ANNUAL FINANCIAL REPORT
SULLIVAN COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2009

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ANNUAL FINANCIAL REPORT

SULLIVAN COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2009

DEPARTMENT OF AUDIT
JUSTIN P. WILSON
Comptroller of the Treasury

DIVISION OF COUNTY AUDIT
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Assistant to the Comptroller

JAMES R. ARNETTE
Director

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ROBERT ANDERSON
GREG BRUSH
State Auditors

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Audit Highlights

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- The Solid Waste Department had deficiencies in information resources.
- The Health Department had deficiencies in computer system backup procedures.

OFFICE OF DIRECTOR OF SCHOOLS

- Duties were not segregated adequately in the central office.

OFFICE OF SHERIFF

- Several accounting deficiencies were noted in the office.

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INTRODUCTORY SECTION

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Sullivan County Officials
June 30, 2009

Officials

Steve Godsey, County Mayor
Allan Pope, Highway Commissioner
Jack Barnes, Director of Schools
Frances Harrell, Trustee
Nelda Fleenor, Purchasing Agent
Larry Bailey, Director of Accounts and Budgets
Jeanie Gammon, County Clerk
Tommy Kerns, Circuit, General Sessions, and Law Courts Clerk
Sarah Housewright, Clerk and Master
Mary Lou Duncan, Register
Bob Icenhour, Assessor of Property
Wayne Anderson, Sheriff

Board of County Commissioners

Steve Godsey, County Mayor, Chairman
Cathy Armstrong
Garth Blackburn
Linda Brittenham
James Brotherton
Darlene Calton
O.W. Ferguson
Clyde Groseclose
Larry Hall
Terry Harkleroad
Joe Herron
Dennis Houser
Sam Jones
Bill Kilgore
Elliott Kilgore
Dwight King
James King
Jim King
Bart Long
Wayne McConnell
John McKamey
Randy Morrell
Michael Surgenor
Mark Vance
Eddie Williams

Budget Committee

Eddie Williams, Chairman
James King
James Brotherton
Joe Herron
Dennis Houser
Dwight King
Michael Surgenor
Mark Vance

Board of Education

Ron Smith, Chairman
Betty Combs
Jerry Greene
Larry Harris
Jim Kiss
Jack Bales
Dan Wells

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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

November 16, 2009

Sullivan County Mayor and
Board of County Commissioners
Sullivan 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 Sullivan County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Sullivan County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Sullivan County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated November 16, 2009, on our consideration of Sullivan 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., Sullivan County has adopted the provisions of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions for the primary government; 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 Sullivan County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

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

Very truly yours,

Justin P. Wilson
Comptroller of the Treasury

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Basic Financial Statements

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Exhibit A

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

	Primary Government	Component Unit
	Governmental Activities	Sullivan County School Department
ASSETS		
Cash	$ 245,784	$ 129,478
Equity in Pooled Cash and Investments	18,567,980	7,127,591
Inventories	150,729	582,404
Accounts Receivable	2,783,458	43,493
Allowance for Uncollectibles	(561,601)	0
Due from Other Governments	3,724,235	2,477,667
Due from Component Units	34,040	0
Property Taxes Receivable	26,591,074	27,916,451
Allowance for Uncollectible Property Taxes	(766,607)	(804,818)
Deferred Charges - Debt Issuance Cost	322,647	111,371
Capital Assets:		
Assets Not Depreciated:		
Land	1,954,868	1,051,748
Construction in Progress	41,665	17,770
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	23,859,058	51,815,006
Infrastructure	13,008,264	0
Other Capital Assets	6,229,400	2,668,495
Total Assets	$ 96,184,994	$ 93,136,656
LIABILITIES		
Accounts Payable	$ 404,704	$ 242,449
Accrued Payroll	1,201,949	0
Accrued Interest Payable	415,744	130,379
Payroll Deductions Payable	22,156	474,411
Contracts Payable	46,137	112,894
Retainage Payable	29,404	3,724
Claims and Judgments Payable	423,614	0
Due to Primary Government	0	34,040
Other Current Liabilities	1,061,800	6,096
Deferred Revenue - Property Taxes	25,159,509	26,413,534
Noncurrent Liabilities:		
Due Within One Year	2,575,806	1,931,574
Due in More than One Year (net of deferred amount on refunding and unamortized premium on debt)	35,533,736	19,969,524
Total Liabilities	$ 66,874,559	$ 49,318,625

(Continued)

Exhibit A

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

	Primary Government	Component Unit
	Governmental Activities	Sullivan County School Department
NET ASSETS		
Invested in Capital Assets, net of related debt	$ 37,202,357	$ 38,811,857
Restricted for:		
Highways	2,022,280	0
Debt Service	1,136,363	40,964
Solid Waste/Sanitation	1,072,381	0
Alcohol and Drug Treatment	607,932	0
Capital Projects	955,345	0
State and Federal Assistance Programs	0	1,130,269
State Insurance Commission Bond	350,000	0
Litigation Tax - Public Defender	121,798	0
Other Purposes	81,531	0
Unrestricted	(14,239,552)	3,834,941
Total Net Assets	$ 29,310,435	$ 43,818,031

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

Exhibit B

Sullivan 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: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Compnent Unit: Sullivan County School Department
Primary Government:						
Governmental Activities:						
General Government	$ 4,670,399	$ 1,477,244	$ 31,211	$ 0	$ (3,161,944)	$ 0
Finance	5,477,553	3,625,852	52,542	0	(1,799,159)	0
Administration of Justice	5,007,991	3,733,645	136,849	0	(1,137,497)	0
Public Safety	21,291,057	2,384,648	488,273	20,983	(18,397,153)	0
Public Health and Welfare	14,028,830	8,089,531	2,660,752	0	(3,278,547)	0
Social, Cultural, and Recreational Services	1,401,527	174,350	3,500	95,497	(1,128,180)	0
Agriculture and Natural Resources	174,376	0	0	0	(174,376)	0
Other Operations	2,114,945	2	0	1,175,615	(939,328)	0
Highways	9,541,940	1,577	2,690,274	0	(6,850,089)	0
Education	319,363	406,837	0	0	87,474	0
Debt Service:						
Interest	1,718,520	0	0	0	(1,718,520)	0
Other Debt Service	3,036	0	0	0	(3,036)	0
Total Primary Government	$ 65,749,537	$ 19,893,686	$ 6,063,401	$ 1,292,095	$ (38,500,355)	$ 0
Component Unit:						
Sullivan County School Department	$ 96,850,152	$ 2,788,915	$ 10,091,928	$ 0	$ 0	$ (83,969,309)
Total Component Unit	$ 96,850,152	$ 2,788,915	$ 10,091,928	$ 0	$ 0	$ (83,969,309)

(Continued)

Exhibit B

Sullivan 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: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Unit: Sullivan County School Department
General Revenues:						
Property Taxes Levied for General Purposes					$ 23,348,271	$ 27,120,827
Property Taxes Levied for Debt Service					2,418,429	0
Local Option Sales Taxes					3,180,448	12,175,809
Litigation Tax - General					545,541	0
Litigation Tax - Office of Public Defender					207,577	0
Litigation Tax - Jail, Workhouse, or Courthouse					327,821	0
Business Tax					1,898,187	0
Mineral Severance Tax					180,493	0
Wholesale Beer Tax					460,762	0
Interstate Telecommunications Tax					14,599	0
Other Local Taxes					0	6,923
Grants and Contributions Not Restricted to Specific Programs					2,371,711	44,056,345
Unrestricted Investment Income					375,321	245
Miscellaneous					226,498	590,211
Total General Revenues					$ 35,555,658	$ 83,950,360
Change in Net Assets					$ (2,944,697)	$ (18,949)
Net Assets, July 1, 2008					32,255,132	43,836,980
Net Assets, June 30, 2009					$ 29,310,435	$ 43,818,031

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

Exhibit C-1

Sullivan 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	$ 350	$ 0	$ 0	$ 197,694	$ 198,044
Equity in Pooled Cash and Investments	7,401,828	1,975,441	2,507,199	3,481,303	15,365,771
Inventories	150,729	0	0	0	150,729
Accounts Receivable	469,254	93,943	0	1,469,011	2,032,208
Due from Other Governments	3,110,617	532,058	0	81,560	3,724,235
Due from Other Funds	229,655	0	14,833	10,861	255,349
Due from Component Units	34,040	0	0	0	34,040
Property Taxes Receivable	21,907,594	1,448,181	2,495,802	739,497	26,591,074
Allowance for Uncollectible Property Taxes	(631,585)	(41,750)	(71,953)	(21,319)	(766,607)
Total Assets	$ 32,672,482	$ 4,007,873	$ 4,945,881	$ 5,958,607	$ 47,584,843
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 294,443	$ 401	$ 0	$ 99,246	$ 394,090
Accrued Payroll	850,048	199,555	0	152,346	1,201,949
Payroll Deductions Payable	8,550	3,307	0	10,299	22,156
Contracts Payable	0	0	0	46,137	46,137
Retainage Payable	0	0	0	29,404	29,404
Due to Other Funds	10,317	149,713	0	241,231	401,261
Other Current Liabilities	0	0	1,061,800	0	1,061,800
Deferred Revenue - Current Property Taxes	20,728,170	1,370,217	2,361,437	699,685	25,159,509
Deferred Revenue - Delinquent Property Taxes	500,717	33,099	57,044	16,902	607,762
Other Deferred Revenues	645,691	236,538	0	899,225	1,781,454
Total Liabilities	$ 23,037,936	$ 1,992,830	$ 3,480,281	$ 2,194,475	$ 30,705,522
Fund Balances					
Reserved for Encumbrances	$ 743,499	$ 75,271	$ 0	$ 478,387	$ 1,297,157
Reserved for Alcohol and Drug Treatment	607,932	0	0	0	607,932
Reserved for Litigation Tax - Office of Public Defender	121,798	0	0	0	121,798
Reserved for Drug Court	43,544	0	0	0	43,544
Reserved for Sexual Offender Registration	9,037	0	0	0	9,037
Reserved for Inventory	150,729	0	0	0	150,729
Reserved for Other General Purposes	350,000	0	6,615	0	356,615
Unreserved, Reported In:					
General Fund	7,608,007	0	0	0	7,608,007
Special Revenue Funds	0	1,939,772	0	1,663,304	3,603,076
Debt Service Funds	0	0	1,458,985	0	1,458,985
Capital Projects Funds	0	0	0	1,622,441	1,622,441
Total Fund Balances	$ 9,634,546	$ 2,015,043	$ 1,465,600	$ 3,764,132	$ 16,879,321
Total Liabilities and Fund Balances	$ 32,672,482	$ 4,007,873	$ 4,945,881	$ 5,958,607	$ 47,584,843

