0	0	126,008	128,567	128,567	2,559
Chancery Court	154,711	0	0	154,711	177,244	177,244	22,533
Juvenile Court	12,838	0	0	12,838	15,150	15,150	2,312
Judicial Commissioners	17,901	0	0	17,901	18,882	18,882	981
Public Safety							
Sheriff's Department	1,054,578	(58)	1,429	1,055,949	1,072,352	1,159,322	103,373
Jail	1,330,400	(6,492)	900	1,324,808	1,484,466	1,484,466	159,658
Fire Prevention and Control	98,348	0	0	98,348	98,100	98,348	0
Civil Defense	7,760	0	0	7,760	11,292	11,292	3,532
Rescue Squad	5,000	0	0	5,000	5,000	5,000	0
Other Emergency Management	170,000	0	0	170,000	170,000	170,000	0
County Coroner/Medical Examiner	18,240	0	0	18,240	20,000	20,000	1,760
Public Health and Welfare							
Local Health Center	355,798	(7,291)	0	348,507	286,250	350,903	2,396
Ambulance/Emergency Medical Services	1,200,789	(2,110)	77,534	1,276,213	1,272,995	1,313,744	37,531
Alcohol and Drug Programs	4,230	0	0	4,230	5,000	5,000	770
Regional Mental Health Center	6,327	0	0	6,327	6,327	6,327	0
Aid to Dependent Children	400	0	0	400	500	500	100

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	$ 17,170	$ 0	$ 0	$ 17,170	$ 26,115	$ 26,115	$ 8,945
Libraries	253,482	0	0	253,482	115,427	115,427	(138,055)
Other Social, Cultural, and Recreational	42,500	0	0	42,500	42,800	42,800	300
Agriculture and Natural Resources							
Agriculture Extension Service	54,298	0	0	54,298	55,480	55,480	1,182
Soil Conservation	34,348	0	0	34,348	34,259	34,806	458
Other Operations							
Industrial Development	24,794	0	0	24,794	44,500	44,500	19,706
Other Economic and Community Development	0	0	0	0	500,000	500,000	500,000
Airport	56,000	0	0	56,000	56,000	56,000	0
Veterans' Services	44,480	0	0	44,480	51,172	51,172	6,692
Contributions to Other Agencies	12,515	0	0	12,515	12,516	12,516	1
Highways							
Traffic Control	5,522	0	0	5,522	13,739	13,739	8,217
Litter and Trash Collection	31,323	0	0	31,323	33,568	33,568	2,245
Total Expenditures	$ 7,309,296	$ (16,071)	$ 79,863	$ 7,373,088	$ 8,134,730	$ 8,327,041	$ 953,953
Excess (Deficiency) of Revenues Over Expenditures	$ 116,045	$ 16,071	$ (79,863)	$ 52,253	$ (986,004)	$ (1,054,304)	$ 1,106,557
Other Financing Sources (Uses)							
Notes Issued	$ 133,000	$ 0	$ 0	$ 133,000	$ 75,000	$ 133,000	$ 0
Insurance Recovery	7,778	0	0	7,778	0	4,500	3,278
Transfers In	32,000	0	0	32,000	32,000	32,000	0

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Other Financing Sources (Uses) (Cont.)							
Transfers Out	$ (28,020)	$ 0	$ 0	$ (28,020)	$ (28,020)	$ (28,020)	$ 0
Total Other Financing Sources (Uses)	$ 144,758	$ 0	$ 0	$ 144,758	$ 78,980	$ 141,480	$ 3,278
Net Change in Fund Balance	$ 260,803	$ 16,071	$ (79,863)	$ 197,011	$ (907,024)	$ (912,824)	$ 1,109,835
Fund Balance, July 1, 2008	2,189,274	(16,071)	0	2,173,203	2,240,872	2,240,872	(67,669)
Fund Balance, June 30, 2009	$ 2,450,077	$ 0	$ (79,863)	$ 2,370,214	$ 1,333,848	$ 1,328,048	$ 1,042,166

Exhibit E-2

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 177,592	$ 185,356	$ 185,356	$ (7,764)
Other Local Revenues	14,252	1,000	1,000	13,252
State of Tennessee	1,621,002	2,063,509	2,063,509	(442,507)
Total Revenues	$ 1,812,846	$ 2,249,865	$ 2,249,865	$ (437,019)
Expenditures				
Highways				
Administration	$ 116,060	$ 109,070	$ 116,654	$ 594
Highway and Bridge Maintenance	757,000	967,800	989,854	232,854
Operation and Maintenance of Equipment	279,560	347,600	340,352	60,792
Quarry Operations	167,317	207,850	215,098	47,781
Other Charges	227,091	232,500	232,500	5,409
Employee Benefits	279,283	268,500	280,690	1,407
Capital Outlay	51,581	376,785	336,440	284,859
Total Expenditures	$ 1,877,892	$ 2,510,105	$ 2,511,588	$ 633,696
Excess (Deficiency) of Revenues Over Expenditures	$ (65,046)	$ (260,240)	$ (261,723)	$ 196,677
Other Financing Sources (Uses)				
Transfers Out	$ (40,000)	$ (40,000)	$ (40,000)	$ 0
Total Other Financing Sources (Uses)	$ (40,000)	$ (40,000)	$ (40,000)	$ 0
Net Change in Fund Balance	$ (105,046)	$ (300,240)	$ (301,723)	$ 196,677
Fund Balance, July 1, 2008	776,833	754,551	754,551	22,282
Fund Balance, June 30, 2009	$ 671,787	$ 454,311	$ 452,828	$ 218,959

Exhibit E-3

Overton County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Overton 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)
6-30-09	7-1-07	$ 14,966	$ 15,322	$ 356	97.68 %	$ 7,535	4.72 %
6-30-08	7-1-07	14,966	15,322	356	97.68	7,535	4.72

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the 2007-08 year; therefore, data is only presented for two years.

Exhibit E-4

Overton County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Overton/Pickett Emergency Communications District
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)
6-30-09	7-1-07	$ 117	$ 254	$ 137	46 %	$ 350	39 %
6-30-08	7-1-07	117	254	137	46	350	39

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the 2007-08 year; therefore, data is only presented for two years.

Exhibit E-5

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

(Dollar amounts in thousands)

	Fiscal Year Ended*	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
PRIMARY GOVERNMENT								
Medicare Supplement Plan	6-30-08	7-1-07	$ 0	$ 101	$ 101	0 %	$ 0	0 %
"	6-30-09	7-1-07	0	101	101	0	0	0
DISCRETELY PRESENTED OVERTON COUNTY SCHOOL DEPARTMENT								
Local Education Group Plan	6-30-08	7-1-07	0	3,801	3,801	0	11,949	32
"	6-30-09	7-1-07	0	3,801	3,801	0	11,949	32
Medicare Supplement Plan	6-30-08	7-1-07	0	359	359	0	0	0
"	6-30-09	7-1-07	0	359	359	0	0	0

* Data only available for two years.

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

A. BUDGETARY INFORMATION

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

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

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

B. EXPENDITURES EXCEEDED APPROPRIATIONS

Expenditures exceeded appropriations approved by the County Commission in the Libraries major appropriation category (the legal level of control) of the General Fund by $138,055. This overexpenditure was funded by greater than anticipated revenues and available fund balance.

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

Capital Projects Funds

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

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

Community Development/Industrial Park Fund – The Community Development/ Industrial Park Fund is used to account for financial resources to be used for improving the county's industrial park.

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Exhibit F-1

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

	Special Revenue Funds					Capital Projects Fund	
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Community Development/ Industrial Park	Total Nonmajor Governmental Funds
ASSETS							
Cash	$ 0	$ 0	$ 0	$ 1,100	$ 1,100	$ 0	$ 1,100
Equity in Pooled Cash and Investments	5,165	153,047	12,964	0	171,176	0	171,176
Accounts Receivable	0	43,690	0	0	43,690	10,519	54,209
Due from Other Governments	0	68,000	0	0	68,000	61,863	129,863
Property Taxes Receivable	0	264,107	0	0	264,107	0	264,107
Allowance for Uncollectible Property Taxes	0	(4,943)	0	0	(4,943)	0	(4,943)
Total Assets	$ 5,165	$ 523,901	$ 12,964	$ 1,100	$ 543,130	$ 72,382	$ 615,512
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	$ 0	$ 50,141	$ 0	$ 0	$ 50,141	$ 0	$ 50,141
Payroll Deductions Payable	0	2,295	0	0	2,295	0	2,295
Retainage Payable	0	0	0	0	0	72,382	72,382
Due to Other Funds	0	0	0	1,100	1,100	0	1,100
Deferred Revenue - Current Property Taxes	0	246,154	0	0	246,154	0	246,154
Deferred Revenue - Delinquent Property Taxes	0	12,233	0	0	12,233	0	12,233
Other Deferred Revenues	0	34,000	0	0	34,000	0	34,000
Total Liabilities	$ 0	$ 344,823	$ 0	$ 1,100	$ 345,923	$ 72,382	$ 418,305
Fund Balances							
Reserved for Encumbrances	$ 0	$ 0	$ 420	$ 0	$ 420	$ 0	$ 420
Unreserved	5,165	179,078	12,544	0	196,787	0	196,787
Total Fund Balances	$ 5,165	$ 179,078	$ 12,964	$ 0	$ 197,207	$ 0	$ 197,207
Total Liabilities and Fund Balances	$ 5,165	$ 523,901	$ 12,964	$ 1,100	$ 543,130	$ 72,382	$ 615,512

Exhibit F-2

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

	Special Revenue Funds					Capital Projects Funds			
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	Total	Total Nonmajor Governmental Funds
Revenues									
Local Taxes	$ 4,382	$ 738,614	$ 0	$ 0	$ 742,996	$ 0	$ 0	$ 0	$ 742,996
Fines, Forfeitures, and Penalties	0	0	48,270	0	48,270	0	0	0	48,270
Charges for Current Services	0	213,196	0	4,736	217,932	0	0	0	217,932
Other Local Revenues	0	43,627	0	0	43,627	1,093	0	1,093	44,720
State of Tennessee	0	50,798	4,002	0	54,800	0	164,795	164,795	219,595
Federal Government	0	0	0	0	0	0	126,606	126,606	126,606
Other Governments and Citizens Groups	0	0	0	0	0	0	28,021	28,021	28,021
Total Revenues	$ 4,382	$ 1,046,235	$ 52,272	$ 4,736	$ 1,107,625	$ 1,093	$ 319,422	$ 320,515	$ 1,428,140
Expenditures									
Current:									
General Government	$ 9,749	$ 70,513	$ 0	$ 0	$ 80,262	$ 0	$ 0	$ 0	$ 80,262
Finance	0	0	0	682	682	0	0	0	682
Administration of Justice	0	0	0	4,054	4,054	0	0	0	4,054
Public Safety	0	0	65,237	0	65,237	0	0	0	65,237
Public Health and Welfare	0	1,009,028	0	0	1,009,028	0	0	0	1,009,028
Other Operations	47	0	0	0	47	0	0	0	47
Capital Projects	0	0	0	0	0	1,392	132,598	133,990	133,990
Total Expenditures	$ 9,796	$ 1,079,541	$ 65,237	$ 4,736	$ 1,159,310	$ 1,392	$ 132,598	$ 133,990	$ 1,293,300
Excess (Deficiency) of Revenues Over Expenditures	$ (5,414)	$ (33,306)	$ (12,965)	$ 0	$ (51,685)	$ (299)	$ 186,824	$ 186,525	$ 134,840
Other Financing Sources (Uses)									
Notes Issued	$ 0	$ 117,980	$ 0	$ 0	$ 117,980	$ 0	$ 0	$ 0	$ 117,980
Transfers Out	0	(36,078)	0	0	(36,078)	(186,830)	(203,889)	(390,719)	(426,797)
Total Other Financing Sources (Uses)	$ 0	$ 81,902	$ 0	$ 0	$ 81,902	$ (186,830)	$ (203,889)	$ (390,719)	$ (308,817)
Net Change in Fund Balances	$ (5,414)	$ 48,596	$ (12,965)	$ 0	$ 30,217	$ (187,129)	$ (17,065)	$ (204,194)	$ (173,977)
Fund Balance, July 1, 2008	10,579	130,482	25,929	0	166,990	187,129	17,065	204,194	371,184
Fund Balance, June 30, 2009	$ 5,165	$ 179,078	$ 12,964	$ 0	$ 197,207	$ 0	$ 0	$ 0	$ 197,207

Exhibit F-3

Overton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 4,382	$ 4,300	$ 4,300	$ 82
Total Revenues	$ 4,382	$ 4,300	$ 4,300	$ 82
Expenditures				
General Government				
County Buildings	$ 9,749	$ 5,000	$ 9,749	$ 0
Other Operations				
Other Charges	47	110	110	63
Total Expenditures	$ 9,796	$ 5,110	$ 9,859	$ 63
Excess (Deficiency) of Revenues Over Expenditures	$ (5,414)	$ (810)	$ (5,559)	$ 145
Net Change in Fund Balance	$ (5,414)	$ (810)	$ (5,559)	$ 145
Fund Balance, July 1, 2008	10,579	10,638	10,638	(59)
Fund Balance, June 30, 2009	$ 5,165	$ 9,828	$ 5,079	$ 86

Exhibit F-4

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 738,614	$ 0	$ 738,614	$ 738,207	$ 738,207	$ 407
Charges for Current Services	213,196	0	213,196	205,000	205,000	8,196
Other Local Revenues	43,627	0	43,627	63,000	63,000	(19,373)
State of Tennessee	50,798	0	50,798	26,800	26,800	23,998
Total Revenues	$ 1,046,235	$ 0	$ 1,046,235	$ 1,033,007	$ 1,033,007	$ 13,228
Expenditures						
General Government						
Other General Administration	$ 70,513	$ 0	$ 70,513	$ 70,984	$ 72,984	$ 2,471
Public Health and Welfare						
Convenience Centers	117,062	0	117,062	140,930	140,930	23,868
Transfer Stations	819,128	(264)	818,864	883,311	883,311	64,447
Recycling Center	52,907	0	52,907	42,700	62,312	9,405
Other Waste Disposal	360	0	360	2,000	2,000	1,640
Postclosure Care Costs	19,571	0	19,571	35,000	33,000	13,429
Total Expenditures	$ 1,079,541	$ (264)	$ 1,079,277	$ 1,174,925	$ 1,194,537	$ 115,260
Excess (Deficiency) of Revenues Over Expenditures	$ (33,306)	$ 264	$ (33,042)	$ (141,918)	$ (161,530)	$ 128,488
Other Financing Sources (Uses)						
Notes Issued	$ 117,980	$ 0	$ 117,980	$ 125,000	$ 125,000	$ (7,020)
Transfers Out	(36,078)	0	(36,078)	(36,078)	(36,078)	0
Total Other Financing Sources (Uses)	$ 81,902	$ 0	$ 81,902	$ 88,922	$ 88,922	$ (7,020)
Net Change in Fund Balance	$ 48,596	$ 264	$ 48,860	$ (52,996)	$ (72,608)	$ 121,468
Fund Balance, July 1, 2008	130,482	(264)	130,218	130,167	130,167	51
Fund Balance, June 30, 2009	$ 179,078	$ 0	$ 179,078	$ 77,171	$ 57,559	$ 121,519

Exhibit F-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Fines, Forfeitures, and Penalties	$ 48,270	$ 0	$ 48,270	$ 138,500	$ 138,500	$ (90,230)
State of Tennessee	4,002	0	4,002	0	0	4,002
Total Revenues	$ 52,272	$ 0	$ 52,272	$ 138,500	$ 138,500	$ (86,228)
Expenditures						
Public Safety						
Drug Enforcement	$ 65,237	$ 420	$ 65,657	$ 158,884	$ 158,884	$ 93,227
Total Expenditures	$ 65,237	$ 420	$ 65,657	$ 158,884	$ 158,884	$ 93,227
Excess (Deficiency) of Revenues Over Expenditures	$ (12,965)	$ (420)	$ (13,385)	$ (20,384)	$ (20,384)	$ 6,999
Net Change in Fund Balance	$ (12,965)	$ (420)	$ (13,385)	$ (20,384)	$ (20,384)	$ 6,999
Fund Balance, July 1, 2008	25,929	0	25,929	25,930	25,930	(1)
Fund Balance, June 30, 2009	$ 12,964	$ (420)	$ 12,544	$ 5,546	$ 5,546	$ 6,998

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Major Governmental Fund

General Debt Service Fund

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

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Exhibit G

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 400,930	$ 388,418	$ 388,418	$ 12,512
Other Local Revenues	156,663	403,300	403,300	(246,637)
State of Tennessee	459,101	336,000	336,000	123,101
Total Revenues	$ 1,016,694	$ 1,127,718	$ 1,127,718	$ (111,024)
Expenditures				
Principal on Debt				
General Government	$ 857,620	$ 893,064	$ 890,957	$ 33,337
Interest on Debt				
General Government	366,371	492,062	492,062	125,691
Other Debt Service				
General Government	270,110	22,100	276,411	6,301
Total Expenditures	$ 1,494,101	$ 1,407,226	$ 1,659,430	$ 165,329
Excess (Deficiency) of Revenues Over Expenditures	$ (477,407)	$ (279,508)	$ (531,712)	$ 54,305
Other Financing Sources (Uses)				
Refunding Debt Issued	$ 5,520,000	$ 0	$ 5,520,000	$ 0
Transfers In	462,817	258,527	258,527	204,290
Payments to Refunded Debt Escrow Agent	(5,323,386)	0	(5,323,386)	0
Total Other Financing Sources (Uses)	$ 659,431	$ 258,527	$ 455,141	$ 204,290
Net Change in Fund Balance	$ 182,024	$ (20,981)	$ (76,571)	$ 258,595
Fund Balance, July 1, 2008	1,635,439	1,635,262	1,635,262	177
Fund Balance, June 30, 2009	$ 1,817,463	$ 1,614,281	$ 1,558,691	$ 258,772

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Fiduciary Funds

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

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

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

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Exhibit H-1

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

	Agency Funds		
	Cities - Sales Tax	Constitutional Officers - Agency	Total
ASSETS			
Cash	$ 0	$ 719,662	$ 719,662
Accounts Receivable	0	77	77
Due from Other Governments	113,981	0	113,981
Total Assets	$ 113,981	$ 719,739	$ 833,720
LIABILITIES			
Due to Other Taxing Units	$ 113,981	$ 0	$ 113,981
Due to Litigants, Heirs, and Others	0	719,739	719,739
Total Liabilities	$ 113,981	$ 719,739	$ 833,720

Exhibit H-2

Overton 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
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 751,168	$ 751,168	$ 0
Due from Other Governments	126,287	113,981	126,287	113,981
Total Assets	$ 126,287	$ 865,149	$ 877,455	$ 113,981
Liabilities				
Due to Other Taxing Units	$ 126,287	$ 865,149	$ 877,455	$ 113,981
Total Liabilities	$ 126,287	$ 865,149	$ 877,455	$ 113,981
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 884,918	$ 5,113,230	$ 5,278,486	$ 719,662
Accounts Receivable	190	77	190	77
Total Assets	$ 885,108	$ 5,113,307	$ 5,278,676	$ 719,739
Liabilities				
Due to Litigants, Heirs, and Others	$ 885,108	$ 5,113,307	$ 5,278,676	$ 719,739
Total Liabilities	$ 885,108	$ 5,113,307	$ 5,278,676	$ 719,739
Totals - All Agency Funds				
Assets				
Cash	$ 884,918	$ 5,113,230	$ 5,278,486	$ 719,662
Equity in Pooled Cash and Investments	0	751,168	751,168	0
Accounts Receivable	190	77	190	77
Due from Other Governments	126,287	113,981	126,287	113,981
Total Assets	$ 1,011,395	$ 5,978,456	$ 6,156,131	$ 833,720
Liabilities				
Due to Other Taxing Units	$ 126,287	$ 865,149	$ 877,455	$ 113,981
Due to Litigants, Heirs, and Others	885,108	5,113,307	5,278,676	719,739
Total Liabilities	$ 1,011,395	$ 5,978,456	$ 6,156,131	$ 833,720

Overton County School Department

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

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

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

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

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

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Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Total Governmental Activities
Governmental Activities:				
Instruction	$ 14,124,744	$ 65,052	$ 2,011,193	$ (12,048,499)
Support Services	7,536,726	0	140,876	(7,395,850)
Operation of Non-Instructional Services	2,798,593	510,977	1,485,273	(802,343)
Other Debt Service	504,538	0	0	(504,538)
Total Governmental Activities	$ 24,964,601	$ 576,029	$ 3,637,342	$ (20,751,230)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				$ 1,754,178
Local Option Sales Taxes				1,430,383
Wheel Tax				570,904
Wholesale Beer Tax				132,958
Other Local Taxes				4,743
Grants and Contributions Not Restricted for Specific Programs				17,491,755
Interest Income				466
Sale of Equipment				43
Miscellaneous				16,215
Total General Revenues				$ 21,401,645
Insurance Recovery				$ 6,705
Change in Net Assets				$ 657,120
Net Assets, July 1, 2008				10,000,161
Net Assets, June 30, 2009				$ 10,657,281

Exhibit I-2

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

	Major Fund General Purpose School	Nonmajor Funds Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash	$ 0	$ 210	$ 210
Equity in Pooled Cash and Investments	3,353,999	561,633	3,915,632
Inventories	0	53,907	53,907
Due from Other Governments	389,520	130,273	519,793
Due from Other Funds	356	162	518
Property Taxes Receivable	1,916,557	0	1,916,557
Allowance for Uncollectible Property Taxes	(35,872)	0	(35,872)
Total Assets	$ 5,624,560	$ 746,185	$ 6,370,745
LIABILITIES AND FUND BALANCES			
Liabilities			
Accrued Payroll	$ 48,057	$ 0	$ 48,057
Payroll Deductions Payable	1	0	1
Cash Overdraft	0	31,347	31,347
Due to Other Funds	162	0	162
Due to State of Tennessee	1	0	1
Deferred Revenue - Current Property Taxes	1,786,277	0	1,786,277
Deferred Revenue - Delinquent Property Taxes	88,769	0	88,769
Other Deferred Revenues	112,000	0	112,000
Total Liabilities	$ 2,035,267	$ 31,347	$ 2,066,614
Fund Balances			
Reserved for Encumbrances	$ 459,345	$ 6,343	$ 465,688
Other Local Education Reserves	84,002	53,907	137,909
Reserved for Career Ladder - Extended Contract	2,372	0	2,372
Reserved for Career Ladder Program	7,903	0	7,903
Reserved for Basic Education Program	2,410,834	0	2,410,834
Reserved for Title I Grants to Local Education Agencies	0	3,092	3,092
Reserved for Special Education - Grants to States	0	7,536	7,536
Other Federal Reserves	0	30,924	30,924
Unreserved, Reported In:			
General Fund	624,837	0	624,837
Special Revenue Funds	0	245,911	245,911
Debt Service Funds	0	367,125	367,125
Total Fund Balances	$ 3,589,293	$ 714,838	$ 4,304,131
Total Liabilities and Fund Balances	$ 5,624,560	$ 746,185	$ 6,370,745

Exhibit I-3

Overton County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Overton County School Department
June 30, 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)		$ 4,304,131
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 460,517	
Add: buildings and improvements net of accumulated depreciation	16,102,862	
Add: infrastructure net of accumulated depreciation	821,569	
Add: other capital assets net of accumulated depreciation	1,244,873	18,629,821
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	$ (11,730,000)	
Less: other postemployment benefits obligations	(559,704)	
Less: compensated absences payable	(98,312)	
Less: accrued interest on bonds	(89,424)	(12,477,440)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		200,769
Net assets of governmental activities (Exhibit A)		$ 10,657,281

Exhibit I-4

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

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
Revenues			
Local Taxes	$ 3,851,830	$ 110,904	$ 3,962,734
Licenses and Permits	1,653	0	1,653
Charges for Current Services	20,050	510,977	531,027
Other Local Revenues	83,260	4,110	87,370
State of Tennessee	17,789,381	18,536	17,807,917
Federal Government	181,671	3,216,546	3,398,217
Total Revenues	$ 21,927,845	$ 3,861,073	$ 25,788,918
Expenditures			
Current:			
Instruction	$ 11,951,657	$ 1,400,014	$ 13,351,671
Support Services	7,066,771	669,996	7,736,767
Operation of Non-Instructional Services	731,400	1,714,345	2,445,745
Capital Outlay	202,604	0	202,604
Debt Service:			
Principal on Debt	0	535,000	535,000
Interest on Debt	0	506,105	506,105
Other Debt Service	0	1,272	1,272
Total Expenditures	$ 19,952,432	$ 4,826,732	$ 24,779,164
Excess (Deficiency) of Revenues Over Expenditures	$ 1,975,413	$ (965,659)	$ 1,009,754
Other Financing Sources (Uses)			
Insurance Recovery	$ 6,705	$ 0	$ 6,705
Transfers In	13,871	956,205	970,076
Transfers Out	(956,205)	(13,871)	(970,076)
Total Other Financing Sources (Uses)	$ (935,629)	$ 942,334	$ 6,705
Net Change in Fund Balances	$ 1,039,784	$ (23,325)	$ 1,016,459
Fund Balance, July 1, 2008	2,549,509	738,163	3,287,672
Fund Balance, June 30, 2009	$ 3,589,293	$ 714,838	$ 4,304,131

Exhibit I-5

Overton County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Overton County School Department
For the Year Ended June 30, 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)		$ 1,016,459
(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	$ 381,933	
Less: current year depreciation expense	(678,453)	(296,520)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets		(23,585)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2009	$ 200,769	
Less: deferred delinquent property taxes and other deferred June 30, 2008	(488,109)	(287,340)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on bonds		535,000
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued interest	$ 2,839	
Change in other postemployment benefits obligations	(280,059)	
Change in compensated absences payable	(9,674)	(286,894)
Change in net assets of governmental activities (Exhibit B)		$ 657,120

Exhibit I-6

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

	Special Revenue Funds			Debt Service Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Debt Service	Nonmajor Governmental Funds
ASSETS					
Cash	$ 0	$ 210	$ 210	$ 0	$ 210
Equity in Pooled Cash and Investments	0	194,508	194,508	367,125	561,633
Inventories	0	53,907	53,907	0	53,907
Due from Other Governments	79,080	51,193	130,273	0	130,273
Due from Other Funds	162	0	162	0	162
Total Assets	$ 79,242	$ 299,818	$ 379,060	$ 367,125	$ 746,185
LIABILITIES AND FUND BALANCES					
Liabilities					
Cash Overdraft	$ 31,347	$ 0	$ 31,347	$ 0	$ 31,347
Total Liabilities	$ 31,347	$ 0	$ 31,347	$ 0	$ 31,347
Fund Balances					
Reserved for Encumbrances	$ 6,343	$ 0	$ 6,343	$ 0	$ 6,343
Other Local Education Reserves	0	53,907	53,907	0	53,907
Reserved for Title I Grants to Local Education Agencies	3,092	0	3,092	0	3,092
Reserved for Special Education - Grants to States	7,536	0	7,536	0	7,536
Other Federal Reserves	30,924	0	30,924	0	30,924
Unreserved	0	245,911	245,911	367,125	613,036
Total Fund Balances	$ 47,895	$ 299,818	$ 347,713	$ 367,125	$ 714,838
Total Liabilities and Fund Balances	$ 79,242	$ 299,818	$ 379,060	$ 367,125	$ 746,185

Exhibit I-7

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

	Special Revenue Funds			Debt Service Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Debt Service	Nonmajor Governmental Funds
Revenues					
Local Taxes	$ 0	$ 0	$ 0	$ 110,904	$ 110,904
Charges for Current Services	0	510,977	510,977	0	510,977
Other Local Revenues	0	4,110	4,110	0	4,110
State of Tennessee	0	18,536	18,536	0	18,536
Federal Government	2,067,722	1,148,824	3,216,546	0	3,216,546
Total Revenues	$ 2,067,722	$ 1,682,447	$ 3,750,169	$ 110,904	$ 3,861,073
Expenditures					
Current:					
Instruction	$ 1,400,014	$ 0	$ 1,400,014	$ 0	$ 1,400,014
Support Services	669,996	0	669,996	0	669,996
Operation of Non-Instructional Services	0	1,714,345	1,714,345	0	1,714,345
Debt Service:					
Principal on Debt	0	0	0	535,000	535,000
Interest on Debt	0	0	0	506,105	506,105
Other Debt Service	0	0	0	1,272	1,272
Total Expenditures	$ 2,070,010	$ 1,714,345	$ 3,784,355	$ 1,042,377	$ 4,826,732
Excess (Deficiency) of Revenues Over Expenditures	$ (2,288)	$ (31,898)	$ (34,186)	$ (931,473)	$ (965,659)
Other Financing Sources (Uses)					
Transfers In	$ 0	$ 0	$ 0	$ 956,205	$ 956,205
Transfers Out	(13,871)	0	(13,871)	0	(13,871)
Total Other Financing Sources (Uses)	$ (13,871)	$ 0	$ (13,871)	$ 956,205	$ 942,334
Net Change in Fund Balances	$ (16,159)	$ (31,898)	$ (48,057)	$ 24,732	$ (23,325)
Fund Balance, July 1, 2008	64,054	331,716	395,770	342,393	738,163
Fund Balance, June 30, 2009	$ 47,895	$ 299,818	$ 347,713	$ 367,125	$ 714,838