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

Exhibit C-2

Sullivan 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)		$ 16,879,321
(1)	Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
	Add: land	$ 1,954,868	
	Add: construction in progress	41,665	
	Add: buildings and improvements net of accumulated depreciation	23,859,058	
	Add: infrastructure net of accumulated depreciation	13,008,264	
	Add: other capital assets net of accumulated depreciation	6,229,400	45,093,255
(2)	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		2,389,216
(3)	Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.		3,151,282
(4)	Debt issuance costs are expensed when paid in the governmental funds. The unamortized portion of these charges are reflected on the statement of net assets.		322,647
(5)	Interest costs of long-term debt are expensed when due in the governmental funds. Interest costs incurred as of the balance sheet date are accrued in the statement of net assets.		(415,744)
(6)	Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
	Less: notes payable	$ (4,285,000)	
	Less: bonds payable	(30,655,000)	
	Add: deferred amount on refunded notes	29,463	
	Add: deferred amount on refunded bonds	357,641	
	Less: compensated absences payable	(1,331,874)	
	Less: other postemployment benefits payable	(1,119,100)	
	Less: other deferred revenue - premium on bonds	(1,105,672)	(38,109,542)
	Net assets of governmental activities (Exhibit A)		$ 29,310,435

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

Exhibit C-3

Sullivan 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	$ 25,545,998	$ 4,561,813	$ 2,600,155	$ 718,043	$ 33,426,009
Licenses and Permits	305,412	184,000	0	0	489,412
Fines, Forfeitures, and Penalties	784,762	0	0	105,553	890,315
Charges for Current Services	1,547,976	0	0	6,169,902	7,717,878
Other Local Revenues	318,577	341,385	718,503	197,443	1,575,908
Fees Received from County Officials	6,758,438	0	0	0	6,758,438
State of Tennessee	4,167,055	2,735,162	0	1,173,621	8,075,838
Federal Government	2,054,478	10,400	0	70,140	2,135,018
Other Governments and Citizens Groups	1,335,019	9,056	0	114,648	1,458,723
Total Revenues	$ 42,817,715	$ 7,841,816	$ 3,318,658	$ 8,549,350	$ 62,527,539
Expenditures					
Current:					
General Government	$ 4,744,067	$ 0	$ 0	$ 6,637	$ 4,750,704
Finance	5,227,028	0	49,678	0	5,276,706
Administration of Justice	4,507,017	0	0	12,711	4,519,728
Public Safety	19,472,831	0	0	90,655	19,563,486
Public Health and Welfare	6,261,617	0	0	6,418,287	12,679,904
Social, Cultural, and Recreational Services	1,187,032	0	0	191,642	1,378,674
Agriculture and Natural Resources	174,531	0	0	0	174,531
Other Operations	1,035,556	0	0	0	1,035,556
Highways	5,000	9,115,412	0	0	9,120,412
Instruction	171,706	0	0	0	171,706
Support Services	50,000	0	0	0	50,000
Debt Service:					
Principal on Debt	0	0	1,670,000	36,747	1,706,747
Interest on Debt	0	0	1,721,309	2,673	1,723,982
Other Debt Service	0	0	3,036	0	3,036
Capital Projects	780,883	0	0	1,148,517	1,929,400
Capital Projects - Donated	0	0	0	175,872	175,872
Total Expenditures	$ 43,617,268	$ 9,115,412	$ 3,444,023	$ 8,083,741	$ 64,260,444
Excess (Deficiency) of Revenues Over Expenditures	$ (799,553)	$ (1,273,596)	$ (125,365)	$ 465,609	$ (1,732,905)
Other Financing Sources (Uses)					
Transfers In	$ 534,000	$ 0	$ 0	$ 238,168	$ 772,168
Transfers Out	(238,168)	0	0	(543,334)	(781,502)
Total Other Financing Sources (Uses)	$ 295,832	$ 0	$ 0	$ (305,166)	$ (9,334)
Net Change in Fund Balances	$ (503,721)	$ (1,273,596)	$ (125,365)	$ 160,443	$ (1,742,239)
Fund Balance, July 1, 2008	10,138,267	3,288,639	1,590,965	3,603,689	18,621,560
Fund Balance, June 30, 2009	$ 9,634,546	$ 2,015,043	$ 1,465,600	$ 3,764,132	$ 16,879,321

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

Exhibit C-4

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

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

	Net change in fund balances - total governmental funds (Exhibit C-3)		$ (1,742,239)
(1)	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
	Add: capital assets purchased in the current period	$ 1,443,860	
	Less: current year depreciation expense	(2,695,024)	(1,251,164)
(2)	The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
	Less: book value of assets disposed		(221,339)
(3)	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Less: deferred delinquent property taxes and other deferred June 30, 2008	$ (2,543,761)	
	Add: deferred delinquent property taxes and other deferred June 30, 2009	2,389,216	(154,545)
(4)	The issuance of long-term debt (e.g., notes, bonds) 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 effect of these differences in the treatment of long-term debt and related items:		
	Add: change in premium on debt issuances	$ 74,707	
	Less: change in deferred debt issuance costs	(29,645)	
	Add: principal payments on bonds	640,000	
	Add: principal payments on notes	1,030,000	
	Add: principal payments on capital lease	36,747	
	Less: change in deferred amount on refunding debt	(56,608)	1,695,201
(5)	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
	Change in accrued interest payable	$ 17,008	
	Change in compensated absences payable	(14,872)	
	Change in other postemployment benefits liability	(1,119,100)	(1,116,964)

(Continued)

Sullivan County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Cont.)

(6) Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee dental benefits to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities in the statement of activities.	$ (153,647)
Change in net assets of governmental activities (Exhibit B)	$ (2,944,697)

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

Exhibit D-1

Sullivan County, Tennessee
Statement of Net Assets
Proprietary Funds
June 30, 2009

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash	$ 47,740
Equity in Pooled Cash and Investments	3,202,209
Accounts Receivable	189,649
Due from Other Funds	145,912
Total Assets	$ 3,585,510
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 10,614
Claims and Judgments Payable	423,614
Total Liabilities	$ 434,228
NET ASSETS	
Unrestricted	$ 3,151,282
Total Net Assets	$ 3,151,282

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

Exhibit D-2

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

	Governmental Activities - Internal Service Funds
Operating Revenues	
Self-Insurance Premiums	$ 845,770
Cobra Insurance Payments	3,684
Total Operating Revenues	$ 849,454
Operating Expenses	
Handling Charges and Administrative Costs	$ 81,318
Dental Insurance	310,557
Contracts with Private Agencies	2,233
Building and Contents Insurance	21,265
Liability Insurance	27,267
Medical Claims	246,955
Bank Charges	374
Trustee's Commission	206
Vehicle and Equipment Insurance	25,620
Workers' Compensation Insurance	308,631
Total Operating Expenses	$ 1,024,426
Operating Income (Loss)	$ (174,972)
Nonoperating Revenues (Expenses)	
Investment Income	$ 20,599
Miscellaneous Refunds	726
Total Nonoperating Revenues (Expenses)	$ 21,325
Change in Net Assets	$ (153,647)
Net Assets, July 1, 2008	3,304,929
Net Assets, June 30, 2009	$ 3,151,282

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

Exhibit D-3

Sullivan County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009

	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities	
Receipts for Self-insurance Premiums	$ 1,142,255
Payments to Insurers	(684,288)
Payments for Claims	(456,174)
Payments for Administrative Costs	(84,131)
Net Cash Provided By (Used In) Operating Activities	$ (82,338)
Cash Flows from Investing Activities	
Interest on Investments	$ 20,599
Net Cash Provided By (Used In) Investing Activities	$ 20,599
Cash Flows from Noncapital Financing Activities	
Miscellaneous Refunds	$ 726
Net Cash Provided By (Used In) Noncapital Financing Activities	$ 726
Increase (Decrease) in Cash	$ (61,013)
Cash, July 1, 2008	3,310,962
Cash, June 30, 2009	$ 3,249,949
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	$ (174,972)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Changes in Assets and Liabilities:	
(Increase) Decrease in Current Receivables	292,801
Increase (Decrease) in Other Current Liabilities	(200,167)
Net Cash Provided By (Used In) Operating Activities	$ (82,338)

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

Exhibit E

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

	Agency Funds
ASSETS	
Cash	$ 8,305,321
Equity in Pooled Cash and Investments	1,108,636
Accounts Receivable	3,655
Due from Other Governments	4,933,979
Taxes Receivable	23,447,766
Allowance for Uncollectible Taxes	(675,988)
Total Assets	$ 37,123,369
LIABILITIES	
Accounts Payable	$ 181
Due to Other Taxing Units	28,625,064
Due to Litigants, Heirs, and Others	8,308,297
Due to Joint Ventures	189,827
Total Liabilities	$ 37,123,369

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

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sullivan 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 Sullivan County:

A. Reporting Entity

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

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

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

Administrative Office:

Sullivan County Emergency Communications District
P.O. Box 485
Blountville, Tennessee 37618

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 Sullivan 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 Sullivan County School Department component unit only reports governmental activities in the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

Separate financial statements are provided for governmental funds, proprietary 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 internal service funds and the fiduciary funds in total are reported in single columns by fund type.

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. Sullivan 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.

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

Sullivan 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, Sullivan County reports the following fund types:

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

Internal Service Funds – The Self-Insurance Fund accounts for the self-insured general liability, property, casualty, and workers' compensation programs managed by the county for the primary government and the discretely presented School Department. The Employee Insurance – General Fund accounts for the self-insured Medicare supplement and dental programs.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Sullivan County, Bristol and Kingsport city school systems' share of educational revenues, assets held in a custodial capacity for an airport joint venture, and judicial district drug grants and other revenues held for the multi-jurisdictional drug task force. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Sullivan 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 Sullivan 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 for specific purposes.

Debt Service Fund – The Education Debt Service Fund is used to account for the accumulation of resources for, and the payment of, certain education 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 and proprietary fund 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has two proprietary funds. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the county's internal service funds are self-insurance premiums. Operating expenses for the internal service funds include various self-insured insurance program expenses and fiscal agent charges.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For purposes of the statement of cash flows of the internal service funds, cash includes cash on hand, demand deposits, cash with paying agent, equity in pooled cash and investments, and cash equivalents.

Cash equivalents are short-term, highly liquid investments with original maturities of three months or less.

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 Sullivan 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 Highway/Public Works Fund. Sullivan 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 property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.5 percent of total taxes levied. Ambulance receivables are shown net of an allowance for uncollectibles for amounts exceeding 150 days.

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.

Most payables are disaggregated on the face of the financial statements. The balance in the account Other Current Liabilities ($1,061,800) on the Statement of Net Assets for the primary government consists of a liability for amounts held in escrow for the Tri-Cities Regional Airport, a joint venture, for the contingent liability as discussed in footnote V.D.

Retainage Payable 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 governmental funds.

3. Inventories

Inventories consist of expendable supplies held for consumption and are valued at cost or estimated cost on the first-in, first-out method.

4. Capital Assets

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

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

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

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

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

Assets	Years
Building and Improvements	50
Other Capital Assets	5-20
Infrastructure	40

5. Compensated Absences

It is the county's and School Department's policies to permit employees to accumulate earned but unused vacation benefits, which will be paid to employees upon separation from service. All vacation pay is accrued when incurred in the government-wide statements for the county and its discretely presented component units. 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 granting of sick leave for the primary government has no guaranteed payment attached and therefore is not required to be accrued or recorded.

The School Department allows employees to accumulate earned but unused sick leave, which will be paid to employees upon separation from service at the rate of $24 per day for 1-100 unused sick days;

$26 per day for 101-200 unused sick days; $28 per day for 201-300 unused sick days; and $30 per day for 301 and above unused sick days. This practice was negotiated by the Board of Education and the local education association. All sick leave is accrued when incurred in the government-wide statements for the School Department.

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 payable is reported net of the applicable premium or discount. 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, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. **Net Assets and Fund Equity**

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

a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings

that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

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

As of June 30, 2009, Sullivan County had $17,695,000 in outstanding debt for capital purposes of the discretely presented Sullivan County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Bristol School System and City of Kingsport School System) based on an average daily attendance proration. This debt is a liability of Sullivan County, but the capital assets acquired are reported in the financial statements of the Sullivan County School Department, the City of Bristol School System, and the City of Kingsport School System. In addition, Sullivan County had outstanding debt totaling $8,600,000 on June 30, 2009, related to capital purposes of the Sullivan County Economic Development Partnership (NETWORKS - a joint venture described in footnote V.E.). This debt is also a liability of Sullivan County, but the capital assets acquired are reported by the Sullivan County Economic Development Partnership. Therefore, Sullivan County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

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 ($81,531), with the primary restrictions being for the drug court ($43,544).

On the Balance Sheet – Governmental Funds (Exhibit C-1), the account Reserved for Other General Purposes in the General Fund consists of a certificate of deposit held by the State Commissioner of Insurance ($350,000).

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 Sullivan County School Department

Exhibit K-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 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 Sullivan County School Department

Exhibit K-5 includes explanations of the nature of individual elements of items required to reconcile 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 District Attorney General Fund (special revenue fund) and the Constitutional Officers - Fees Fund (special revenue fund), which are not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be

sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the 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, County Mayor, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Risk Management major appropriation category (the legal level of control) of the General Fund by $34,386. Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Sullivan County and the Sullivan 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, Sullivan County had the following investments carried at cost. Separate disclosures concerning pooled investments cannot be made for Sullivan County and the discretely presented Sullivan County School Department since both pool their deposits and investments through the county trustee.

POOLED INVESTMENTS

Investment	Maturities	Cost
State Treasurer's Investment Pool	Daily	$ 7,890,026

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. Sullivan 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. Sullivan County has no investment policy that would further limit its investment choices. As of June 30, 2009, Sullivan 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	$ 1,939,721	$ 15,147	$ 0	$ 1,954,868
Construction in Progress	41,665	0	0	41,665
Total Capital Assets Not Depreciated	$ 1,981,386	$ 15,147	$ 0	$ 1,996,533
Capital Assets Depreciated:				
Buildings and Improvements	$ 32,681,734	$ 0	$ 0	$ 32,681,734
Infrastructure	19,475,660	721,000	(168,923)	20,027,737

Governmental Activities (Cont.):

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Depreciated (Cont.):				
Other Capital Assets	$ 24,045,648	$ 707,713	$ (1,055,506)	$ 23,697,855
Total Capital Assets Depreciated	$ 76,203,042	$ 1,428,713	$ (1,224,429)	$ 76,407,326
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 8,180,718	$ 641,958	$ 0	$ 8,822,676
Infrastructure	6,544,807	516,897	(42,231)	7,019,473
Other Capital Assets	16,893,144	1,536,169	(960,858)	17,468,455
Total Accumulated Depreciation	$ 31,618,669	$ 2,695,024	$ (1,003,089)	$ 33,310,604
Total Capital Assets Depreciated, Net	$ 44,584,373	$ (1,266,311)	$ (221,340)	$ 43,096,722
Governmental Activities Capital Assets, Net	$ 46,565,759	$ (1,251,164)	$ (221,340)	$ 45,093,255

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

Governmental Activities:

General Government	$ 82,771
Administration of Justice	172,594
Public Safety	1,149,841
Public Health and Welfare	357,500
Social, Cultural, and Recreational	37,412
Other Operations	31,287
Highways	863,619
Total Depreciation Expense - Governmental Activities	$ 2,695,024

Discretely Presented Sullivan County School Department

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	$ 1,066,895	$ 0	$ (15,147)	$ 1,051,748
Construction in Progress	0	17,770	0	17,770
Total Capital Assets Not Depreciated	$ 1,066,895	$ 17,770	$ (15,147)	$ 1,069,518
Capital Assets Depreciated:				
Buildings and Improvements	$ 94,231,163	$ 1,021,080	$ 0	$ 95,252,243
Other Capital Assets	7,408,705	218,582	0	7,627,287
Total Capital Assets Depreciated	$ 101,639,868	$ 1,239,662	$ 0	$ 102,879,530
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 41,541,575	$ 1,895,662	$ 0	$ 43,437,237
Other Capital Assets	4,402,018	556,774	0	4,958,792
Total Accumulated Depreciation	$ 45,943,593	$ 2,452,436	$ 0	$ 48,396,029
Total Capital Assets Depreciated, Net	$ 55,696,275	$ (1,212,774)	$ 0	$ 54,483,501
Governmental Activities Capital Assets, Net	$ 56,763,170	$ (1,195,004)	$ (15,147)	$ 55,553,019

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

Governmental Activities:

Instruction	$ 1,863,937
Support Services	442,041
Operation of Non-Instructional Services	146,458
Total Depreciation Expense - Governmental Activities	$ 2,452,436

C. Construction Commitments

At June 30, 2009, the discretely presented Sullivan County School Department had uncompleted school renovation contracts of $28,873. Funding has been provided for these future expenditures in the Special Purpose Fund.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 229,655
General Debt Service	Highway/Public Works	14,833
Nonmajor governmental	General	10,317
"	Highway/Public Works	191
"	Nonmajor governmental	353
Internal Service	Highway/Public Works	134,688
"	Nonmajor governmental	11,224
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	51,146
Nonmajor governmental	General Purpose School	81

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.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit - School Department:	
General	General Purpose School	$ 34,040

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: Nonmajor Governmental Funds	Transfers In: Agency Fund
General Fund	$ 0	$ 238,168	$ 0
Nonmajor governmental funds	534,000	0	9,334
Total	$ 534,000	$ 238,168	$ 9,334

Discretely Presented Sullivan County School Department

Transfers Out	Transfers In: General Purpose School Fund	Transfers In: Nonmajor Governmental Funds
General Purpose School Fund	$ 0	$ 2,133,534
Nonmajor governmental funds	412,000	0
Total	$ 412,000	$ 2,133,534

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

E. Capital Lease

Primary Government

On January 18, 2007, Sullivan County entered into a three-year lease-purchase agreement for cardiac monitors. The terms of the agreement require total lease payments of $69,891 plus interest of 7.9 percent. Title to the equipment transfers to Sullivan County at the end of the lease period. The lease payments are made from the Ambulance Service Fund. The county paid off the balance of this capital lease agreement during the current year.

Discretely Presented Sullivan County School Department

On November 1, 2007, the discretely presented Sullivan County School Department entered into a five-year lease-purchase agreement for copiers. The terms of the agreement require total lease payments of $99,273 plus interest of 9.086 percent. Title to the equipment transfers to the School

Department at the end of the lease period. The lease payments are made from the General Purpose School Fund.

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

Year Ending June 30		Governmental Funds
2010	$	24,779
2011		24,779
2012		24,779
2013		8,259
Total Minimum Lease Payments	$	82,596
Less: Amount Representing Interest		(11,565)
Present Value of Minimum Lease Payments	$	71,031

F. Long-term Debt

Primary Government

General Obligation Bonds and Notes

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes were issued for original terms of up to 21 years for bonds and up to 12 years for the notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in the long-term debt at June 30, 2009, will be retired from the General Debt Service Fund.