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 3,851,830	$ 0	$ 0	$ 3,851,830	$ 3,795,214	$ 3,795,214	$ 56,616
Licenses and Permits	1,653	0	0	1,653	1,510	1,510	143
Charges for Current Services	20,050	0	0	20,050	27,905	27,905	(7,855)
Other Local Revenues	83,260	0	0	83,260	86,696	86,696	(3,436)
State of Tennessee	17,789,381	0	0	17,789,381	16,979,429	17,398,658	390,723
Federal Government	181,671	0	0	181,671	106,921	198,271	(16,600)
Total Revenues	$ 21,927,845	$ 0	$ 0	$ 21,927,845	$ 20,997,675	$ 21,508,254	$ 419,591
Expenditures							
Instruction							
Regular Instruction Program	$ 9,797,557	$ (288,602)	$ 280,581	$ 9,789,536	$ 9,873,695	$ 10,051,539	$ 262,003
Alternative Instruction Program	60,655	0	0	60,655	61,110	61,439	784
Special Education Program	1,225,463	0	487	1,225,950	1,237,462	1,262,897	36,947
Vocational Education Program	821,234	0	0	821,234	849,900	859,019	37,785
Adult Education Program	46,748	0	286	47,034	48,561	59,540	12,506
Support Services							
Attendance	135,109	0	0	135,109	137,488	138,142	3,033
Health Services	52,942	0	0	52,942	55,972	57,713	4,771
Other Student Support	543,022	(9,342)	999	534,679	593,525	563,392	28,713
Regular Instruction Program	554,167	(1,119)	0	553,048	570,646	582,808	29,760
Special Education Program	150,694	0	0	150,694	151,348	153,165	2,471
Vocational Education Program	73,899	0	0	73,899	74,769	75,277	1,378
Adult Programs	55,805	0	0	55,805	55,924	58,065	2,260
Other Programs	107,438	0	0	107,438	0	107,438	0

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Board of Education	$ 289,022	$ 0	$ 76	$ 289,098	$ 313,157	$ 316,657	$ 27,559
Director of Schools	117,996	0	0	117,996	117,721	118,051	55
Office of the Principal	1,608,474	0	0	1,608,474	1,641,570	1,646,410	37,936
Fiscal Services	231,204	(2,682)	2,049	230,571	243,802	245,826	15,255
Operation of Plant	1,884,563	(57,248)	0	1,827,315	1,954,911	1,954,911	127,596
Maintenance of Plant	270,096	(7,205)	0	262,891	264,667	280,809	17,918
Transportation	992,340	(214,884)	142,554	920,010	1,124,650	994,875	74,865
Operation of Non-Instructional Services							
Food Service	0	0	0	0	0	21,014	21,014
Community Services	266,026	(144)	0	265,882	0	270,500	4,618
Early Childhood Education	465,374	(2,801)	29,213	491,786	494,292	496,262	4,476
Capital Outlay							
Regular Capital Outlay	202,604	(15,500)	3,100	190,204	200,000	200,000	9,796
Total Expenditures	$ 19,952,432	$ (599,527)	$ 459,345	$ 19,812,250	$ 20,065,170	$ 20,575,749	$ 763,499
Excess (Deficiency) of Revenues Over Expenditures	$ 1,975,413	$ 599,527	$ (459,345)	$ 2,115,595	$ 932,505	$ 932,505	$ 1,183,090
Other Financing Sources (Uses)							
Insurance Recovery	$ 6,705	$ 0	$ 0	$ 6,705	$ 0	$ 0	$ 6,705
Transfers In	13,871	0	0	13,871	23,700	23,700	(9,829)
Transfers Out	(956,205)	0	0	(956,205)	(956,205)	(956,205)	0
Total Other Financing Sources (Uses)	$ (935,629)	$ 0	$ 0	$ (935,629)	$ (932,505)	$ (932,505)	$ (3,124)
Net Change in Fund Balance	$ 1,039,784	$ 599,527	$ (459,345)	$ 1,179,966	$ 0	$ 0	$ 1,179,966
Fund Balance, July 1, 2008	2,549,509	(599,527)	0	1,949,982	2,200,595	2,200,595	(250,613)
Fund Balance, June 30, 2009	$ 3,589,293	$ 0	$ (459,345)	$ 3,129,948	$ 2,200,595	$ 2,200,595	$ 929,353

Exhibit I-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Federal Government	$ 2,067,722	$ 0	$ 0	$ 2,067,722	$ 2,138,946	$ 2,143,239	$ (75,517)
Total Revenues	$ 2,067,722	$ 0	$ 0	$ 2,067,722	$ 2,138,946	$ 2,143,239	$ (75,517)
Expenditures							
Instruction							
Regular Instruction Program	$ 636,297	$ (3,483)	$ 0	$ 632,814	$ 661,888	$ 671,716	$ 38,902
Special Education Program	737,309	0	990	738,299	721,488	721,488	(16,811)
Vocational Education Program	26,408	(10)	4,538	30,936	30,300	30,936	0
Support Services							
Health Services	14,984	0	0	14,984	15,761	15,761	777
Other Student Support	280,585	(1,765)	815	279,635	469,867	290,456	10,821
Regular Instruction Program	300,328	(324)	0	300,004	135,055	308,676	8,672
Special Education Program	27,253	0	0	27,253	31,552	31,552	4,299
Vocational Education Program	2,819	0	0	2,819	3,000	2,819	0
Transportation	44,027	0	0	44,027	45,473	45,473	1,446
Total Expenditures	$ 2,070,010	$ (5,582)	$ 6,343	$ 2,070,771	$ 2,114,384	$ 2,118,877	$ 48,106
Excess (Deficiency) of Revenues Over Expenditures	$ (2,288)	$ 5,582	$ (6,343)	$ (3,049)	$ 24,562	$ 24,362	$ (27,411)
Other Financing Sources (Uses)							
Transfers In	$ 0	$ 0	$ 0	$ 0	$ 97,852	$ 97,852	$ (97,852)
Transfers Out	(13,871)	0	0	(13,871)	(122,414)	(122,214)	108,343
Total Other Financing Sources (Uses)	$ (13,871)	$ 0	$ 0	$ (13,871)	$ (24,562)	$ (24,362)	$ 10,491
Net Change in Fund Balance	$ (16,159)	$ 5,582	$ (6,343)	$ (16,920)	$ 0	$ 0	$ (16,920)
Fund Balance, July 1, 2008	64,054	(5,582)	0	58,472	0	0	58,472
Fund Balance, June 30, 2009	$ 47,895	$ 0	$ (6,343)	$ 41,552	$ 0	$ 0	$ 41,552

Exhibit I-10

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 510,977	$ 581,600	$ 581,600	$ (70,623)
Other Local Revenues	4,110	2,500	2,500	1,610
State of Tennessee	18,536	76,500	19,500	(964)
Federal Government	1,148,824	960,000	1,017,000	131,824
Total Revenues	$ 1,682,447	$ 1,620,600	$ 1,620,600	$ 61,847
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 1,643,712	$ 1,556,600	$ 1,556,600	$ (87,112)
Community Services	70,633	59,000	59,000	(11,633)
Total Expenditures	$ 1,714,345	$ 1,615,600	$ 1,615,600	$ (98,745)
Excess (Deficiency) of Revenues Over Expenditures	$ (31,898)	$ 5,000	$ 5,000	$ (36,898)
Other Financing Sources (Uses)				
Transfers Out	$ 0	$ (5,000)	$ (5,000)	$ 5,000
Total Other Financing Sources (Uses)	$ 0	$ (5,000)	$ (5,000)	$ 5,000
Net Change in Fund Balance	$ (31,898)	$ 0	$ 0	$ (31,898)
Fund Balance, July 1, 2008	331,716	269,583	269,583	62,133
Fund Balance, June 30, 2009	$ 299,818	$ 269,583	$ 269,583	$ 30,235

Exhibit I-11

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 110,904	$ 87,000	$ 87,000	$ 23,904
Total Revenues	$ 110,904	$ 87,000	$ 87,000	$ 23,904
Expenditures				
Principal on Debt				
Education	$ 535,000	$ 535,000	$ 535,000	$ 0
Interest on Debt				
Education	506,105	506,105	506,105	0
Other Debt Service				
Education	1,272	2,100	2,100	828
Total Expenditures	$ 1,042,377	$ 1,043,205	$ 1,043,205	$ 828
Excess (Deficiency) of Revenues Over Expenditures	$ (931,473)	$ (956,205)	$ (956,205)	$ 24,732
Other Financing Sources (Uses)				
Transfers In	$ 956,205	$ 956,205	$ 956,205	$ 0
Total Other Financing Sources (Uses)	$ 956,205	$ 956,205	$ 956,205	$ 0
Net Change in Fund Balance	$ 24,732	$ 0	$ 0	$ 24,732
Fund Balance, July 1, 2008	342,393	349,153	349,153	(6,760)
Fund Balance, June 30, 2009	$ 367,125	$ 349,153	$ 349,153	$ 17,972

MISCELLANEOUS SCHEDULES

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Exhibit J-1

Overton County, Tennessee
Schedule of Changes in Long-term Notes, Bonds, and Other Loans
Primary Government and Discretely Presented Overton County School Department
For the Year Ended June 30, 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	Debt Refunded	Outstanding 6-30-09
PRIMARY GOVERNMENT									
NOTES PAYABLE									
Payable through General Debt Service Fund									
Volunteer State Community College	$ 500,000	3 %	11-23-04	11-23-16	$ 374,999	$ 0	$ 41,667	$ 0	$ 333,332
Airport Improvements	125,000	3.9	7-12-05	7-1-08	43,000	0	43,000	0	0
Convenience Center and Library Land	125,000	3.75	9-27-05	9-2-08	41,666	0	41,666	0	0
Library	1,515,000	4.35 to 5	12-21-05	6-30-18	662,599	0	110,000	0	552,599
Patrol Cars	134,604	4.85	6-28-06	6-28-09	44,868	0	44,868	0	0
Industrial Park	850,000	5.07	3-29-07	4-1-19	779,167	0	70,834	0	708,333
Highway Equipment	901,000	4.31	10-1-07	11-1-16	901,000	0	100,111	0	800,889
Patrol Cars and Ambulance Remount	270,000	4	10-1-07	10-1-10	245,000	0	90,000	0	155,000
Backhoe	55,000	4	10-1-07	10-1-10	55,000	0	18,333	0	36,667
Rolloff Truck	117,980	3.47	5-20-09	5-20-12	0	117,980	0	0	117,980
Ambulance	75,000	3.47	5-20-09	5-20-12	0	75,000	0	0	75,000
Health Department Addition	58,000	3.47	6-9-09	6-9-12	0	58,000	0	0	58,000
Total Notes Payable					$ 3,147,299	$ 250,980	$ 560,479	$ 0	$ 2,837,800
BONDS PAYABLE									
Payable through General Debt Service Fund									
Courthouse Renovation - F.H.A.	450,000	5	Various	3-31-09	$ 210,000	$ 0	$ 15,000	$ 195,000	$ 0
Senior Citizens Building - F.H.A.	200,000	5.625	2-23-1993	3-31-09	137,527	0	4,141	133,386	0
General Obligation Bond - Jail Renovation	6,500,000	3.6 to 4.9	12-30-1998	3-31-09	5,220,000	0	225,000	4,995,000	0
Industrial Park Land - F.H.A.	1,650,000	4.5	4-21-03	4-21-27	1,122,855	0	39,150	0	1,083,705
General Obligation Refunding - Series 2009	5,520,000	2 to 4.1	3-31-09	6-1-24	0	5,520,000	0	0	5,520,000
Total Bonds Payable					$ 6,690,382	$ 5,520,000	$ 283,291	$ 5,323,386	$ 6,603,705
OTHER LOANS PAYABLE									
Montgomery County Public Building Authority									
Payable through General Debt Service Fund									
Airport Runway Expansion	135,120	Variable	8-14-03	8-14-13	$ 74,250	$ 0	$ 13,850	$ 0	$ 60,400

(Continued)

Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-09
DISCRETELY PRESENTED OVERTON COUNTY SCHOOL DEPARTMENT									
BONDS PAYABLE									
Payable through Education Debt Service Fund									
School Refunding Bonds, Series 2004	$ 7,795,000	2 to 5 %	3-26-04	4-1-20	$ 7,285,000	$ 0	$ 495,000	$ 0	$ 6,790,000
School Refunding Bonds, Series 2005	5,090,000	3.5 to 4.3	7-28-05	6-30-25	4,980,000	0	40,000	0	4,940,000
Total Bonds Payable					$ 12,265,000	$ 0	$ 535,000	$ 0	$ 11,730,000

Exhibit J-2

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

PRIMARY GOVERNMENT

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2010	$ 519,605	$ 120,904	$ 640,509
2011	494,605	99,390	593,995
2012	416,270	79,509	495,779
2013	337,611	61,201	398,812
2014	290,210	45,685	335,895
2015	212,611	32,539	245,150
2016	212,610	23,324	235,934
2017	212,611	14,007	226,618
2018	70,833	7,282	78,115
2019	70,834	3,641	74,475
Total	$ 2,837,800	$ 487,482	$ 3,325,282

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2010	$ 340,911	$ 239,437	$ 580,348
2011	347,752	231,596	579,348
2012	354,676	220,522	575,198
2013	366,687	209,211	575,898
2014	378,787	197,511	576,298
2015	390,983	185,415	576,398
2016	398,277	172,921	571,198
2017	415,675	159,138	574,813
2018	428,180	144,573	572,753
2019	445,798	129,005	574,803
2020	458,534	112,024	570,558
2021	481,393	94,155	575,548
2022	499,381	74,567	573,948
2023	517,503	54,245	571,748
2024	545,765	33,183	578,948
2025	79,175	10,503	89,678
2026	82,737	6,941	89,678
2027	71,491	3,218	74,709
Total	$ 6,603,705	$ 2,278,165	$ 8,881,870

(Continued)

Exhibit J-2

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

PRIMARY GOVERNMENT (CONT.)