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

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation Bonds	2.5 to 6.25 %	$ 16,965,000	$ 14,335,000
General Obligation Bonds - Refunding	4.75 to 5	16,320,000	16,320,000
Capital Outlay Notes	4.2 to 5.54	5,500,000	2,700,000
Refunding Notes	3.2	3,330,000	1,585,000

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	$ 1,135,000	$ 182,142	$ 1,317,142
2011	1,200,000	139,708	1,339,708
2012	280,000	99,123	379,123
2013	285,000	85,163	370,163
2014	315,000	70,814	385,814
2015-2017	1,070,000	111,353	1,181,353
Total	$ 4,285,000	$ 688,303	$ 4,973,303

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	$ 655,000	$ 1,476,480	$ 2,131,480
2011	670,000	1,452,739	2,122,739
2012	1,370,000	1,427,830	2,797,830
2013	1,460,000	1,367,840	2,827,840
2014	1,585,000	1,303,100	2,888,100
2015-2019	8,675,000	5,451,950	14,126,950
2020-2024	13,250,000	2,936,962	16,186,962
2025-2028	2,990,000	406,003	3,396,003
Total	$ 30,655,000	$ 15,822,904	$ 46,477,904

The county issued Airport Revenue and Tax Bonds on behalf of the Tri-Cities Regional Airport during the 2003-04 fiscal year. These bonds are discussed further in footnote V.D. These revenue and tax bonds are a liability of the joint venture and therefore are not reflected in the county's financial statements.

In previous years, the county issued Industrial Park bonds totaling $6,500,000, and an additional $2,500,000 in capital outlay notes for the benefit of the Sullivan County Economic Development Partnership (NETWORKS - a joint venture described in footnote V.E.) The bonds and notes are general obligation debt of the county. The interlocal agreement, which established the joint venture, requires NETWORKS to pay the county an amount equal to the annual principal and interest requirements on the debt issues. In the event revenues of the joint venture are not sufficient to meet those requirements, the other participating governments in the joint venture have agreed to pay 49 percent of any such deficiency.

There is $1,458,985 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled $391, based on the 2000 federal census for residents living outside the Bristol and Kingsport school districts and $200, for residents living inside these school districts. Debt per capita, including bonds, notes, and the capital lease totaled $419, for residents living outside the Bristol and Kingsport districts and $228, for residents living inside these school districts 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:

	Bonds	Notes	Capital Lease
Balance, July 1, 2008	$ 31,295,000	$ 5,315,000	$ 36,747
Deductions	(640,000)	(1,030,000)	(36,747)
Balance, June 30, 2009	$ 30,655,000	$ 4,285,000	$ 0
Balance Due Within One Year	$ 655,000	$ 1,135,000	$ 0

	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2008	$ 0	$ 1,317,002
Additions	1,903,200	1,525,707
Deductions	(784,100)	(1,510,835)
Balance, June 30, 2009	$ 1,119,100	$ 1,331,874
Balance Due Within One Year	$ 0	$ 785,806

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	$ 37,390,974
Less: Balance Due Within One Year	(2,575,806)
Add: Unamortized Premium on Debt	1,105,672
Less: Deferred Amount on Refunding	(387,104)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 35,533,736

Compensated absences will be paid from the employing funds.

Sullivan County has also issued school bonds on behalf of the discretely presented Sullivan County School Department. These bonds, based on the bond covenants and contractual agreements between the County Commission and the Board of Education, are payable from the School Department's share of local sales taxes. Therefore the bonds are reflected as liabilities of the discretely presented School Department. The county has also pledged rural property taxes for the retirement of these bonds in the event sales tax revenues are not sufficient to retire the debt.

Discretely Presented Sullivan County School Department

General Obligation Bonds and Notes

The county issues bonds for the School Department to fund capital facilities and other capital outlay purchases, such as equipment.

These bonds are direct obligations and pledge the full faith and credit of the government. School bonds outstanding were issued for original terms of up to 18 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds will be retired from the Education Debt Service Fund. The School Department has pledged local option sales tax sufficient to retire these bonds.

School bonds and capital leases outstanding as of June 30, 2009, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation Bonds	4 to 5%	$ 24,200,000	$ 2,695,000
General Obligation Bonds - Refunding	5	13,220,000	13,220,000
Capital Lease	9.086	99,273	71,031

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	$ 1,320,000	$ 782,275	$ 2,102,275
2011	1,375,000	722,875	2,097,875
2012	1,395,000	661,000	2,056,000
2013	1,460,000	591,250	2,051,250
2014	1,530,000	518,250	2,048,250
2015-2019	8,835,000	1,368,250	10,203,250
Total	$ 15,915,000	$ 4,643,900	$ 20,558,900

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

Changes in Long-term Liabilities

	Bonds	Capital Lease
Balance, July 1, 2008	$ 17,180,000	$ 88,485
Deductions	(1,265,000)	(17,454)
Balance June 30, 2009	$ 15,915,000	$ 71,031
Balance Due Within One Year	$ 1,320,000	$ 19,108

	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2008	$ 1,120,013	$ 2,730,700
Additions	3,079,346	563,080
Deductions	(1,843,821)	(600,754)
Balance June 30, 2009	$ 2,355,538	$ 2,693,026
Balance Due Within One Year	$ 0	$ 592,466

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	$ 21,034,595
Less: Balance Due Within One Year	(1,931,574)
Add: Unamortized Premium	955,323
Less: Deferred Amount on Refunding	(88,820)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 19,969,524

Compensated absences will be paid from the employing funds.

Defeasance of Prior Debt

In prior years, Sullivan County 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, these bonds, totaling $13,585,000 with a call date of May 1, 2011, are considered defeased.

G. Pledges of Receivables and Future Revenues - Discretely Presented Sullivan County School Department

The Sullivan County School Department pledged, as security for bonds issued by Sullivan County, a portion of its share of local option sales taxes. The bonds issued by Sullivan County in 2001 totaled $24.2 million and were used to provide financing for school construction and renovations. Refunding bonds totaling $13,220,000 were issued in 2004 to refund a portion of the outstanding bonds issued in 2001. The bonds are payable through 2019. The School Department pledged a portion of its annual local option sales tax revenues until the bonds are retired in 2019. Total principal and interest remaining on the debt is $20,558,900 with annual requirements ranging from $2,102,275 in the next fiscal year to $2,047,500 in the final year.

H. On-Behalf Payments - Discretely Presented Sullivan County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Sullivan 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 $1,021,151 and $29,304, respectively. The School

Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Short-term Debt

Sullivan County issued tax anticipation notes in advance of property tax collections and other revenues and deposited the proceeds in the General Purpose School Fund. These notes were necessary because funds were not available to meet obligations coming due before current tax and other revenue collections.

The Health Department Fund had tax anticipation notes outstanding at July 1, 2008, due to amounts it had borrowed from the General Fund and not repaid by June 30, 2008. During the current year, the Health Department Fund was closed into the General Fund, which liquidated that interfund tax anticipation note. Short-term debt activity for the year ended June 30, 2009, was as follows:

	Balance 7-1-08	Issued	Liquidated	Balance 6-30-09
Tax Anticipation Notes -				
General Purpose School Fund	$ 0	$ 3,500,000	$ (3,500,000)	$ 0
Health Department Fund	605,442	0	(605,442)	0

V. OTHER INFORMATION

A. Risk Management

Sullivan County maintains the Employee Insurance – General Fund (an internal service fund) for self-insured risks associated with the retirees' supplemental health and employee dental plans for employees of the primary government. The county provides commercial health insurance coverage for current employees.

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

Sullivan County established a self-insurance fund for risks associated with general liability, property, casualty losses, and workers' compensation. Both the primary government and the discretely presented Sullivan County School

Department participate in this self-insurance fund for the risks listed above. The Self-Insurance Fund is accounted for as an internal service fund in which assets are set aside for claim settlements. Insurance premiums are paid out of the General, Highway/Public Works, and General Purpose School funds. The county retains the risk of loss to limits of $50,000 to $100,000 per individual claim for general liability, property, and casualty losses. The county is self-insured to a limit of $300,000 for a single accident for workers' compensation. Amounts exceeding these limits are covered by excess loss policies, subject to various policy limits. A fee is paid from this fund to a third-party agent who investigates claims and determines recommended action to be taken.

Liabilities of the self-insurance funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These funds establish claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability of unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

Self-Insurance Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2007-2008	$ 277,697	$ 1,858,400	$ (1,503,264)	$ 632,833
2008-2009	632,833	385,016	(594,235)	423,614

Employee Insurance - General Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2007-2008	$8,296	$290,673	($298,969)	$0
2008-2009	0	557,512	(557,512)	0

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 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. 45 establishes reporting requirements for Other Postemployment Benefits (OPEB). OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the county's financial statements. Sullivan County and the discretely presented Sullivan County School Department were required to implement provisions of GASB Statement No. 45 for the year ending June 30, 2009. The Sullivan County School Department early implemented GASB Statement No. 45 for the year ended June 30, 2008. The primary government implemented GASB Statement No. 45 during the year ended June 30, 2009. In previous years, the primary government had only recognized the current-year cost (expense) of these benefits. GASB Statement 45 was implemented prospectively with a zero net OPEB obligation at transition.

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

C. Subsequent Events

On September 14, 2009, Sullivan County was awarded an Energy Efficiency and Conservation Block Grant totaling $459,700 from the U.S. Department of Energy. As of the date of this report no funds from this grant have been received or expended.

On November 4, 2009, the Sullivan County Commission authorized the county mayor to enter into a $15,480,000 loan agreement with the Tennessee State School Bond Authority to fund school capital improvements.

D. Contingent Liabilities

Sullivan County issued $5,000,000 in Airport Revenue and Tax Bonds dated August 1, 2003, for improvements to the Tri-Cities Airport Commission (a joint venture described in footnote V.E.). Sullivan County is contingently liable for 20 percent of the principal and interest on those bonds in the event revenues of the Airport Commission are not sufficient to cover those payments. The other governments participating in the joint venture are contingently liable for the remaining 80 percent of the principal and interest requirements.

There are several pending lawsuits in which the county is involved. Management has provided for potential claims and judgments in the financial statements of the self-insurance funds in this report. Based on letters from attorneys, management believes that potential claims not already recorded in the self-insurance funds would not materially affect the financial statements of the county.