Year Ending June 30	Other Loan Principal	Other Loan Interest	Other Loan Fees	Total Other Loan Requirements
2010	$ 14,330	$ 236	$ 1,340	$ 15,906
2011	14,830	180	1,264	16,274
2012	15,350	122	1,186	16,658
2013	15,890	61	1,104	17,055
Total	$ 60,400	$ 599	$ 4,894	$ 65,893

DISCRETELY PRESENTED OVERTON COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2010	$ 545,000	$ 493,816	$ 1,038,816
2011	555,000	479,791	1,034,791
2012	570,000	464,228	1,034,228
2013	585,000	446,728	1,031,728
2014	615,000	417,878	1,032,878
2015	645,000	387,528	1,032,528
2016	675,000	355,678	1,030,678
2017	715,000	322,328	1,037,328
2018	750,000	287,028	1,037,028
2019	790,000	249,978	1,039,978
2020	820,000	218,378	1,038,378
2021	810,000	185,578	995,578
2022	855,000	153,178	1,008,178
2023	895,000	118,123	1,013,123
2024	935,000	80,980	1,015,980
2025	970,000	41,710	1,011,710
Total	$ 11,730,000	$ 4,702,928	$ 16,432,928

Exhibit J-3

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

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	General Debt Service	Debt retirement	$ 28,020
Solid Waste/Sanitation	General	Operations	32,000
Solid Waste/Sanitation	General Debt Service	Debt retirement	4,078
Highway/Public Works	General Debt Service	"	40,000
General Capital Projects	General Debt Service	"	186,830
Community Development/Industrial Park	General Debt Service	"	203,889
Total Transfers Primary Government			$ 494,817
DISCRETELY PRESENTED OVERTON COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect cost	$ 13,871
General Purpose School	Education Debt Service	Debt retirement	956,205
Total Transfers Discretely Presented Overton County School Department			$ 970,076

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	$ 66,702	$ 100,000	RLI Insurance Company
Highway Superintendent:				
Charles Parrott (7-1-08 through 8-31-08)	Section 8-24-102, TCA	10,588	100,000	RLI Insurance Company
Joe Garrett (9-1-08 through 6-30-09)	Section 8-24-102, TCA	52,939	100,000	Western Surety Company
Director of Schools	State Board of Education and County Board of Education	79,686 (1)	(2)	
Trustee	Section 8-24-102, TCA	57,751	724,000	RLI Insurance Company
Assessor of Property	Section 8-24-102, TCA	57,751	10,000	Western Surety Company
County Clerk	Section 8-24-102, TCA	57,751	50,000	"
Circuit Court Clerk	Section 8-24-102, TCA	57,751	50,000	RLI Insurance Company
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	57,751 (3)	75,000	Western Surety Company
Register	Section 8-24-102, TCA	57,751	25,000	Western Surety Company
Sheriff	Section 8-24-102, TCA	63,527 (4)	25,000	RLI Insurance Company
Employee Blanket Bonds:				
Public Employees Dishonesty - County Departments			150,000	Local Government Property and Casualty
Public Employees Dishonesty - School Department			150,000	Tennessee Risk Management Trust

(1) Includes chief executive officer training supplement of $1,000.
(2) The director of schools is covered under the public employee dishonesty bond.
(3) Does not include special commissioner fees of $200.
(4) Does not include $600 for a law enforcement training supplement.

Exhibit J-5

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Local Taxes						
County Property Taxes						
Current Property Tax	$ 2,794,608	$ 0	$ 273,895	$ 0	$ 0	$ 109,625
Trustee's Collections - Prior Year	152,132	0	12,963	0	0	6,487
Circuit/Clerk & Master Collections - Prior Years	47,114	0	4,048	0	0	1,995
Interest and Penalty	29,347	0	2,554	0	0	1,234
Pick-up Taxes	5,119	0	419	0	0	233
Payments in-Lieu-of Taxes - Other	4,224	0	414	0	0	166
County Local Option Taxes						
Local Option Sales Tax	275,227	0	439,169	0	0	0
Litigation Tax - General	117,707	238	0	0	0	0
Litigation Tax - Special Purpose	0	4,144	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	23,463	0	0	0	0	0
Business Tax	100,022	0	0	0	0	0
Mineral Severance Tax	73,916	0	0	0	0	55,791
Statutory Local Taxes						
Bank Excise Tax	52,552	0	5,152	0	0	2,061
Total Local Taxes	$ 3,675,431	$ 4,382	$ 738,614	$ 0	$ 0	$ 177,592
Licenses and Permits						
Permits						
Beer Permits	$ 750	$ 0	$ 0	$ 0	$ 0	$ 0
Total Licenses and Permits	$ 750	$ 0	$ 0	$ 0	$ 0	$ 0
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 2,079	$ 0	$ 0	$ 0	$ 0	$ 0
Officers Costs	4,787	0	0	0	0	0
Drug Control Fines	0	0	0	11,957	0	0
Jail Fees	1,600	0	0	0	0	0
DUI Treatment Fines	475	0	0	0	0	0
Data Entry Fee - Circuit Court	438	0	0	0	0	0

(Continued)

Exhibit J-5

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)						
Criminal Court						
Drug Court Fees	$ 2,221	$ 0	$ 0	$ 0	$ 0	$ 0
General Sessions Court						
Fines	21,606	0	0	0	0	0
Officers Costs	36,208	0	0	0	0	0
Drug Control Fines	0	0	0	9,850	0	0
Drug Court Fees	4,661	0	0	0	0	0
Jail Fees	14,140	0	0	0	0	0
DUI Treatment Fines	3,457	0	0	0	0	0
Data Entry Fee - General Sessions Court	4,434	0	0	0	0	0
Courtroom Security Fee	250	0	0	0	0	0
Juvenile Court						
Fines	578	0	0	0	0	0
Chancery Court						
Officers Costs	2,102	0	0	0	0	0
Data Entry Fee - Chancery Court	19,874	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	0	26,463	0	0
Total Fines, Forfeitures, and Penalties	$ 118,910	$ 0	$ 0	$ 48,270	$ 0	$ 0
Charges for Current Services						
General Service Charges						
Tipping Fees	$ 0	$ 0	$ 213,196	$ 0	$ 0	$ 0
Patient Charges	1,130,680	0	0	0	0	0
Work Release Charges for Board	620	0	0	0	0	0
Other General Service Charges	17,500	0	0	0	0	0
Service Charges	3,844	0	0	0	0	0
Fees						
Copy Fees	4,338	0	0	0	0	0
Telephone Commissions	2,638	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	4,736	0

(Continued)

Exhibit J-5

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Charges for Current Services (Cont.)						
Fees (Cont.)						
Data Processing Fee - Register	$ 8,532	$ 0	$ 0	$ 0	$ 0	$ 0
Probation Fees	401	0	0	0	0	0
Data Processing Fee - Sheriff	3,592	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,805	0	0	0	0	0
Education Charges						
Tuition - Other	64,501	0	0	0	0	0
Total Charges for Current Services	$ 1,238,451	$ 0	$ 213,196	$ 0	$ 4,736	$ 0
Other Local Revenues						
Recurring Items						
Investment Income	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Lease/Rentals	7,350	0	0	0	0	0
Sale of Materials and Supplies	50	0	0	0	0	0
Commissary Sales	56,000	0	0	0	0	0
Sale of Recycled Materials	64	0	26,349	0	0	0
Refund of Telecommunication & Internet Fees (E-Rate)	823	0	0	0	0	0
Miscellaneous Refunds	60,215	0	4,843	0	0	6,227
Nonrecurring Items						
Sale of Equipment	1,750	0	12,100	0	0	8,025
Sale of Property	3,003	0	0	0	0	0
Damages Recovered from Individuals	835	0	335	0	0	0
Contributions and Gifts	10,753	0	0	0	0	0
Total Other Local Revenues	$ 140,843	$ 0	$ 43,627	$ 0	$ 0	$ 14,252
Fees Received from County Officials						
Fees in-Lieu-of Salary						
County Clerk	$ 209,845	$ 0	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	205,673	0	0	0	0	0
Clerk and Master	36,945	0	0	0	0	0
Register	89,687	0	0	0	0	0

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds				
		Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Fees Received from County Officials (Cont.)						
Fees in-Lieu-of Salary (Cont.)						
Sheriff	$ 14,297	$ 0	$ 0	$ 0	$ 0	$ 0
Trustee	226,957	0	0	0	0	0
Total Fees Received from County Officials	$ 783,404	$ 0	$ 0	$ 0	$ 0	$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 9,000	$ 0	$ 0	$ 0	$ 0	$ 0
State Reappraisal Grant	9,033	0	0	0	0	0
Solid Waste Grants	0	0	13,712	0	0	0
On-Behalf Contributions for OPEB	1,762	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	10,800	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	0	0	32,936
Litter Program	32,807	0	0	0	0	0
Other State Revenues						
Income Tax	36,801	0	0	0	0	0
Beer Tax	18,701	0	0	0	0	0
Alcoholic Beverage Tax	38,831	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0	0
Emergency Hospital - Prisoners	2,582	0	0	0	0	0
Board of Jurors	2,754	0	0	0	0	0
Contracted Prisoner Boarding	945,245	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,571,909
Petroleum Special Tax	0	0	0	0	0	16,157
Registrar's Salary Supplement	10,817	0	0	0	0	0
Other State Grants	5,912	0	37,086	0	0	0
Other State Revenues	3,963	0	0	4,002	0	0
Total State of Tennessee	$ 1,129,008	$ 0	$ 50,798	$ 4,002	$ 0	$ 1,621,002

(Continued)

Exhibit J-5

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Federal Government						
Federal Through State						
Other Federal through State	$ 59,914	$ 0	$ 0	$ 0	$ 0	$ 0
Direct Federal Revenue						
Other Direct Federal Revenue	187,668	0	0	0	0	0
Total Federal Government	$ 247,582	$ 0	$ 0	$ 0	$ 0	$ 0
Other Governments and Citizens Groups						
Other Governments						
Prisoner Board	$ 90,962	$ 0	$ 0	$ 0	$ 0	$ 0
Contracted Services	0	0	0	0	0	0
Total Other Governments and Citizens Groups	$ 90,962	$ 0	$ 0	$ 0	$ 0	$ 0
Total	$ 7,425,341	$ 4,382	$ 1,046,235	$ 52,272	$ 4,736	$ 1,812,846

(Continued)

Exhibit J-5

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

	Debt Service Fund	Capital Projects Funds		
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
Local Taxes				
County Property Taxes				
Current Property Tax	$ 356,555	$ 0	$ 0	$ 3,534,683
Trustee's Collections - Prior Year	24,242	0	0	195,824
Circuit/Clerk & Master Collections - Prior Years	7,422	0	0	60,579
Interest and Penalty	4,544	0	0	37,679
Pick-up Taxes	931	0	0	6,702
Payments in-Lieu-of Taxes - Other	538	0	0	5,342
County Local Option Taxes				
Local Option Sales Tax	0	0	0	714,396
Litigation Tax - General	0	0	0	117,945
Litigation Tax - Special Purpose	0	0	0	4,144
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	23,463
Business Tax	0	0	0	100,022
Mineral Severance Tax	0	0	0	129,707
Statutory Local Taxes				
Bank Excise Tax	6,698	0	0	66,463
Total Local Taxes	$ 400,930	$ 0	$ 0	$ 4,996,949
Licenses and Permits				
Permits				
Beer Permits	$ 0	$ 0	$ 0	$ 750
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 750
Fines, Forfeitures, and Penalties				
Circuit Court				
Fines	$ 0	$ 0	$ 0	$ 2,079
Officers Costs	0	0	0	4,787
Drug Control Fines	0	0	0	11,957
Jail Fees	0	0	0	1,600
DUI Treatment Fines	0	0	0	475
Data Entry Fee - Circuit Court	0	0	0	438

(Continued)

Exhibit J-5

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

	Debt Service Fund	Capital Projects Funds		
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
Fines, Forfeitures, and Penalties (Cont.)				
Criminal Court				
Drug Court Fees	$ 0	$ 0	$ 0	$ 2,221
General Sessions Court				
Fines	0	0	0	21,606
Officers Costs	0	0	0	36,208
Drug Control Fines	0	0	0	9,850
Drug Court Fees	0	0	0	4,661
Jail Fees	0	0	0	14,140
DUI Treatment Fines	0	0	0	3,457
Data Entry Fee - General Sessions Court	0	0	0	4,434
Courtroom Security Fee	0	0	0	250
Juvenile Court				
Fines	0	0	0	578
Chancery Court				
Officers Costs	0	0	0	2,102
Data Entry Fee - Chancery Court	0	0	0	19,874
Other Fines, Forfeitures, and Penalties				
Proceeds from Confiscated Property	0	0	0	26,463
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 167,180
Charges for Current Services				
General Service Charges				
Tipping Fees	$ 0	$ 0	$ 0	$ 213,196
Patient Charges	0	0	0	1,130,680
Work Release Charges for Board	0	0	0	620
Other General Service Charges	0	0	0	17,500
Service Charges	0	0	0	3,844
Fees				
Copy Fees	0	0	0	4,338
Telephone Commissions	0	0	0	2,638
Constitutional Officers' Fees and Commissions	0	0	0	4,736

(Continued)

Exhibit J-5

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

	Debt Service Fund	Capital Projects Funds		
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
Charges for Current Services (Cont.)				
Fees (Cont.)				
Data Processing Fee - Register	$ 0	$ 0	$ 0	$ 8,532
Probation Fees	0	0	0	401
Data Processing Fee - Sheriff	0	0	0	3,592
Sexual Offender Registration Fees - Sheriff	0	0	0	1,805
Education Charges				
Tuition - Other	0	0	0	64,501
Total Charges for Current Services	$ 0	$ 0	$ 0	$ 1,456,383
Other Local Revenues				
Recurring Items				
Investment Income	$ 153,539	$ 1,093	$ 0	$ 154,632
Lease/Rentals	3,104	0	0	10,454
Sale of Materials and Supplies	0	0	0	50
Commissary Sales	0	0	0	56,000
Sale of Recycled Materials	0	0	0	26,413
Refund of Telecommunication & Internet Fees (E-Rate)	0	0	0	823
Miscellaneous Refunds	20	0	0	71,305
Nonrecurring Items				
Sale of Equipment	0	0	0	21,875
Sale of Property	0	0	0	3,003
Damages Recovered from Individuals	0	0	0	1,170
Contributions and Gifts	0	0	0	10,753
Total Other Local Revenues	$ 156,663	$ 1,093	$ 0	$ 356,478
Fees Received from County Officials				
Fees in-Lieu-of Salary				
County Clerk	$ 0	$ 0	$ 0	$ 209,845
Circuit Court Clerk	0	0	0	205,673
Clerk and Master	0	0	0	36,945
Register	0	0	0	89,687

(Continued)

Exhibit J-5

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

	Debt Service Fund	Capital Projects Funds		
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
Fees Received from County Officials (Cont.)				
Fees in-Lieu-of Salary (Cont.)				
Sheriff	$ 0	$ 0	$ 0	$ 14,297
Trustee	0	0	0	226,957
Total Fees Received from County Officials	$ 0	$ 0	$ 0	$ 783,404
State of Tennessee				
General Government Grants				
Juvenile Services Program	$ 0	$ 0	$ 0	$ 9,000
State Reappraisal Grant	0	0	0	9,033
Solid Waste Grants	0	0	0	13,712
On-Behalf Contributions for OPEB	0	0	0	1,762
Public Safety Grants				
Law Enforcement Training Programs	0	0	0	10,800
Public Works Grants				
State Aid Program	0	0	0	32,936
Litter Program	0	0	0	32,807
Other State Revenues				
Income Tax	0	0	0	36,801
Beer Tax	0	0	0	18,701
Alcoholic Beverage Tax	0	0	0	38,831
State Revenue Sharing - T.V.A.	459,101	0	0	459,101
Emergency Hospital - Prisoners	0	0	0	2,582
Board of Jurors	0	0	0	2,754
Contracted Prisoner Boarding	0	0	0	945,245
Gasoline and Motor Fuel Tax	0	0	0	1,571,909
Petroleum Special Tax	0	0	0	16,157
Registrar's Salary Supplement	0	0	0	10,817
Other State Grants	0	0	164,795	207,793
Other State Revenues	0	0	0	7,965
Total State of Tennessee	$ 459,101	$ 0	$ 164,795	$ 3,428,706

(Continued)

Exhibit J-5

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

	Debt Service Fund	Capital Projects Funds		
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
Federal Government				
Federal Through State				
Other Federal through State	$ 0	$ 0	$ 0	$ 59,914
Direct Federal Revenue				
Other Direct Federal Revenue	0	0	126,606	314,274
Total Federal Government	$ 0	$ 0	$ 126,606	$ 374,188
Other Governments and Citizens Groups				
Other Governments				
Prisoner Board	$ 0	$ 0	$ 0	$ 90,962
Contracted Services	0	0	28,021	28,021
Total Other Governments and Citizens Groups	$ 0	$ 0	$ 28,021	$ 118,983
Total	$ 1,016,694	$ 1,093	$ 319,422	$ 11,683,021

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Debt Service	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 1,616,876	$ 0	$ 0	$ 0	$ 1,616,876
Trustee's Collections - Prior Year	95,783	0	0	0	95,783
Circuit/Clerk & Master Collections - Prior Years	29,424	0	0	0	29,424
Interest and Penalty	18,207	0	0	0	18,207
Pick-up Taxes	3,258	0	0	0	3,258
Payments in-Lieu-of Taxes - Other	2,443	0	0	0	2,443
County Local Option Taxes					
Local Option Sales Tax	1,457,740	0	0	0	1,457,740
Wheel Tax	460,000	0	0	110,904	570,904
Other County Local Option Taxes	124	0	0	0	124
Statutory Local Taxes					
Bank Excise Tax	30,398	0	0	0	30,398
Wholesale Beer Tax	132,958	0	0	0	132,958
Interstate Telecommunications Tax	4,619	0	0	0	4,619
Total Local Taxes	$ 3,851,830	$ 0	$ 0	$ 110,904	$ 3,962,734
Licenses and Permits					
Licenses					
Marriage Licenses	$ 1,653	$ 0	$ 0	$ 0	$ 1,653
Total Licenses and Permits	$ 1,653	$ 0	$ 0	$ 0	$ 1,653
Charges for Current Services					
Education Charges					
Lunch Payments - Children	$ 0	$ 0	$ 248,545	$ 0	$ 248,545
Lunch Payments - Adults	0	0	54,218	0	54,218
Income from Breakfast	0	0	37,127	0	37,127
Special Milk Sales	0	0	2,950	0	2,950
A la carte Sales	0	0	168,137	0	168,137
Receipts from Individual Schools	20,050	0	0	0	20,050
Total Charges for Current Services	$ 20,050	$ 0	$ 510,977	$ 0	$ 531,027
Other Local Revenues					
Recurring Items					
Investment Income	$ 0	$ 0	$ 466	$ 0	$ 466
Refund of Telecommunication & Internet Fees (E-Rate)	45,002	0	0	0	45,002
Miscellaneous Refunds	12,571	0	3,644	0	16,215
Nonrecurring Items					
Sale of Equipment	43	0	0	0	43
Contributions and Gifts	25,644	0	0	0	25,644
Total Other Local Revenues	$ 83,260	$ 0	$ 4,110	$ 0	$ 87,370
State of Tennessee					
General Government Grants					
On-Behalf Contributions for OPEB	$ 107,438	$ 0	$ 0	$ 0	$ 107,438
State Education Funds					
Basic Education Program	16,129,823	0	0	0	16,129,823
Early Childhood Education	494,292	0	0	0	494,292
School Food Service	0	0	18,536	0	18,536

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Debt Service	Total
State of Tennessee (Cont.)					
State Education Funds (Cont.)					
Driver Education	$ 9,478	$ 0	$ 0	$ 0	$ 9,478
Other State Education Funds	619,200	0	0	0	619,200
Career Ladder Program	198,414	0	0	0	198,414
Career Ladder - Extended Contract	104,600	0	0	0	104,600
Other State Revenues					
Alcoholic Beverage Tax	2,878	0	0	0	2,878
Other State Grants	104,979	0	0	0	104,979
Other State Revenues	18,279	0	0	0	18,279
Total State of Tennessee	$ 17,789,381	$ 0	$ 18,536	$ 0	$ 17,807,917
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 756,871	$ 0	$ 756,871
Breakfast	0	0	303,024	0	303,024
USDA - Other	0	0	88,929	0	88,929
Adult Education State Grant Program	66,704	0	0	0	66,704
Vocational Education - Basic Grants to States	0	61,282	0	0	61,282
Title I Grants to Local Education Agencies	0	786,345	0	0	786,345
Special Education - Grants to States	29,994	912,313	0	0	942,307
Special Education Preschool Grants	0	23,289	0	0	23,289
Safe and Drug-Free Schools - State Grants	64,986	0	0	0	64,986
Rural Education	0	79,218	0	0	79,218
Eisenhower Professional Development State Grants	0	189,365	0	0	189,365
Job Training Partnership Act	17,000	0	0	0	17,000
Other Federal through State	2,987	15,910	0	0	18,897
Total Federal Government	$ 181,671	$ 2,067,722	$ 1,148,824	$ 0	$ 3,398,217
Total	$ 21,927,845	$ 2,067,722	$ 1,682,447	$ 110,904	$ 25,788,918

Exhibit J-7

Overton 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	$ 50,000	
Social Security	3,825	
State Retirement	1,561	
Accounting Services	8,473	
Audit Services	6,035	
Dues and Memberships	8,905	
Travel	148	
Total County Commission		$ 78,947
Board of Equalization		
Board and Committee Members Fees	$ 1,200	
Total Board of Equalization		1,200
County Mayor/Executive		
County Official/Administrative Officer	$ 66,702	
Accountants/Bookkeepers	25,036	
Secretary(ies)	21,571	
Social Security	8,626	
State Retirement	5,428	
Medical Insurance	5,131	
Communication	4,615	
Data Processing Services	8,093	
Legal Notices, Recording, and Court Costs	2,007	
Maintenance and Repair Services - Vehicles	109	
Travel	2,620	
Duplicating Supplies	492	
Office Supplies	7,618	
Other Charges	11,196	
Office Equipment	774	
Total County Mayor/Executive		170,018
County Attorney		
Social Security	$ 207	
Legal Services	4,165	
Total County Attorney		4,372
Election Commission		
County Official/Administrative Officer	$ 52,552	
Clerical Personnel	21,985	
Election Commission	5,450	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
General Government (Cont.)		
Election Commission (Cont.)		
Election Workers	$ 23,655	
In-Service Training	295	
Social Security	7,010	
State Retirement	3,108	
Medical Insurance	3,076	
Communication	1,045	
Data Processing Services	2,819	
Legal Notices, Recording, and Court Costs	1,910	
Printing, Stationery, and Forms	2,564	
Travel	3,192	
Other Contracted Services	18,970	
Electricity	1,703	
Office Supplies	2,685	
Office Equipment	1,922	
Total Election Commission		$ 153,941
Register of Deeds		
County Official/Administrative Officer	$ 57,751	
Deputy(ies)	23,007	
Clerical Personnel	22,887	
Part-time Personnel	7,384	
Social Security	8,015	
State Retirement	4,965	
Medical Insurance	6,222	
Communication	1,311	
Data Processing Services	7,944	
Travel	240	
Other Contracted Services	3,056	
Office Supplies	2,863	
Total Register of Deeds		145,645
Planning		
Supervisor/Director	$ 1,200	
Board and Committee Members Fees	1,240	
Social Security	95	
Contracts with Government Agencies	9,250	
Total Planning		11,785
County Buildings		
Custodial Personnel	$ 56,395	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Maintenance Personnel	$ 21,320	
Overtime Pay	270	
Social Security	5,869	
State Retirement	1,832	
Medical Insurance	7,321	
Communication	3,826	
Maintenance and Repair Services - Buildings	33,211	
Maintenance and Repair Services - Vehicles	590	
Custodial Supplies	6,663	
Electricity	97,721	
Gasoline	2,085	
Natural Gas	22,808	
Uniforms	1,146	
Utilities	4,198	
Total County Buildings		$ 265,255
Other General Administration		
Teachers	$ 1,375	
Social Security	105	
Unemployment Compensation	5,115	
On-Behalf Payments to OPEB	1,762	
Engineering Services	1,188	
Evaluation and Testing	2,166	
Licenses	3,807	
Medical and Dental Services	244	
Remittance of Revenue Collected	6,519	
Other Supplies and Materials	9,853	
Liability Insurance	246,301	
Premiums on Corporate Surety Bonds	7,241	
Trustee's Commission	81,534	
Workers' Compensation Insurance	178,327	
Building Construction	2,500	
Total Other General Administration		548,037
Finance		
Accounting and Budgeting		
County Official/Administrative Officer	$ 41,754	
Social Security	3,194	
State Retirement	2,000	
Total Accounting and Budgeting		46,948

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Finance (Cont.)		
Property Assessor's Office		
County Official/Administrative Officer	$ 57,751	
Deputy(ies)	22,765	
Clerical Personnel	18,500	
Social Security	7,575	
State Retirement	4,743	
Medical Insurance	8,718	
Communication	2,181	
Data Processing Services	7,803	
Maintenance and Repair Services - Vehicles	442	
Travel	4,971	
Other Contracted Services	4,950	
Duplicating Supplies	181	
Office Supplies	4,234	
Office Equipment	330	
Total Property Assessor's Office		$ 145,144
Reappraisal Program		
Assistant(s)	$ 22,765	
Social Security	1,556	
State Retirement	1,091	
Medical Insurance	3,691	
Data Processing Services	2,512	
Postal Charges	462	
Office Supplies	223	
Total Reappraisal Program		32,300
County Trustee's Office		
County Official/Administrative Officer	$ 57,751	
Deputy(ies)	18,500	
Clerical Personnel	18,689	
Social Security	7,263	
State Retirement	4,547	
Medical Insurance	8,750	
Communication	1,489	
Data Processing Services	4,420	
Legal Notices, Recording, and Court Costs	335	
Travel	213	
Duplicating Supplies	260	
Office Supplies	7,022	
Office Equipment	10,806	
Total County Trustee's Office		140,045

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Finance (Cont.)		
County Clerk's Office		
County Official/Administrative Officer	$ 57,751	
Supervisor/Director	18,500	
Deputy(ies)	37,000	
Accountants/Bookkeepers	20,334	
Social Security	10,219	
State Retirement	5,919	
Medical Insurance	18,588	
Communication	3,226	
Data Processing Services	1,608	
Travel	49	
Office Supplies	8,092	
Office Equipment	5,891	
Total County Clerk's Office		$ 187,177
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 57,751	
Deputy(ies)	22,403	
Clerical Personnel	88,287	
Board and Committee Members Fees	100	
Jury and Witness Fees	11,160	
Social Security	12,631	
State Retirement	8,068	
Medical Insurance	17,223	
Communication	4,543	
Data Processing Services	7,379	
Office Supplies	7,761	
Office Equipment	1,416	
Total Circuit Court		238,722
General Sessions Court		
Judge(s)	$ 86,152	
Secretary(ies)	21,486	
Social Security	8,208	
State Retirement	5,156	
Medical Insurance	3,733	
Office Supplies	1,273	
Total General Sessions Court		126,008

(Continued)

Exhibit J-7

Overton 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)	22,644	
Clerical Personnel	40,617	
Social Security	8,652	
State Retirement	2,417	
Medical Insurance	9,294	
Communication	2,205	
Data Processing Services	5,610	
Office Supplies	5,521	
Total Chancery Court		$ 154,711
Juvenile Court		
Guidance Personnel	$ 9,000	
Social Security	688	
Other Contracted Services	3,150	
Total Juvenile Court		12,838
Judicial Commissioners		
County Official/Administrative Officer	$ 15,930	
Social Security	1,219	
State Retirement	252	
Medical Insurance	500	
Total Judicial Commissioners		17,901
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 63,527	
Deputy(ies)	359,912	
Investigator(s)	57,862	
Captain(s)	28,142	
Lieutenant(s)	1,737	
Sergeant(s)	115,239	
Salary Supplements	10,800	
Secretary(ies)	18,678	
Overtime Pay	14,733	
Other Salaries and Wages	24,803	
In-Service Training	10,965	
Social Security	53,168	
State Retirement	27,161	
Medical Insurance	25,573	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Communication	$ 11,801	
Maintenance and Repair Services - Equipment	1,978	
Maintenance and Repair Services - Vehicles	14,095	
Other Contracted Services	8,190	
Gasoline	69,479	
Office Supplies	15,331	
Tires and Tubes	7,060	
Uniforms	9,285	
Vehicle Parts	10,110	
Motor Vehicles	4,500	
Office Equipment	1,015	
Other Equipment	89,434	
Total Sheriff's Department		$ 1,054,578
Jail		
County Official/Administrative Officer	$ 26,141	
Sergeant(s)	88,377	
Guards	426,589	
Clerical Personnel	36,469	
Cafeteria Personnel	19,926	
Overtime Pay	19,588	
In-Service Training	22	
Social Security	46,994	
State Retirement	21,876	
Medical Insurance	31,675	
Contracts with Other Public Agencies	525	
Maintenance and Repair Services - Buildings	89,412	
Medical and Dental Services	174,792	
Other Contracted Services	9,626	
Custodial Supplies	37,202	
Electricity	41,255	
Food Supplies	158,425	
Natural Gas	62,318	
Uniforms	2,508	
Other Supplies and Materials	10,336	
Office Equipment	1,391	
Other Equipment	24,953	
Total Jail		1,330,400