E. Joint Ventures

The Tri-Cities Regional Airport is a joint venture in which Sullivan County participates, along with Washington County and the cities of Kingsport; Johnson City; Bristol, Tennessee; and Bristol, Virginia. The airport is governed by a 12-member board (the Tri-Cities Airport Commission) comprising two members appointed by Sullivan County and ten members appointed by the other participating governments. Funding for the Airport Commission is provided primarily by revenues generated from airport services and by capital grants from the federal and state governments. Complete financial statements for the Tri-Cities Regional Airport can be requested at the following address:

Tri-Cities Regional Airport
P.O. Box 1055
Blountville, TN 37617-1055

The Sullivan County Economic Development Partnership (NETWORKS) is a joint venture in which Sullivan County participates, along with the cities of Kingsport, Bristol, and Bluff City. The partnership is governed by a 24-member board of directors comprising the four mayors, one member each appointed by the member entities' legislative body, 12 members appointed collectively by the four mayors, and four members appointed by the other 20 members of the board. Funding for the NETWORKS is provided primarily by contributions from Sullivan County and the member cities, revenues generated from capital projects, and other business activities of the

partnership. Complete financial statements for the NETWORKS can be requested at the following address:

Sullivan County Economic Development Partnership
P.O. Box 426
Blountville, TN 37617

The Second Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Second Judicial District, Sullivan County, and various cities within Sullivan County. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriff, and police chiefs of participating law enforcement agencies within each judicial district. Sullivan County does not have any equity interest in this joint venture.

Complete financial statements for the DTF can be obtained from its administrative office at the following address:

District Attorney General
Second Judicial District
P.O. Box 526
Blountville, TN 37617

The Upper East Tennessee Juvenile Detention Center was formed through a cooperative agreement between Sullivan County and the counties of Carter, Sullivan, Hawkins, Johnson, Unicoi, and Washington for the operation of a program to divert youth from commitment to the Department of Correction facilities. This program is governed by a board of directors designated by the counties. The board of directors has contracted with Universal Health Services to undertake the management of this program. Operation costs to the counties are allocated according to percentages based on population. Sullivan County's participation cost percentage is 31.7 percent. The county also pays a daily fee for individuals from their counties using the facility. Complete financial statements for the Juvenile Detention Center can be obtained from their administrative office at the following address:

Upper East Tennessee Regional Juvenile Detention Center
307 Wesley Street
Johnson City, TN 37601

F. Jointly Governed Organizations

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64 of Tennessee Code Annotated (TCA), and includes

the counties of Claiborne, Cocke, Grainger, Sullivan, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Sullivan, Washington, and Unicoi. The purpose of the authority is to establish and operate a market for agricultural products of the region through a food distribution center. The authority is governed by a board of directors consisting of the county mayors of each county or the county mayor's designee and one nonvoting member representing the Tennessee Department of Agriculture and the University of Tennessee's Agriculture Extension Service. An executive committee, consisting of the chairman, vice-chairman, secretary, and treasurer of the board of directors, along with the center manager (as an ex-officio member), is in charge of the daily operation of the center.

The Upper East Tennessee Educational Cooperative was established through a contractual agreement between the Boards of Education of Sullivan County, Bristol City, Carter County, Cocke County, Elizabethton City, Greeneville City, Greene County, Hamblen County, Hancock County, Hawkins County, Johnson City, Johnson County, Kingsport City, Newport City, Rogersville City, Unicoi County, and Washington County. The cooperative was authorized through Chapter 49 of TCA. The cooperative was established to provide the First Tennessee-Virginia Development District with educational programs and services of higher quality, greater scope, and greater accessibility. The cooperative is governed by a board of control, consisting of one board member and the directors of schools from each of the systems. The executive committee consists of the chairman and vice-chairman of the board of control and the member director of schools. Funding for the cooperative is provided through state grants and member schools' contributions.

The Upper East Tennessee Educational Cooperative has entered into an agreement to establish and operate the Northeast Tennessee Cooperative. The Northeast Tennessee Cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each of the members' school food service systems. The cooperative has contracted with a coordinating district (Johnson City School System) and a service provider to operate this service. Sullivan County School Department, along with certain other member districts of the Upper East Tennessee Educational Cooperative, are also members of the Northeast Tennessee Cooperative. The cooperative is governed by a representative committee, including one representative from each of the member districts and an executive council, consisting of the chair, vice-chair, secretary, treasurer, and a member-at-large from the representative committee.

G. Retirement Commitments

Employees

Plan Description

Employees of Sullivan 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 Sullivan County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Sullivan County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 14.8 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Sullivan County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, Sullivan County's annual pension cost of $5,518,174 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. Sullivan 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 eight 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	$5,518,174	100%	$0
6-30-08	5,371,569	100	0
6-30-07	4,991,645	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 88.02 percent funded. The actuarial accrued liability for benefits was $128.26 million, and the actuarial value of assets was $112.9 million, resulting in an unfunded actuarial accrued liability (UAAL) of $15.36 million. The covered payroll (annual payroll of active employees covered by the plan) was $34 million, and the ratio of the UAAL to the covered payroll was 44.85 percent.

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

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry

age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

School Teachers

Plan Description

The Sullivan 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 Sullivan 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 Sullivan 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 $2,668,130, $2,653,508, and $2,479,547, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Primary Government

Plan Description

Sullivan County provides commercial health insurance benefits for pre-65 retirees and self-insured Medicare supplement benefits for post-65 retirees. For accounting purposes, the plan is a single employer defined benefit OPEB plan. Benefits are established and amended by recommendation of an insurance committee and approved by the County Commission.

Funding Policy

Premium requirements are established and may be amended by the insurance committee. The plan is financed on a pay-as-you-go basis. Claims liabilities of the Medicare supplement benefits portions of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums.

Sullivan County employees who meet retirement criteria of the Tennessee Consolidated Retirement System are also eligible for county provided postemployment health benefits until age 65. Spouses are eligible to continue medical coverage until the retiree's attainment of Medicare eligibility. Pre-65 retirees with 25 years of service and 55 years of age are not required to make a contribution, while those with less than 25 years of service must contribute 100 percent. Medicare supplement benefits are provided for post-65 retirees who meet requirements set by the insurance committee for years of service and age at retirement. The county contributes the full Medicare supplement cost for eligible retirees.

Annual OPEB Cost and Net OPEB Obligation

	Commercial Insurance Group Plan
ARC	$ 1,903,200
Interest on the NPO	0
Adjustment to the ARC	0
Annual OPEB cost	$ 1,903,200

Annual OPEB Cost and Net OPEB Obligation (Cont.)

	Commercial Insurance Group Plan
Amount of contribution	$ (784,100)
Increase/decrease in NPO	$ 1,119,100
Net OPEB obligation, 7-1-08	0
Net OPEB obligation, 6-30-09	$ 1,119,100

Fiscal Year Ended*	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Sullivan County Plan	$ 1,903,200	41.2 %	$ 1,119,100

* Data only available for one year.

Funded Status and Funding Progress

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

Actuarial valuation date	7-1-07
Actuarial accrued liability (AAL)	$ 29,157,636
Actuarial value of plan assets	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 29,157,636
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	$ 26,708,106
UAAL as a % of covered payroll	109.2%

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

Actuarial Methods and Assumptions

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

In the July 1, 2007, actuarial valuation, the entry age normal percent of pay cost method was used. The actuarial assumptions included a 4.5 percent discount rate and an annual healthcare cost trend rate of ten percent initially, reduced by decrements to an ultimate rate of five percent after ten years. The unfunded actuarial accrued liability is being amortized on a closed basis over a 30-year period beginning June 30, 2009, increasing at five percent per year (the payroll growth rate).

Discretely Presented Sullivan County School Department

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop 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 School

Department pays the full premium for single coverage, with retirees being responsible for the extra cost of family coverage. During the year ended June 30, 2009, the discretely presented School Department contributed $1,843,821 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
ARC	$ 3,078,000
Interest on the NPO	50,401
Adjustment to the ARC	(49,055)
Annual OPEB cost	$ 3,079,346
Amount of contribution	(1,843,821)
Increase/decrease in NPO	$ 1,235,525
Net OPEB obligation, 7-1-08	1,120,013
Net OPEB obligation, 6-30-09	$ 2,355,538

Fiscal Year Ended*	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group	$ 3,031,000	63%	$ 1,120,013
6-30-09	Local Education Group	3,079,346	60	2,355,538

* Data only available for two years.

Funded Status and Funding Progress

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

		Local Education Group Plan
Actuarial valuation date		7-1-07
Actuarial accrued liability (AAL)	$	36,919,000
Actuarial value of plan assets	$	0
Unfunded actuarial accrued liability (UAAL)	$	36,919,000
Actuarial value of assets as a % of the AAL		0%
Covered payroll (active plan members)	$	52,000,168
UAAL as a % of covered payroll		71%

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

Actuarial Methods and Assumptions

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

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

I. Office of Central Accounting

Sullivan County operates under the provisions of Sections 5-12-101, et seq., Tennessee Code Annotated (TCA), and Section 5-13-101, et seq., TCA, which provide for accounting records of the funds under the supervision of the county mayor and highway commissioner to be maintained by personnel of the Central Accounting Office under the administration of the director of accounts and budgets. Records for funds administered by the director of schools were maintained by School Department personnel.

J. Purchasing Laws

The Office of Purchasing Agent was established by Chapter 261, Private Acts of 1947, as amended. This statute provides for the purchasing agent to make all purchases and to enter into all contracts for Sullivan County. This act also requires purchases exceeding $5,000 to be made on a competitive bid basis. Section 54-7-113, Tennessee Code Annotated (Uniform Road Law) requires competitive bids on Highway Department purchases exceeding $10,000.