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Fire Prevention and Control		
Contracts with Government Agencies	$ 1,000	
Contributions	96,000	
Electricity	1,348	
Total Fire Prevention and Control		$ 98,348
Civil Defense		
Supervisor/Director	$ 3,614	
Social Security	276	
Maintenance and Repair Services - Equipment	1,139	
Travel	100	
Electricity	1,383	
Gasoline	701	
Other Equipment	547	
Total Civil Defense		7,760
Rescue Squad		
Contributions	$ 5,000	
Total Rescue Squad		5,000
Other Emergency Management		
Contributions	$ 170,000	
Total Other Emergency Management		170,000
County Coroner/Medical Examiner		
Other Contracted Services	$ 18,240	
Total County Coroner/Medical Examiner		18,240
Public Health and Welfare		
Local Health Center		
Other Salaries and Wages	$ 2,804	
Social Security	215	
Advertising	1,375	
Architects	19,172	
Communication	4,091	
Contracts with Other Public Agencies	17,500	
Contributions	1,500	
Maintenance and Repair Services - Buildings	2,353	
Travel	816	
Custodial Supplies	84	
Drugs and Medical Supplies	886	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Local Health Center (Cont.)		
Instructional Supplies and Materials	$ 5,496	
Office Supplies	1,711	
Utilities	17,315	
Other Supplies and Materials	8,325	
Building Construction	271,186	
Furniture and Fixtures	100	
Office Equipment	869	
Total Local Health Center		$ 355,798
Ambulance/Emergency Medical Services		
Supervisor/Director	$ 42,422	
Paraprofessionals	393,395	
Secretary(ies)	24,000	
Attendants	271,549	
Overtime Pay	130,117	
In-Service Training	3,677	
Social Security	63,450	
State Retirement	31,140	
Medical Insurance	53,073	
Communication	10,304	
Maintenance and Repair Services - Buildings	4,779	
Maintenance and Repair Services - Equipment	879	
Maintenance and Repair Services - Vehicles	25,344	
Other Contracted Services	5,000	
Custodial Supplies	3,675	
Drugs and Medical Supplies	47,471	
Electricity	17,433	
Gasoline	39,441	
Natural Gas	8,221	
Office Supplies	11,485	
Tires and Tubes	1,313	
Uniforms	5,716	
In Service/Staff Development	3,581	
Office Equipment	3,324	
Total Ambulance/Emergency Medical Services		1,200,789
Alcohol and Drug Programs		
Maintenance and Repair Services - Vehicles	$ 278	
Drugs and Medical Supplies	3,952	
Total Alcohol and Drug Programs		4,230

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Regional Mental Health Center		
Contracts with Other Public Agencies	$ 6,327	
Total Regional Mental Health Center		$ 6,327
Aid to Dependent Children		
Contracts with Other Public Agencies	$ 400	
Total Aid to Dependent Children		400
Social, Cultural, and Recreational Services		
Senior Citizens Assistance		
Contributions	$ 9,439	
Utilities	7,731	
Total Senior Citizens Assistance		17,170
Libraries		
Supervisor/Director	$ 24,572	
Other Salaries and Wages	45,051	
Social Security	5,160	
State Retirement	2,434	
Medical Insurance	3,111	
Data Processing Services	799	
Dues and Memberships	175	
Maintenance and Repair Services - Buildings	3,934	
Custodial Supplies	171	
Office Supplies	2,005	
Utilities	23,444	
Other Equipment	142,626	
Total Libraries		253,482
Other Social, Cultural, and Recreational		
Contributions	$ 17,500	
Other Charges	25,000	
Total Other Social, Cultural, and Recreational		42,500
Agriculture and Natural Resources		
Agriculture Extension Service		
Salary Supplements	$ 44,958	
Social Security	572	
Extension Service Medicare	544	
State Retirement	3,608	
Communication	3,262	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Agriculture and Natural Resources (Cont.)		
Agriculture Extension Service (Cont.)		
Contributions	$ 1,354	
Total Agriculture Extension Service		$ 54,298
Soil Conservation		
Supervisor/Director	$ 18,500	
Temporary Personnel	13,547	
Social Security	1,415	
State Retirement	886	
Total Soil Conservation		34,348
Other Operations		
Industrial Development		
Contributions	$ 19,500	
Other Charges	5,294	
Total Industrial Development		24,794
Airport		
Contracts with Government Agencies	$ 6,000	
Airport Improvement	50,000	
Total Airport		56,000
Veterans' Services		
Supervisor/Director	$ 12,403	
Secretary(ies)	13,790	
Social Security	1,947	
State Retirement	661	
Communication	1,573	
Contributions	9,723	
Travel	915	
Office Supplies	1,758	
Other Charges	1,600	
Office Equipment	110	
Total Veterans' Services		44,480
Contributions to Other Agencies		
Contributions	$ 12,515	
Total Contributions to Other Agencies		12,515

(Continued)

Exhibit J-7

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

General Fund (Cont.)			
Highways			
Traffic Control			
Maintenance and Repair Services - Vehicles	$ 18		
Gasoline	1,000		
Road Signs	4,288		
Tires and Tubes	216		
Total Traffic Control		$ 5,522	
Litter and Trash Collection			
Supervisor/Director	$ 21,784		
Social Security	1,181		
State Retirement	740		
Medical Insurance	1,500		
Advertising	4,405		
Maintenance and Repair Services - Vehicles	7		
Custodial Supplies	166		
Gasoline	1,540		
Total Litter and Trash Collection		31,323	
Total General Fund			$ 7,309,296
Courthouse and Jail Maintenance Fund			
General Government			
County Buildings			
Maintenance and Repair Services - Buildings	$ 9,749		
Total County Buildings		$ 9,749	
Other Operations			
Other Charges			
Trustee's Commission	$ 47		
Total Other Charges		47	
Total Courthouse and Jail Maintenance Fund			9,796
Solid Waste/Sanitation Fund			
General Government			
Other General Administration			
Data Processing Services	$ 3,563		
Evaluation and Testing	410		
Legal Notices, Recording, and Court Costs	81		
Travel	54		
Office Supplies	1,152		

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)		
General Government (Cont.)		
Other General Administration (Cont.)		
Liability Insurance	$ 21,561	
Trustee's Commission	12,362	
Workers' Compensation Insurance	30,330	
Building Construction	1,000	
Total Other General Administration		$ 70,513
Public Health and Welfare		
Convenience Centers		
Laborers	$ 86,595	
Social Security	6,625	
State Retirement	760	
Medical Insurance	2,174	
Communication	3,158	
Maintenance and Repair Services - Equipment	820	
Rentals	5,850	
Custodial Supplies	864	
Electricity	7,174	
Water and Sewer	2,993	
Site Development	16	
Other Equipment	33	
Total Convenience Centers		117,062
Transfer Stations		
Supervisor/Director	$ 31,492	
Equipment Operators	25,875	
Truck Drivers	42,743	
Laborers	16,122	
Attendants	18,533	
Social Security	10,309	
State Retirement	5,533	
Medical Insurance	15,580	
Communication	1,214	
Maintenance and Repair Services - Equipment	15,097	
Disposal Fees	465,940	
Other Contracted Services	1,150	
Diesel Fuel	21,989	
Lubricants	820	
Tires and Tubes	4,650	
Other Supplies and Materials	1,147	
Other Charges	19,055	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)			
Public Health and Welfare (Cont.)			
Transfer Stations (Cont.)			
Motor Vehicles	$ 121,879		
Total Transfer Stations		$ 819,128	
Recycling Center			
Communication	$ 1,317		
Maintenance and Repair Services - Buildings	277		
Maintenance and Repair Services - Equipment	373		
Custodial Supplies	1,877		
Electricity	4,151		
Gasoline	1,236		
Uniforms	3,223		
Water and Sewer	267		
Other Supplies and Materials	874		
Other Equipment	39,312		
Total Recycling Center		52,907	
Other Waste Disposal			
Other Construction	$ 360		
Total Other Waste Disposal		360	
Postclosure Care Costs			
Testing	$ 19,571		
Total Postclosure Care Costs		19,571	
Total Solid Waste/Sanitation Fund			$ 1,079,541
Drug Control Fund			
Public Safety			
Drug Enforcement			
Investigator(s)	$ 18,814		
Overtime Pay	348		
Social Security	1,466		
State Retirement	918		
Medical Insurance	1,640		
Confidential Drug Enforcement Payments	20,700		
Dues and Memberships	300		
Tow-in Services	2,370		
Veterinary Services	20		
Other Contracted Services	2,500		
Animal Food and Supplies	468		

(Continued)

Exhibit J-7

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

Drug Control Fund (Cont.)			
Public Safety (Cont.)			
Drug Enforcement (Cont.)			
Other Supplies and Materials	$ 1,364		
Trustee's Commission	229		
Motor Vehicles	14,100		
Total Drug Enforcement		$ 65,237	
Total Drug Control Fund			$ 65,237
Constitutional Officers - Fees Fund			
Finance			
County Trustee's Office			
Constitutional Officers' Operating Expenses	$ 595		
Total County Trustee's Office		$ 595	
County Clerk's Office			
Constitutional Officers' Operating Expenses	$ 87		
Total County Clerk's Office		87	
Administration of Justice			
Chancery Court			
Constitutional Officers' Operating Expenses	$ 4,054		
Total Chancery Court		4,054	
Total Constitutional Officers - Fees Fund			4,736
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 63,527		
Supervisor/Director	28,377		
Communication	7,925		
Dues and Memberships	3,624		
Evaluation and Testing	2,086		
Legal Notices, Recording, and Court Costs	72		
Licenses	202		
Maintenance and Repair Services - Buildings	500		
Postal Charges	64		
Travel	315		
Penalties	1,000		
Electricity	3,274		
Office Supplies	893		

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Administration (Cont.)		
Utilities	$ 4,029	
Other Charges	105	
Traffic Control Equipment	67	
Total Administration		$ 116,060
Highway and Bridge Maintenance		
Supervisor/Director	$ 101,395	
Equipment Operators	240,807	
Truck Drivers	68,002	
Laborers	54,093	
Overtime Pay	352	
Freight Expenses	1,096	
Rentals	263	
Other Contracted Services	1,458	
Asphalt	138,146	
Asphalt - Cold Mix	15,498	
Asphalt - Hot Mix	71,627	
Concrete	8	
Crushed Stone	31,395	
Pipe - Metal	13,382	
Road Signs	4,006	
Salt	1,574	
Other Supplies and Materials	3,295	
Other Charges	10,603	
Total Highway and Bridge Maintenance		757,000
Operation and Maintenance of Equipment		
Mechanic(s)	$ 68,059	
Maintenance and Repair Services - Equipment	15,423	
Equipment and Machinery Parts	38,303	
Gasoline	122,706	
Lubricants	12,292	
Sand	20	
Small Tools	2,076	
Tires and Tubes	20,681	
Total Operation and Maintenance of Equipment		279,560
Quarry Operations		
Supervisor/Director	$ 25,100	
Equipment Operators	31,776	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Quarry Operations (Cont.)			
Explosive and Drilling Services	$ 29,089		
Operating Lease Payments	9,600		
Maintenance and Repair Services - Equipment	1,877		
Penalties	463		
Electricity	44,248		
Equipment and Machinery Parts	18,742		
Lubricants	1,866		
Other Charges	4,556		
Total Quarry Operations		$ 167,317	
Other Charges			
Other Contracted Services	$ 687		
Liability Insurance	135,943		
Premiums on Corporate Surety Bonds	450		
Trustee's Commission	18,897		
Workers' Compensation Insurance	71,114		
Total Other Charges		227,091	
Employee Benefits			
Social Security	$ 51,055		
State Retirement	27,369		
Medical Insurance	193,692		
Unemployment Compensation	7,167		
Total Employee Benefits		279,283	
Capital Outlay			
Bridge Construction	$ 2,083		
Communication Equipment	1,166		
Highway Equipment	48,332		
Total Capital Outlay		51,581	
Total Highway/Public Works Fund			$ 1,877,892
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 283,291		
Principal on Notes	560,479		
Principal on Other Loans	13,850		
Total General Government		$ 857,620	

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)			
Interest on Debt			
General Government			
Interest on Bonds	$ 226,095		
Interest on Notes	139,449		
Interest on Other Loans	827		
Total General Government		$ 366,371	
Other Debt Service			
General Government			
Fiscal Agent Charges	$ 1,772		
Trustee's Commission	14,027		
Underwriter's Discount	41,400		
Other Debt Issuance Charges	155,214		
Other Debt Service	57,697		
Total General Government		270,110	
Total General Debt Service Fund			$ 1,494,101
General Capital Projects Fund			
Capital Projects			
General Administration Projects			
Architects	$ 1,381		
Trustee's Commission	11		
Total General Administration Projects		$ 1,392	
Total General Capital Projects Fund			1,392
Community Development/Industrial Park Fund			
Capital Projects			
Other General Government Projects			
Engineering Services	$ 4,826		
Contracts for Development Costs	126,772		
Other Contracted Services	1,000		
Total Other General Government Projects		$ 132,598	
Total Community Development/Industrial Park Fund			132,598
Total Governmental Funds - Primary Government			$ 11,974,589

Exhibit J-8

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

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 6,974,927	
Career Ladder Program	99,060	
Career Ladder Extended Contracts	63,400	
Homebound Teachers	7,149	
Educational Assistants	59,352	
Other Salaries and Wages	75,836	
Certified Substitute Teachers	54,571	
Non-certified Substitute Teachers	91,385	
Social Security	428,209	
State Retirement	451,997	
Life Insurance	3,761	
Medical Insurance	779,046	
Unemployment Compensation	4,448	
Employer Medicare	102,414	
Payments to Retirees	83,394	
Maintenance and Repair Services - Equipment	333	
Other Contracted Services	31,611	
Instructional Supplies and Materials	78,790	
Textbooks	252,064	
Other Supplies and Materials	42,789	
Fee Waivers	45,817	
Other Charges	2,153	
Regular Instruction Equipment	65,051	
Total Regular Instruction Program		$ 9,797,557
Alternative Instruction Program		
Teachers	$ 48,466	
Career Ladder Program	1,000	
Social Security	3,016	
State Retirement	3,176	
Life Insurance	24	
Medical Insurance	4,247	
Unemployment Compensation	21	
Employer Medicare	705	
Total Alternative Instruction Program		60,655
Special Education Program		
Teachers	$ 874,883	
Career Ladder Program	14,000	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Special Education Program (Cont.)		
Homebound Teachers	$ 18,514	
Other Salaries and Wages	44,727	
Non-certified Substitute Teachers	450	
Social Security	56,811	
State Retirement	61,058	
Life Insurance	516	
Medical Insurance	112,500	
Unemployment Compensation	528	
Employer Medicare	13,287	
Contracts with Private Agencies	16,740	
Maintenance and Repair Services - Equipment	150	
Instructional Supplies and Materials	3,780	
Other Supplies and Materials	2,622	
Other Charges	296	
Special Education Equipment	4,601	
Total Special Education Program		$ 1,225,463
Vocational Education Program		
Teachers	$ 583,495	
Career Ladder Program	7,060	
Certified Substitute Teachers	240	
Non-certified Substitute Teachers	1,550	
Social Security	34,298	
State Retirement	37,913	
Life Insurance	360	
Medical Insurance	86,705	
Unemployment Compensation	318	
Employer Medicare	8,021	
Maintenance and Repair Services - Equipment	170	
Tuition	51,890	
Instructional Supplies and Materials	4,962	
Textbooks	3,539	
Other Supplies and Materials	639	
Vocational Instruction Equipment	74	
Total Vocational Education Program		821,234
Adult Education Program		
Teachers	$ 14,319	
Other Salaries and Wages	18,861	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Adult Education Program (Cont.)		
Social Security	$ 1,803	
State Retirement	1,639	
Medical Insurance	3,830	
Unemployment Compensation	26	
Employer Medicare	463	
Instructional Supplies and Materials	4,150	
Other Supplies and Materials	1,076	
Other Charges	581	
Total Adult Education Program		$ 46,748
Support Services		
Attendance		
Supervisor/Director	$ 61,256	
Career Ladder Program	2,000	
Other Salaries and Wages	38,601	
Social Security	5,882	
State Retirement	6,304	
Life Insurance	36	
Medical Insurance	14,410	
Unemployment Compensation	42	
Employer Medicare	1,375	
Travel	776	
Other Supplies and Materials	701	
Attendance Equipment	3,726	
Total Attendance		135,109
Health Services		
Medical Personnel	$ 44,013	
Social Security	2,686	
State Retirement	2,108	
Unemployment Compensation	77	
Employer Medicare	628	
Travel	2,660	
Other Supplies and Materials	661	
Other Charges	109	
Total Health Services		52,942
Other Student Support		
Career Ladder Program	$ 9,750	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Other Student Support (Cont.)		
Guidance Personnel	$ 379,829	
Psychological Personnel	289	
Career Ladder Extended Contracts	7,000	
Assessment Personnel	1,155	
Other Salaries and Wages	24,582	
Social Security	22,082	
State Retirement	24,569	
Life Insurance	232	
Medical Insurance	48,081	
Unemployment Compensation	241	
Employer Medicare	5,826	
Evaluation and Testing	13,436	
Other Contracted Services	5,950	
Total Other Student Support		$ 543,022
Regular Instruction Program		
Supervisor/Director	$ 21,333	
Career Ladder Program	16,250	
Career Ladder Extended Contracts	18,900	
Librarians	260,252	
Instructional Computer Personnel	20,425	
Clerical Personnel	14,370	
Other Salaries and Wages	70,053	
Social Security	24,794	
State Retirement	26,404	
Life Insurance	192	
Medical Insurance	40,471	
Unemployment Compensation	174	
Employer Medicare	5,799	
Maintenance and Repair Services - Equipment	150	
Travel	12,100	
Other Contracted Services	3,190	
Library Books/Media	10,330	
Other Supplies and Materials	2,340	
In Service/Staff Development	5,832	
Other Equipment	808	
Total Regular Instruction Program		554,167

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Special Education Program		
Supervisor/Director	$ 56,484	
Career Ladder Program	3,000	
Psychological Personnel	38,432	
Career Ladder Extended Contracts	1,400	
Clerical Personnel	14,370	
Social Security	6,392	
State Retirement	7,064	
Life Insurance	48	
Medical Insurance	17,091	
Unemployment Compensation	51	
Employer Medicare	1,495	
Travel	4,650	
Other Charges	78	
Other Equipment	139	
Total Special Education Program		$ 150,694
Vocational Education Program		
Supervisor/Director	$ 55,942	
Career Ladder Program	2,000	
Social Security	3,301	
State Retirement	3,720	
Life Insurance	24	
Medical Insurance	7,839	
Unemployment Compensation	21	
Employer Medicare	772	
Travel	280	
Total Vocational Education Program		73,899
Adult Programs		
Supervisor/Director	$ 27,675	
Career Ladder Program	500	
Clerical Personnel	20,050	
Social Security	1,071	
State Retirement	960	
Medical Insurance	2,910	
Unemployment Compensation	50	
Employer Medicare	659	
Travel	1,572	
Other Supplies and Materials	26	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Adult Programs (Cont.)		
In Service/Staff Development	$ 282	
Other Charges	50	
Total Adult Programs		$ 55,805
Other Programs		
On-Behalf Payments to OPEB	$ 107,438	
Total Other Programs		107,438
Board of Education		
Secretary to Board	$ 2,020	
Other Salaries and Wages	3,500	
Board and Committee Members Fees	27,420	
Social Security	1,395	
State Retirement	552	
Unemployment Compensation	2	
Employer Medicare	469	
Audit Services	4,575	
Legal Services	6,330	
Travel	2,305	
Other Contracted Services	2,500	
Liability Insurance	20,054	
Trustee's Commission	91,911	
Workers' Compensation Insurance	124,588	
Other Charges	1,401	
Total Board of Education		289,022
Director of Schools		
County Official/Administrative Officer	$ 78,686	
Career Ladder Program	1,000	
Social Security	4,881	
State Retirement	5,116	
Life Insurance	24	
Medical Insurance	4,111	
Unemployment Compensation	21	
Employer Medicare	1,142	
Communication	6,611	
Dues and Memberships	9,519	
Postal Charges	3,792	
Travel	2,756	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Director of Schools (Cont.)		
Office Supplies	$ 66	
Other Charges	271	
Total Director of Schools		$ 117,996
Office of the Principal		
Principals	$ 488,778	
Career Ladder Program	15,500	
Assistant Principals	307,892	
Secretary(ies)	394,975	
Other Salaries and Wages	15,297	
Social Security	70,653	
State Retirement	70,971	
Life Insurance	348	
Medical Insurance	123,015	
Unemployment Compensation	761	
Employer Medicare	16,524	
Communication	27,927	
Travel	17,859	
Other Contracted Services	39,130	
Other Supplies and Materials	913	
Excess Risk Insurance	9,310	
In Service/Staff Development	1,565	
Administration Equipment	7,056	
Total Office of the Principal		1,608,474
Fiscal Services		
Accountants/Bookkeepers	$ 102,088	
Secretary(ies)	54,467	
Other Salaries and Wages	27,242	
Social Security	10,745	
State Retirement	8,451	
Medical Insurance	13,681	
Unemployment Compensation	126	
Employer Medicare	2,619	
Other Fringe Benefits	194	
Maintenance and Repair Services - Equipment	178	
Travel	2,762	
Other Contracted Services	3,970	
Data Processing Supplies	1,760	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Fiscal Services (Cont.)		
Office Supplies	$ 1,234	
Administration Equipment	1,687	
Total Fiscal Services		$ 231,204
Operation of Plant		
Custodial Personnel	$ 527,985	
Social Security	30,903	
State Retirement	24,305	
Medical Insurance	79,389	
Unemployment Compensation	788	
Employer Medicare	7,227	
Communication	827	
Janitorial Services	7,575	
Laundry Service	644	
Maintenance and Repair Services - Equipment	2,693	
Pest Control	9,320	
Other Contracted Services	51,373	
Custodial Supplies	60,452	
Electricity	700,240	
Natural Gas	120,075	
Propane Gas	89,746	
Water and Sewer	45,751	
Chemicals	17,658	
Other Supplies and Materials	10,318	
Boiler Insurance	4,583	
Building and Contents Insurance	83,497	
Other Charges	179	
Plant Operation Equipment	9,035	
Total Operation of Plant		1,884,563
Maintenance of Plant		
Maintenance Personnel	$ 142,611	
Social Security	8,493	
State Retirement	6,831	
Medical Insurance	19,276	
Unemployment Compensation	93	
Employer Medicare	1,986	
Communication	1,308	
Maintenance and Repair Services - Buildings	9,050	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Maintenance of Plant (Cont.)		
Maintenance and Repair Services - Equipment	$ 6,040	
Maintenance and Repair Services - Vehicles	115	
Rentals	50	
Other Contracted Services	5,100	
Custodial Supplies	425	
Equipment Parts - Light	16,974	
Equipment and Machinery Parts	5,656	
General Construction Materials	23,882	
Small Tools	4,669	
Uniforms	1,544	
Other Supplies and Materials	10,115	
Vehicle and Equipment Insurance	3,000	
Other Charges	87	
Maintenance Equipment	2,791	
Total Maintenance of Plant		$ 270,096
Transportation		
Supervisor/Director	$ 36,447	
Mechanic(s)	56,711	
Bus Drivers	394,840	
Social Security	28,896	
State Retirement	11,945	
Medical Insurance	21,651	
Unemployment Compensation	797	
Employer Medicare	6,978	
Communication	487	
Maintenance and Repair Services - Equipment	1,532	
Maintenance and Repair Services - Vehicles	196	
Medical and Dental Services	2,355	
Tow-in Services	415	
Other Contracted Services	716	
Custodial Supplies	124	
Diesel Fuel	99,060	
Equipment and Machinery Parts	35	
Garage Supplies	3,286	
Gasoline	13,401	
Lubricants	6,655	
Small Tools	1,266	
Tires and Tubes	26,294	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Transportation (Cont.)		
Uniforms	$ 1,050	
Vehicle Parts	25,431	
Other Supplies and Materials	1,497	
Vehicle and Equipment Insurance	22,794	
Other Charges	3,834	
Transportation Equipment	223,647	
Total Transportation		$ 992,340
Operation of Non-Instructional Services		
Community Services		
Teachers	$ 176,252	
Bus Drivers	720	
Other Salaries and Wages	27,304	
Certified Substitute Teachers	240	
Non-certified Substitute Teachers	25	
Social Security	11,576	
State Retirement	11,952	
Unemployment Compensation	139	
Employer Medicare	2,733	
Other Fringe Benefits	1,079	
Travel	416	
Other Contracted Services	500	
Instructional Supplies and Materials	1,983	
Other Supplies and Materials	14,260	
In Service/Staff Development	2,441	
Other Charges	5,240	
Regular Instruction Equipment	9,166	
Total Community Services		266,026
Early Childhood Education		
Supervisor/Director	$ 20,714	
Teachers	181,914	
Clerical Personnel	8,854	
Educational Assistants	74,686	
Certified Substitute Teachers	720	
Non-certified Substitute Teachers	1,150	
Social Security	16,731	
State Retirement	16,929	
Life Insurance	120	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Early Childhood Education (Cont.)			
Medical Insurance	$ 26,263		
Unemployment Compensation	234		
Employer Medicare	3,913		
Other Fringe Benefits	1,509		
Communication	407		
Maintenance and Repair Services - Equipment	120		
Travel	2,549		
Other Contracted Services	240		
Food Supplies	3,534		
Instructional Supplies and Materials	14,707		
Other Supplies and Materials	4,444		
In Service/Staff Development	2,860		
Other Charges	709		
Building Improvements	54,477		
Other Equipment	27,590		
Total Early Childhood Education		$ 465,374	
Capital Outlay			
Regular Capital Outlay			
Architects	$ 12,400		
Building Improvements	52,528		
Site Development	133,297		
Other Capital Outlay	4,379		
Total Regular Capital Outlay		202,604	
Total General Purpose School Fund			$ 19,952,432
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 305,713		
Educational Assistants	180,974		
Social Security	29,234		
State Retirement	28,108		
Life Insurance	138		
Medical Insurance	59,016		
Unemployment Compensation	415		
Employer Medicare	6,750		
Other Fringe Benefits	2,282		

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)		
Instruction (Cont.)		
Regular Instruction Program (Cont.)		
Instructional Supplies and Materials	$ 23,667	
Total Regular Instruction Program		$ 636,297
Special Education Program		
Teachers	$ 103,673	
Educational Assistants	358,432	
Speech Pathologist	37,835	
Other Salaries and Wages	25,749	
Certified Substitute Teachers	1,290	
Non-certified Substitute Teachers	4,185	
Social Security	31,351	
State Retirement	27,140	
Life Insurance	83	
Medical Insurance	69,520	
Unemployment Compensation	680	
Employer Medicare	7,331	
Other Fringe Benefits	1,197	
Contracts with Private Agencies	8,289	
Evaluation and Testing	2,210	
Instructional Supplies and Materials	45,858	
Other Supplies and Materials	3,787	
Other Charges	4,244	
Special Education Equipment	4,455	
Total Special Education Program		737,309
Vocational Education Program		
Instructional Supplies and Materials	$ 1,086	
Other Supplies and Materials	10	
Vocational Instruction Equipment	25,312	
Total Vocational Education Program		26,408
Support Services		
Health Services		
Medical Personnel	$ 11,823	
Social Security	729	
State Retirement	566	
Unemployment Compensation	17	
Employer Medicare	171	
Travel	1,048	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)		
Support Services (Cont.)		
Health Services (Cont.)		
Drugs and Medical Supplies	$ 630	
Total Health Services		$ 14,984
Other Student Support		
Guidance Personnel	$ 74,686	
Psychological Personnel	49,096	
Attendants	9,596	
Other Salaries and Wages	53,685	
Social Security	10,561	
State Retirement	10,767	
Life Insurance	56	
Medical Insurance	15,867	
Unemployment Compensation	98	
Employer Medicare	2,516	
Other Fringe Benefits	552	
Evaluation and Testing	9,000	
Maintenance and Repair Services - Equipment	150	
Travel	4,118	
Other Contracted Services	2,400	
Other Supplies and Materials	9,561	
In Service/Staff Development	7,224	
Other Charges	13,848	
Other Equipment	6,804	
Total Other Student Support		280,585
Regular Instruction Program		
Supervisor/Director	$ 65,586	
Other Salaries and Wages	136,765	
Social Security	12,099	
State Retirement	12,158	
Life Insurance	79	
Medical Insurance	21,743	
Unemployment Compensation	74	
Employer Medicare	2,495	
Other Fringe Benefits	1,008	
Travel	4,632	
Tuition	3,299	
Other Supplies and Materials	3,663	
In Service/Staff Development	36,727	
Total Regular Instruction Program		300,328