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REQUIRED SUPPLEMENTARY INFORMATION

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Exhibit F-1

Sullivan 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	$ 25,545,998	$ 0	$ 0	$ 25,545,998	$ 24,854,753	$ 24,854,753	$ 691,245
Licenses and Permits	305,412	0	0	305,412	329,132	329,132	(23,720)
Fines, Forfeitures, and Penalties	784,762	0	0	784,762	427,166	435,548	349,214
Charges for Current Services	1,547,976	0	0	1,547,976	1,647,931	1,647,931	(99,955)
Other Local Revenues	318,577	0	0	318,577	168,518	169,518	149,059
Fees Received from County Officials	6,758,438	0	0	6,758,438	7,058,527	7,074,704	(316,266)
State of Tennessee	4,167,055	0	0	4,167,055	4,307,932	4,332,397	(165,342)
Federal Government	2,054,478	0	0	2,054,478	2,553,566	2,731,045	(676,567)
Other Governments and Citizens Groups	1,335,019	0	0	1,335,019	1,477,475	1,644,172	(309,153)
Total Revenues	$ 42,817,715	$ 0	$ 0	$ 42,817,715	$ 42,825,000	$ 43,219,200	$ (401,485)
Expenditures							
General Government							
County Commission	$ 296,209	$ 0	$ 0	$ 296,209	$ 306,063	$ 306,063	$ 9,854
County Mayor/Executive	182,319	(15)	178	182,482	195,045	195,045	12,563
County Attorney	206,668	(195)	0	206,473	220,535	220,535	14,062
Election Commission	579,095	(4,644)	872	575,323	571,501	576,001	678
Register of Deeds	550,935	(157,926)	64,167	457,176	820,845	820,845	363,669
Planning	327,466	(422)	8,404	335,448	344,520	366,342	30,894
Geographical Information Systems	204,949	(172,422)	829	33,356	31,015	36,015	2,659
County Buildings	1,425,309	(181,137)	7,348	1,251,520	1,305,434	1,305,434	53,914
Other Facilities	187,672	0	0	187,672	187,672	187,672	0
Preservation of Records	73,800	(18,101)	3,096	58,795	62,705	62,705	3,910
Risk Management	709,645	(1,840)	1,470	709,275	674,889	674,889	(34,386)

(Continued)

Exhibit F-1

Sullivan 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							
Accounting and Budgeting	$ 635,298	$ (8,273)	$ 3,837	$ 630,862	$ 660,446	$ 660,446	$ 29,584
Purchasing	645,793	(6,194)	8,558	648,157	715,888	715,888	67,731
Property Assessor's Office	1,486,236	(1,862)	32,980	1,517,354	1,613,078	1,613,078	95,724
County Trustee's Office	536,396	(384)	3,771	539,783	680,875	680,875	141,092
County Clerk's Office	1,263,110	(7,513)	5,557	1,261,154	1,397,715	1,397,715	136,561
Data Processing	169,180	(75,105)	16,946	111,021	114,000	114,000	2,979
Other Finance	491,015	0	0	491,015	500,000	500,000	8,985
Administration of Justice							
Circuit Court Judge	13,039	(1,048)	0	11,991	13,000	13,000	1,009
Circuit Court Clerk	1,389,689	(17,026)	2,610	1,375,273	1,407,034	1,423,211	47,938
General Sessions Court	465,176	(54)	0	465,122	473,968	473,968	8,846
General Sessions Judge	504,562	(117)	310	504,755	512,897	512,897	8,142
Drug Court	32,935	0	0	32,935	129,889	129,889	96,954
Chancery Court	483,860	(9,820)	7,506	481,546	509,322	509,322	27,776
Juvenile Court	661,879	(13,630)	3,216	651,465	738,265	738,264	86,799
District Attorney General	273,737	0	0	273,737	274,856	274,856	1,119
Office of Public Defender	236,775	(448)	0	236,327	229,985	241,485	5,158
Other Administration of Justice	138,524	0	0	138,524	161,250	161,250	22,726
Courtroom Security	306,841	(351)	74	306,564	337,778	337,778	31,214
Public Safety							
Sheriff's Department	8,565,023	(30,957)	105,277	8,639,343	8,807,358	8,836,245	196,902
Administration of the Sexual Offender Registry	9,638	0	469	10,107	12,000	12,000	1,893
Jail	7,599,007	(48,586)	63,412	7,613,833	7,690,883	7,690,883	77,050
Workhouse	88,830	0	0	88,830	93,345	93,345	4,515

(Continued)

Exhibit F-1

Sullivan 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.)							
Public Safety (Cont.)							
Juvenile Services	$ 635,542	$ 0	$ 0	$ 635,542	$ 548,552	$ 638,552	$ 3,010
Fire Prevention and Control	1,433,971	(66,317)	0	1,367,654	1,367,654	1,367,654	0
Civil Defense	453,992	(3,266)	2,679	453,405	486,030	486,030	32,625
Rescue Squad	322,712	(50,303)	84,038	356,447	356,623	356,623	176
Disaster Relief	9,575	(32)	0	9,543	9,543	9,543	0
County Coroner/Medical Examiner	179,996	(1,135)	2,029	180,890	154,435	189,435	8,545
Other Public Safety	174,545	0	142,200	316,745	165,000	323,884	7,139
Public Health and Welfare							
Local Health Center	2,985,849	0	1,701	2,987,550	3,086,117	3,086,117	98,567
Rabies and Animal Control	302,464	(4,707)	10,737	308,494	314,517	333,636	25,142
Dental Health Program	530,271	0	3,871	534,142	601,681	601,681	67,539
Crippled Children Services	125,186	0	0	125,186	127,210	135,410	10,224
Other Local Health Services	2,185,478	0	28,392	2,213,870	2,476,953	2,622,959	409,089
Regional Mental Health Center	69,359	0	0	69,359	69,359	69,359	0
Aid to Dependent Children	27,250	0	0	27,250	27,250	27,250	0
Other Local Welfare Services	15,760	0	0	15,760	16,560	16,560	800
Other Public Health and Welfare	20,000	0	0	20,000	20,000	20,000	0
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	11,000	0	0	11,000	11,000	11,000	0
Libraries	811,032	(26,003)	14,947	799,976	809,535	810,535	10,559
Parks and Fair Boards	365,000	0	0	365,000	439,158	365,000	0
Agriculture and Natural Resources							
Agriculture Extension Service	125,598	0	0	125,598	127,792	127,792	2,194
Forest Service	1,000	0	0	1,000	1,000	1,000	0

(Continued)

Exhibit F-1

Sullivan 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.)							
Agriculture and Natural Resources (Cont.)							
Soil Conservation	$ 47,933	$ 0	$ 0	$ 47,933	$ 49,868	$ 49,868	$ 1,935
Other Operations							
Tourism	42,225	(3,900)	0	38,325	70,326	70,326	32,001
Industrial Development	426,884	(131,992)	104,700	399,592	504,179	514,179	114,587
Housing and Urban Development	20,000	0	0	20,000	20,000	20,000	0
Other Economic and Community Development	213,000	0	0	213,000	213,000	213,000	0
Veterans' Services	11,900	0	0	11,900	11,900	11,900	0
Contributions to Other Agencies	25,000	0	0	25,000	25,000	25,000	0
Employee Benefits	243,724	(1,480)	5,995	248,239	306,140	321,140	72,901
Miscellaneous	52,823	(1,811)	1,323	52,335	82,615	82,615	30,280
Highways							
Other Charges	5,000	0	0	5,000	0	5,000	0
Instruction							
Vocational Education Program	10,239	0	0	10,239	10,239	10,239	0
Other	161,467	0	0	161,467	200,000	200,000	38,533
Support Services							
Fiscal Services	50,000	(50,000)	0	0	0	0	0
Capital Projects							
Public Utility Projects	762,732	0	0	762,732	2,990,847	2,990,847	2,228,115
Highway and Street Capital Projects	18,151	(6,400)	0	11,751	73,000	73,000	61,249
Total Expenditures	$ 43,617,268	$ (1,105,416)	$ 743,499	$ 43,255,351	$ 47,567,139	$ 48,069,075	$ 4,813,724
Excess (Deficiency) of Revenues Over Expenditures	$ (799,553)	$ 1,105,416	$ (743,499)	$ (437,636)	$ (4,742,139)	$ (4,849,875)	$ 4,412,239
Other Financing Sources (Uses)							
Transfers In	$ 534,000	$ 0	$ 0	$ 534,000	$ 534,000	$ 534,000	$ 0
Transfers Out	(238,168)	0	0	(238,168)	0	(238,168)	0
Total Other Financing Sources (Uses)	$ 295,832	$ 0	$ 0	$ 295,832	$ 534,000	$ 295,832	$ 0
Net Change in Fund Balance	$ (503,721)	$ 1,105,416	$ (743,499)	$ (141,804)	$ (4,208,139)	$ (4,554,043)	$ 4,412,239
Fund Balance, July 1, 2008	10,138,267	(1,105,416)	0	9,032,851	9,146,704	9,146,704	(113,853)
Fund Balance, June 30, 2009	$ 9,634,546	$ 0	$ (743,499)	$ 8,891,047	$ 4,938,565	$ 4,592,661	$ 4,298,386

Exhibit F-2

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 4,561,813	$ 0	$ 0	$ 4,561,813	$ 4,583,935	$ 4,583,935	$ (22,122)
Licenses and Permits	184,000	0	0	184,000	184,000	184,000	0
Other Local Revenues	341,385	0	0	341,385	1,001,000	1,001,000	(659,615)
State of Tennessee	2,735,162	0	0	2,735,162	3,153,357	3,153,357	(418,195)
Federal Government	10,400	0	0	10,400	10,400	10,400	0
Other Governments and Citizens Groups	9,056	0	0	9,056	0	0	9,056
Total Revenues	$ 7,841,816	$ 0	$ 0	$ 7,841,816	$ 8,932,692	$ 8,932,692	$ (1,090,876)
Expenditures							
Highways							
Administration	$ 313,119	$ (319)	$ 0	$ 312,800	$ 353,012	$ 353,012	$ 40,212
Highway and Bridge Maintenance	6,915,775	(3,445)	13,682	6,926,012	7,089,579	7,089,579	163,567
Operation and Maintenance of Equipment	701,224	(17,199)	2,543	686,568	730,000	730,000	43,432
Asphalt Plant Operations	706,353	(36,757)	0	669,596	704,000	704,000	34,404
Traffic Control	11,580	(5,667)	3,448	9,361	23,000	23,000	13,639
Other Charges	115,939	(6,196)	0	109,743	110,000	110,000	257
Capital Outlay	351,422	(184,436)	55,598	222,584	250,000	250,000	27,416
Capital Projects							
Highway and Street Capital Projects	0	0	0	0	228,345	228,345	228,345
Total Expenditures	$ 9,115,412	$ (254,019)	$ 75,271	$ 8,936,664	$ 9,487,936	$ 9,487,936	$ 551,272
Excess (Deficiency) of Revenues Over Expenditures	$ (1,273,596)	$ 254,019	$ (75,271)	$ (1,094,848)	$ (555,244)	$ (555,244)	$ (539,604)
Net Change in Fund Balance	$ (1,273,596)	$ 254,019	$ (75,271)	$ (1,094,848)	$ (555,244)	$ (555,244)	$ (539,604)
Fund Balance, July 1, 2008	3,288,639	(254,019)	0	3,034,620	3,000,000	3,000,000	34,620
Fund Balance, June 30, 2009	$ 2,015,043	$ 0	$ (75,271)	$ 1,939,772	$ 2,444,756	$ 2,444,756	$ (504,984)

Exhibit F-3

Sullivan County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Sullivan 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	$ 112,900	$ 128,268	$ 15,368	88.02 %	$ 34,267	44.85 %
6-30-08	7-1-07	112,900	128,268	15,368	88.02	34,267	44.85

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; therfore, data is only presented for two years.

Exhibit F-4

Sullivan County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Sullivan 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								
Sullivan County Plan*	6-30-09	7-1-08	$ 0	$ 29,157	$ 29,157	0 %	$ 26,708	109 %
DISCRETELY PRESENTED SULLIVAN COUNTY SCHOOL DEPARTMENT								
Local Education Group Plan**	6-30-08	7-1-07	0	36,919	36,919	0	42,851	86
Local Education Group Plan	6-30-09	7-1-07	0	36,919	36,919	0	42,851	86

* Data only available for one year.
** Data only available for two years.

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SULLIVAN COUNTY, TENNESSEE
NOTES TO 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 Sullivan 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, County Mayor, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the Sullivan 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 Risk Management major appropriation category (the legal level of control) of the General Fund by $34,386. Such overexpenditures are a violation of state statutes. These overexpenditures were funded by 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.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions relating to the county's trash collection and waste disposal.

Health Department Fund – The Health Department Fund is used to account for transactions relating to the county Health Department. During the year, the Health Department Fund was closed into the General Fund.

Ambulance Service Fund – The Ambulance Service Fund is used to account for transactions relating to emergency medical services.

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

Sports and Recreation Fund – The Sports and Recreation Fund is used to account for transactions relating to Observation Knob Park.

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

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.

Community Development/Industrial Park Fund – The Community Development/ Industrial Park Fund is used to account for transactions related to industrial capital projects.

Sanitation Projects Fund – The Sanitation Projects Fund is used to account for sewer line construction.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for financial resources from the issuance of bonds and capital outlay notes to be used for the acquisition or construction/renovation of major capital facilities.

Exhibit G-1

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

	Special Revenue Funds						
	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation	District Attorney General	Constitu - tional Officers - Fees	Total
ASSETS							
Cash	$ 250	$ 0	$ 0	$ 200	$ 0	$ 197,244	$ 197,694
Equity in Pooled Cash and Investments	983,351	694,202	15,197	80,321	13,753	0	1,786,824
Accounts Receivable	133,536	1,302,446	0	3,735	0	29,294	1,469,011
Due from Other Governments	54,361	0	0	0	0	0	54,361
Due from Other Funds	10,861	0	0	0	0	0	10,861
Property Taxes Receivable	739,497	0	0	0	0	0	739,497
Allowance for Uncollectible Property Taxes	(21,319)	0	0	0	0	0	(21,319)
Total Assets	$ 1,900,537	$ 1,996,648	$ 15,197	$ 84,256	$ 13,753	$ 226,538	$ 4,236,929
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	$ 81,645	$ 2,600	$ 0	$ 0	$ 0	$ 0	$ 84,245
Accrued Payroll	24,296	123,262	0	4,788	0	0	152,346
Payroll Deductions Payable	4	10,295	0	0	0	0	10,299
Contracts Payable	0	0	0	0	0	0	0
Retainage Payable	0	0	0	0	0	0	0
Due to Other Funds	5,624	5,998	0	3,071	0	226,538	241,231
Deferred Revenue - Current Property Taxes	699,685	0	0	0	0	0	699,685
Deferred Revenue - Delinquent Property Taxes	16,902	0	0	0	0	0	16,902
Other Deferred Revenues	0	899,225	0	0	0	0	899,225
Total Liabilities	$ 828,156	$ 1,041,380	$ 0	$ 7,859	$ 0	$ 226,538	$ 2,103,933
Fund Balances							
Reserved for Encumbrances	$ 143,395	$ 322,790	$ 855	$ 2,652	$ 0	$ 0	$ 469,692
Unreserved	928,986	632,478	14,342	73,745	13,753	0	1,663,304
Total Fund Balances	$ 1,072,381	$ 955,268	$ 15,197	$ 76,397	$ 13,753	$ 0	$ 2,132,996
Total Liabilities and Fund Balances	$ 1,900,537	$ 1,996,648	$ 15,197	$ 84,256	$ 13,753	$ 226,538	$ 4,236,929

(Continued)

Exhibit G-1

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

	Capital Projects Funds				
	Community Development/ Industrial Park	Sanitation Projects	Other Capital Projects	Total	Total Nonmajor Governmental Funds
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 0	$ 197,694
Equity in Pooled Cash and Investments	752,841	651,184	290,454	1,694,479	3,481,303
Accounts Receivable	0	0	0	0	1,469,011
Due from Other Governments	27,199	0	0	27,199	81,560
Due from Other Funds	0	0	0	0	10,861
Property Taxes Receivable	0	0	0	0	739,497
Allowance for Uncollectible Property Taxes	0	0	0	0	(21,319)
Total Assets	$ 780,040	$ 651,184	$ 290,454	$ 1,721,678	$ 5,958,607
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 15,001	$ 0	$ 0	$ 15,001	$ 99,246
Accrued Payroll	0	0	0	0	152,346
Payroll Deductions Payable	0	0	0	0	10,299
Contracts Payable	46,137	0	0	46,137	46,137
Retainage Payable	29,404	0	0	29,404	29,404
Due to Other Funds	0	0	0	0	241,231
Deferred Revenue - Current Property Taxes	0	0	0	0	699,685
Deferred Revenue - Delinquent Property Taxes	0	0	0	0	16,902
Other Deferred Revenues	0	0	0	0	899,225
Total Liabilities	$ 90,542	$ 0	$ 0	$ 90,542	$ 2,194,475
Fund Balances					
Reserved for Encumbrances	$ 8,695	$ 0	$ 0	$ 8,695	$ 478,387
Unreserved	680,803	651,184	290,454	1,622,441	3,285,745
Total Fund Balances	$ 689,498	$ 651,184	$ 290,454	$ 1,631,136	$ 3,764,132
Total Liabilities and Fund Balances	$ 780,040	$ 651,184	$ 290,454	$ 1,721,678	$ 5,958,607

Exhibit G-2

Sullivan 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					
	Solid Waste / Sanitation	Health Department	Ambulance Service	Drug Control	Sports and Recreation	District Attorney General
Revenues						
Local Taxes	$ 718,043	$ 0	$ 0	$ 0	$ 0	$ 0
Fines, Forfeitures, and Penalties	0	0	0	91,115	0	14,438
Charges for Current Services	1,241,160	0	4,763,754	0	158,351	0
Other Local Revenues	95,507	0	101,108	9	819	0
State of Tennessee	39,033	0	0	344	0	0
Federal Government	0	0	0	0	0	0
Other Governments and Citizens Groups	98,900	0	10,748	5,000	0	0
Total Revenues	$ 2,192,643	$ 0	$ 4,875,610	$ 96,468	$ 159,170	$ 14,438
Expenditures						
Current:						
General Government	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Administration of Justice	0	0	0	0	0	12,711
Public Safety	0	0	0	90,655	0	0
Public Health and Welfare	1,875,808	139,996	4,402,483	0	0	0
Social, Cultural, and Recreational Services	0	0	0	0	186,742	0
Debt Service:						
Principal on Debt	0	0	36,747	0	0	0
Interest on Debt	0	0	2,673	0	0	0
Capital Projects	0	0	0	0	0	0
Capital Projects - Donated	0	0	0	0	0	0
Total Expenditures	$ 1,875,808	$ 139,996	$ 4,441,903	$ 90,655	$ 186,742	$ 12,711
Excess (Deficiency) of Revenues Over Expenditures	$ 316,835	$ (139,996)	$ 433,707	$ 5,813	$ (27,572)	$ 1,727
Other Financing Sources (Uses)						
Transfers In	$ 0	$ 164,010	$ 0	$ 0	$ 74,158	$ 0
Transfers Out	0	0	(34,000)	(9,334)	0	0
Total Other Financing Sources (Uses)	$ 0	$ 164,010	$ (34,000)	$ (9,334)	$ 74,158	$ 0

(Continued)

Exhibit G-2

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

	Special Revenue Funds					
	Solid Waste / Sanitation	Health Department	Ambulance Service	Drug Control	Sports and Recreation	District Attorney General
Net Change in Fund Balances	$ 316,835	$ 24,014	$ 399,707	$ (3,521)	$ 46,586	$ 1,727
Fund Balance, July 1, 2008	755,546	(24,014)	555,561	18,718	29,811	12,026
Fund Balance, June 30, 2009	$ 1,072,381	$ 0	$ 955,268	$ 15,197	$ 76,397	$ 13,753