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Special Education Program			
Supervisor/Director	$ 5,109		
Social Security	284		
State Retirement	328		
Life Insurance	2		
Medical Insurance	570		
Employer Medicare	66		
Travel	17,882		
In Service/Staff Development	3,012		
Total Special Education Program		$ 27,253	
Vocational Education Program			
Travel	$ 2,819		
Total Vocational Education Program		2,819	
Transportation			
Bus Drivers	$ 32,604		
Social Security	2,001		
State Retirement	477		
Unemployment Compensation	54		
Employer Medicare	470		
Other Fringe Benefits	430		
Contracts with Parents	7,991		
Total Transportation		44,027	
Total School Federal Projects Fund			$ 2,070,010
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 48,248		
Clerical Personnel	30,067		
Cafeteria Personnel	604,422		
Temporary Personnel	29,110		
Other Salaries and Wages	12,392		
Social Security	42,445		
State Retirement	32,547		
Medical Insurance	81,350		
Unemployment Compensation	1,166		
Employer Medicare	9,927		

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Other Fringe Benefits	$ 19,465		
Maintenance and Repair Services - Equipment	9,180		
Travel	2,366		
Other Contracted Services	16,346		
Food Supplies	636,082		
Other Supplies and Materials	66,104		
In Service/Staff Development	853		
Food Service Equipment	1,642		
Total Food Service		$ 1,643,712	
Community Services			
Supervisor/Director	$ 7,484		
Cafeteria Personnel	21,357		
Social Security	1,879		
State Retirement	1,360		
Life Insurance	22		
Medical Insurance	708		
Unemployment Compensation	15		
Employer Medicare	439		
Other Fringe Benefits	4,866		
Travel	2,112		
Other Contracted Services	903		
Food Supplies	24,475		
Other Supplies and Materials	5,013		
Total Community Services		70,633	
Total Central Cafeteria Fund			$ 1,714,345
Education Debt Service Fund			
Principal on Debt			
Education			
Principal on Bonds	$ 535,000		
Total Education		$ 535,000	
Interest on Debt			
Education			
Interest on Bonds	$ 506,105		
Total Education		506,105	

(Continued)

Exhibit J-8

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

Education Debt Service Fund (Cont.)			
Other Debt Service			
Education			
Trustee's Commission	$ 1,022		
Other Debt Service	250		
Total Education		$ 1,272	
Total Education Debt Service Fund			$ 1,042,377
Total Governmental Funds - Overton County School Department			$ 24,779,164

Exhibit J-9

Overton County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2009

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 751,168
Cash Disbursements	
Remittance of Revenues Collected	$ 743,656
Trustee's Commission	7,512
Total Cash Disbursements	$ 751,168
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2008	0
Cash Balance, June 30, 2009	$ 0

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SINGLE AUDIT SECTION

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

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

October 28, 2009

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Overton County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Overton County's basic financial statements and have issued our report thereon dated October 28, 2009. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Overton County Nursing Home and the Overton/Pickett County Emergency Communications District as described in our report on Overton County's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Overton County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Overton County's internal control over financial

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 09.02, 09.05, 09.06, and 09.07.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Overton County's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Overton County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items: 09.01, 09.03, and 09.04.

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

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

This report is intended solely for the information and use of management, the county mayor, County Commission, highway superintendent, director of schools, Board of Education, others within Overton County, 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,

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

October 28, 2009

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Overton County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Overton County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Overton County's management. Our responsibility is to express an opinion on Overton County's compliance based on our audit.

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

believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Overton County's compliance with those requirements.

In our opinion, Overton County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

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

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

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Overton County as of and for the year ended June 30, 2009, and have issued our report thereon dated October 28, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Overton County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such

information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

This report is intended solely for the information and use of management, the county mayor, County Commission, highway superintendent, director of schools, Board of Education, others within Overton County, 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,

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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Overton 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	$ 303,024
National School Lunch Program	10.555	N/A	767,973 (4)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	113,438 (4)
Passed-through State Department of Human Services:			
Summer Food Service Program for Children	10.559	N/A	77,827
Total U.S. Department of Agriculture			$ 1,262,262
U.S. Department of Labor:			
Passed-through Upper Cumberland Human Resource Agency:			
WIA Youth Activities	17.259	(2)	$ 17,000
Passed-through State Department of Labor and Workforce Development:			
WIA Dislocated Workers	17.260	Z-08-211889-00	2,987
Total U.S. Department of Labor			$ 19,987
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(3)	$ 43,442
U.S. Department of Appalachian Regional Commission:			
Direct Program:			
Appalachian Regional Development	23.001	N/A	$ 126,606
U.S. Institute of Museum and Library Services:			
Direct Program:			
National Leadership Grants	45.312	CL-00-08-002-08	$ 145,372
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(2)	$ 66,704
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	797,694
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	957,179
Special Education - Preschool Grants	84.173	N/A	28,358
Career and Technical Education - Basic Grants to States	84.048	N/A	56,754
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	13,885
Twenty-first Century Community Learning Centers	84.287	(2)	64,986
State Grants for Innovative Programs	84.298	N/A	3,483
Education Technology State Grants	84.318	N/A	8,340
Rural Education	84.358	N/A	70,737
Improving Teacher Quality State Grants	84.367	N/A	177,445
Total U.S. Department of Education			$ 2,245,565
U.S. Deparment of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	GG-08-24220-00	$ 16,472
Total Expenditures of Federal Awards			$ 3,859,706

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
State Grants			
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	$ 9,033
Rural Local Health Services - State Department of Health	N/A	(2)	4,412
Litter Program - State Department of Transportation	N/A	(2)	32,807
Fasttrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	(2)	164,795
Library Technology Grants - Tennessee Secretary of State	N/A	(2)	1,500
Youth Services Officer Grant - State Commission on Children and Youth	N/A	(2)	9,000
Law Enforcement Training - State Department of Safety	N/A	(2)	10,800
Used Oil Grant - State Department of Environment and Conservation	N/A	(2)	17,055
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	13,712
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	(2)	20,031
Adult Basic Education - State Department of Education	N/A	(2)	25,499
Safe Schools Act - State Department of Education	N/A	(2)	21,800
Lottery for Education - State Department of Education	N/A	(2)	455,088
Voluntary Pre K for Tennessee - State Department of Education	N/A	(2)	494,292
Coordinated School Health - State Department of Education	N/A	(2)	104,979
Total State Grants			$ 1,384,803

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) Z-08-024047-00: $19,846; Z-09-214647-00: $23,596.
(4) Total for CFDA No. 10.555 is $881,411.

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

OFFICE OF DIRECTOR OF SCHOOLS

Finding Number	Page Number	Subject
08.05	181	The School Federal Projects Fund had a cash overdraft
08.06	181	Expenditures exceeded appropriations approved by the County Commission

OFFICE OF GENERAL SESSIONS COURT CLERK

Finding Number	Page Number	Subject
08.07	182	Receipts were not issued for traffic school payments
08.08	182	The office did not review software audit logs

OFFICE OF SHERIFF

Finding Number	Page Number	Subject
08.11(A)	183	The Sheriff's Department did not provide auditors a trial balance of inmates' accounts from commissary operations

OTHER FINDING

Finding Number	Page Number	Subject
08.12	184	Duties were not segregated adequately in the Offices of County Mayor, Director of Accounts and Budgets, Highway Superintendent, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff

OVERTON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2009

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Overton County is unqualified.

2. The audit of the financial statements of Overton County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.

3. The audit did not disclose any instances of noncompliance that are material to the financial statements of Overton County.

4. The audit disclosed no significant deficiencies in internal control over major programs.

5. An unqualified opinion was issued on compliance for major programs.

6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.

7. The Child Nutrition Cluster: the School Breakfast Program, the National School Lunch Program, and the Summer Food Service Program (CFDA Nos. 10.553, 10.555, and 10.559) and the Title I Grants to Local Educational Agencies (CFDA No. 84.010) were determined to be major programs.

8. A $300,000 threshold was used to distinguish between Type A and Type B federal programs.

9. Overton County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses of the county mayor, director of schools, and trustee are paraphrased in this report.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 09.01 **EXPENDITURES EXCEEDED APPROPRIATIONS**
(Noncompliance Under Government Auditing Standards)

Expenditures exceeded appropriations approved by the County Commission in the Libraries major appropriation category (the legal level of control) of the General Fund by $138,055. Section 5-9-401, Tennessee Code Annotated, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies." This deficiency exists because management failed to stay within the spending limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur. Total expenditures exceeded appropriations approved by the County Commission in the Libraries major appropriation category (the legal level of control) of the General Fund by $138,055. This category was exceeded due to expenditures in the Other Equipment line-item exceeding appropriations. This line-item was funded by a federally mandated grant that was approved at a budget committee meeting. The budget committee meeting did not qualify as a proper called legislative meeting; therefore, the amendment could not be recognized as a legal amendment.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 09.02 **THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

At June 30, 2009, the School Federal Projects Fund had a cash overdraft of $31,347. Sound business practice dictates that expenditures be held within available funds. This overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee,

and management's failure to correct the finding noted in the prior-year audit report. This cash overdraft was liquidated in July 2009.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

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

FINDING 09.03 **EXPENDITURES EXCEEDED APPROPRIATIONS**
(Noncompliance Under Government Auditing Standards)

Our audit revealed the following deficiencies in budget operations:

A. Expenditures exceeded total appropriations approved by the County Commission in the Central Cafeteria Fund by $93,745.

B. Expenditures exceeded appropriations approved by the County Commission in the Instruction – Special Education Program major appropriation category (the legal level of control) of the School Federal Projects fund by $16,811.

Section 5-9-401, Tennessee Code Annotated, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies." These deficiencies existed because management failed to stay within the spending limits authorized by the County Commission, which resulted in unauthorized expenditures, and management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Central Cafeteria Fund budget numbers from a prior year (2006-07) were incorrectly entered in the published financial reports of the county. However, the correct amounts were entered in the Central Cafeteria's general ledger reported to the state on e-reporting, and approved by the school board. Central Cafeteria's expenditures for the 2008-09 year did not exceed the appropriations pertaining to the 2008-09 fiscal year. School Federal Projects Fund management will stay within the spending limits authorized by the County Commission.

AUDITOR'S REBUTTAL

During the year examined, the School Department operated the Central Cafeteria Fund on a budget that was different from the one submitted to and approved by the County Commission. State statute requires funds to be appropriated by the county legislative body; therefore, only those appropriations properly approved by the County Commission are reflected in the financial statements of this report.

OFFICE OF GENERAL SESSIONS COURT CLERK

FINDING 09.04 **RECEIPTS WERE NOT ISSUED FOR TRAFFIC SCHOOL PAYMENTS**
(Noncompliance Under Government Auditing Standards)

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

RECOMMENDATION

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

FINDING 09.05 **THE OFFICE DID NOT REVIEW SOFTWARE AUDIT LOGS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated daily logs that displayed changes made by users. Since the logs provided the only audit trail of these changes, they should be reviewed daily for inappropriate activity. During the prior-year audit period, we advised management of the importance of these logs, and management began reviewing the logs. However, during the current period, management chose to discontinue their review. When the importance of these logs was again brought to management's attention in July 2009, they resumed the review process.

RECOMMENDATION

Management should be consistent in their review of the software audit logs as a means of strengthening internal controls.

OFFICE OF SHERIFF

FINDING 09.06 **DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF THE COMMISSARY RECORDS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The following deficiencies were noted in the maintenance of the commissary records. These deficiencies can be attributed, in part, to the failure of management to correct the finding noted in the prior-year audit report.

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

B. The bank statements were not reconciled with the general ledger for May and June 2009. Also, the monthly reconciliations for October 2008 through April 2009 had unidentified reconciling amounts.

RECOMMENDATION

The Sheriff's Department should generate a trial balance of inmate accounts monthly. Bank statements should be reconciled with the general ledger monthly, and any errors discovered should be corrected promptly.

OTHER FINDING AND RECOMMENDATION

FINDING 09.07 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF COUNTY MAYOR, DIRECTOR OF ACCOUNTS AND BUDGETS, HIGHWAY SUPERINTENDENT, DIRECTOR OF SCHOOLS, TRUSTEE, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER, AND SHERIFF**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Offices of County Mayor, Director of Accounts and Budgets, Highway Superintendent, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of 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 management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur. We are continuing to review the duties of our offices and have taken additional steps among our employees in the areas of receipting, depositing, disbursing, and records management to provide for clearer lines of responsibility to strengthen our segregation of duties.

We realize that internal controls will be of the highest importance for the administration of any ARRA grants received by Overton County. The strengthening of our segregation of duties will increase our existing internal controls and identify any new internal controls necessary to minimize the potential for misappropriations, waste, or abuse of ARRA grant funds, and other public funds.

We will continue in our effort to strengthen all components of internal control.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Management has implemented specific changes in employee duties to strengthen internal controls. The duties of receipting, depositing, disbursing, and maintaining records for funds have been redistributed and separated among employees.

MANAGEMENT'S RESPONSE – TRUSTEE

We concur. We have reviewed the duties of our office and have taken steps among our employees in the areas of receipting, depositing, disbursing, and records management to provide for clearer lines of responsibility to strengthen our segregation of duties.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards.

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OVERTON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2009

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