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)		Capital Projects Funds				
	Constitu - tional Officers - Fees	Total	Community Development/ Industrial Park	Sanitation Projects	Other Capital Projects	Total	Total Nonmajor Governmental Funds
Revenues							
Local Taxes	$ 0	$ 718,043	$ 0	$ 0	$ 0	$ 0	$ 718,043
Fines, Forfeitures, and Penalties	0	105,553	0	0	0	0	105,553
Charges for Current Services	6,637	6,169,902	0	0	0	0	6,169,902
Other Local Revenues	0	197,443	0	0	0	0	197,443
State of Tennessee	0	39,377	1,134,244	0	0	1,134,244	1,173,621
Federal Government	0	0	0	0	70,140	70,140	70,140
Other Governments and Citizens Groups	0	114,648	0	0	0	0	114,648
Total Revenues	$ 6,637	$ 7,344,966	$ 1,134,244	$ 0	$ 70,140	$ 1,204,384	$ 8,549,350
Expenditures							
Current:							
General Government	$ 6,637	$ 6,637	$ 0	$ 0	$ 0	$ 0	$ 6,637
Administration of Justice	0	12,711	0	0	0	0	12,711
Public Safety	0	90,655	0	0	0	0	90,655
Public Health and Welfare	0	6,418,287	0	0	0	0	6,418,287
Social, Cultural, and Recreational Services	0	186,742	0	0	4,900	4,900	191,642
Debt Service:							
Principal on Debt	0	36,747	0	0	0	0	36,747
Interest on Debt	0	2,673	0	0	0	0	2,673
Capital Projects	0	0	1,120,537	0	27,980	1,148,517	1,148,517
Capital Projects - Donated	0	0	175,872	0	0	175,872	175,872
Total Expenditures	$ 6,637	$ 6,754,452	$ 1,296,409	$ 0	$ 32,880	$ 1,329,289	$ 8,083,741
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ 590,514	$ (162,165)	$ 0	$ 37,260	$ (124,905)	$ 465,609
Other Financing Sources (Uses)							
Transfers In	$ 0	$ 238,168	$ 0	$ 0	$ 0	$ 0	$ 238,168
Transfers Out	0	(43,334)	0	(500,000)	0	(500,000)	(543,334)
Total Other Financing Sources (Uses)	$ 0	$ 194,834	$ 0	$ (500,000)	$ 0	$ (500,000)	$ (305,166)

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)		Capital Projects Funds				
	Constitu - tional Officers - Fees	Total	Community Development/ Industrial Park	Sanitation Projects	Other Capital Projects	Total	Total Nonmajor Governmental Funds
Net Change in Fund Balances	$ 0	$ 785,348	$ (162,165)	$ (500,000)	$ 37,260	$ (624,905)	$ 160,443
Fund Balance, July 1, 2008	0	1,347,648	851,663	1,151,184	253,194	2,256,041	3,603,689
Fund Balance, June 30, 2009	$ 0	$ 2,132,996	$ 689,498	$ 651,184	$ 290,454	$ 1,631,136	$ 3,764,132

Exhibit G-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 718,043	$ 0	$ 0	$ 718,043	$ 714,527	$ 714,527	$ 3,516
Charges for Current Services	1,241,160	0	0	1,241,160	1,224,474	1,224,474	16,686
Other Local Revenues	95,507	0	0	95,507	151,852	151,852	(56,345)
State of Tennessee	39,033	0	0	39,033	40,540	40,540	(1,507)
Other Governments and Citizens Groups	98,900	0	0	98,900	110,000	110,000	(11,100)
Total Revenues	$ 2,192,643	$ 0	$ 0	$ 2,192,643	$ 2,241,393	$ 2,241,393	$ (48,750)
Expenditures							
Public Health and Welfare							
Sanitation Education/Information	$ 12,237	$ 0	$ 0	$ 12,237	$ 39,000	$ 39,000	$ 26,763
Transfer Stations	1,863,571	(11,161)	143,395	1,995,805	2,202,393	2,202,393	206,588
Total Expenditures	$ 1,875,808	$ (11,161)	$ 143,395	$ 2,008,042	$ 2,241,393	$ 2,241,393	$ 233,351
Excess (Deficiency) of Revenues Over Expenditures	$ 316,835	$ 11,161	$ (143,395)	$ 184,601	$ 0	$ 0	$ 184,601
Net Change in Fund Balance	$ 316,835	$ 11,161	$ (143,395)	$ 184,601	$ 0	$ 0	$ 184,601
Fund Balance, July 1, 2008	755,546	(11,161)	0	744,385	525,000	525,000	219,385
Fund Balance, June 30, 2009	$ 1,072,381	$ 0	$ (143,395)	$ 928,986	$ 525,000	$ 525,000	$ 403,986

Exhibit G-4

Sullivan County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Ambulance Service 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							
Charges for Current Services	$ 4,763,754	$ 0	$ 0	$ 4,763,754	$ 4,752,239	$ 4,752,239	$ 11,515
Other Local Revenues	101,108	0	0	101,108	0	55,000	46,108
Other Governments and Citizens Groups	10,748	0	0	10,748	11,000	11,000	(252)
Total Revenues	$ 4,875,610	$ 0	$ 0	$ 4,875,610	$ 4,763,239	$ 4,818,239	$ 57,371
Expenditures							
Public Health and Welfare							
Ambulance/Emergency Medical Services	$ 4,402,483	$ (122,728)	$ 322,790	$ 4,602,545	$ 4,729,239	$ 4,744,819	$ 142,274
Principal on Debt							
General Government	36,747	0	0	36,747	0	36,747	0
Interest on Debt							
General Government	2,673	0	0	2,673	0	2,673	0
Total Expenditures	$ 4,441,903	$ (122,728)	$ 322,790	$ 4,641,965	$ 4,729,239	$ 4,784,239	$ 142,274
Excess (Deficiency) of Revenues Over Expenditures	$ 433,707	$ 122,728	$ (322,790)	$ 233,645	$ 34,000	$ 34,000	$ 199,645
Other Financing Sources (Uses)							
Transfers Out	$ (34,000)	$ 0	$ 0	$ (34,000)	$ (34,000)	$ (34,000)	$ 0
Total Other Financing Sources (Uses)	$ (34,000)	$ 0	$ 0	$ (34,000)	$ (34,000)	$ (34,000)	$ 0
Net Change in Fund Balance	$ 399,707	$ 122,728	$ (322,790)	$ 199,645	$ 0	$ 0	$ 199,645
Fund Balance, July 1, 2008	555,561	(122,728)	0	432,833	370,000	370,000	62,833
Fund Balance, June 30, 2009	$ 955,268	$ 0	$ (322,790)	$ 632,478	$ 370,000	$ 370,000	$ 262,478

Exhibit G-5

Sullivan 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)	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							
Fines, Forfeitures, and Penalties	$ 91,115	$ 0	$ 0	$ 91,115	$ 66,000	$ 91,118	$ (3)
Other Local Revenues	9	0	0	9	0	0	9
State of Tennessee	344	0	0	344	0	0	344
Other Governments and Citizens Groups	5,000	0	0	5,000	0	0	5,000
Total Revenues	$ 96,468	$ 0	$ 0	$ 96,468	$ 66,000	$ 91,118	$ 5,350
Expenditures							
Finance							
Other Finance	$ 0	$ 0	$ 0	$ 0	$ 750	$ 0	$ 0
Public Safety							
Sheriff's Department	90,655	(11,863)	855	79,647	65,250	81,784	2,137
Total Expenditures	$ 90,655	$ (11,863)	$ 855	$ 79,647	$ 66,000	$ 81,784	$ 2,137
Excess (Deficiency) of Revenues Over Expenditures	$ 5,813	$ 11,863	$ (855)	$ 16,821	$ 0	$ 9,334	$ 7,487
Other Financing Sources (Uses)							
Transfers Out	$ (9,334)	$ 0	$ 0	$ (9,334)	$ 0	$ (9,334)	$ 0
Total Other Financing Sources (Uses)	$ (9,334)	$ 0	$ 0	$ (9,334)	$ 0	$ (9,334)	$ 0
Net Change in Fund Balance	$ (3,521)	$ 11,863	$ (855)	$ 7,487	$ 0	$ 0	$ 7,487
Fund Balance, July 1, 2008	18,718	(11,863)	0	6,855	10,000	10,000	(3,145)
Fund Balance, June 30, 2009	$ 15,197	$ 0	$ (855)	$ 14,342	$ 10,000	$ 10,000	$ 4,342

Exhibit G-6

Sullivan County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Sports and Recreation 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							
Charges for Current Services	$ 158,351	$ 0	$ 0	$ 158,351	$ 110,000	$ 115,000	$ 43,351
Other Local Revenues	819	0	0	819	0	0	819
Total Revenues	$ 159,170	$ 0	$ 0	$ 159,170	$ 110,000	$ 115,000	$ 44,170
Expenditures							
Social, Cultural, and Recreational Services							
Parks and Fair Boards	$ 186,742	$ (6,993)	$ 2,652	$ 182,401	$ 184,158	$ 189,158	$ 6,757
Total Expenditures	$ 186,742	$ (6,993)	$ 2,652	$ 182,401	$ 184,158	$ 189,158	$ 6,757
Excess (Deficiency) of Revenues Over Expenditures	$ (27,572)	$ 6,993	$ (2,652)	$ (23,231)	$ (74,158)	$ (74,158)	$ 50,927
Other Financing Sources (Uses)							
Transfers In	$ 74,158	$ 0	$ 0	$ 74,158	$ 74,158	$ 74,158	$ 0
Total Other Financing Sources (Uses)	$ 74,158	$ 0	$ 0	$ 74,158	$ 74,158	$ 74,158	$ 0
Net Change in Fund Balance	$ 46,586	$ 6,993	$ (2,652)	$ 50,927	$ 0	$ 0	$ 50,927
Fund Balance, July 1, 2008	29,811	(6,993)	0	22,818	20,000	20,000	2,818
Fund Balance, June 30, 2009	$ 76,397	$ 0	$ (2,652)	$ 73,745	$ 20,000	$ 20,000	$ 53,745

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 H

Sullivan 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	$ 2,600,155	$ 2,589,224	$ 2,589,224	$ 10,931
Other Local Revenues	718,503	770,078	770,078	(51,575)
Other Governments and Citizens Groups	0	1,048,377	0	0
Total Revenues	$ 3,318,658	$ 4,407,679	$ 3,359,302	$ (40,644)
Expenditures				
Finance				
Other Finance	$ 49,678	$ 52,000	$ 52,000	$ 2,322
Principal on Debt				
General Government	1,670,000	2,348,000	1,678,000	8,000
Interest on Debt				
General Government	1,721,309	1,296,949	1,721,312	3
Education	0	800,739	0	0
Other Debt Service				
General Government	3,036	14,000	13,999	10,963
Education	0	2,000	0	0
Total Expenditures	$ 3,444,023	$ 4,513,688	$ 3,465,311	$ 21,288
Excess (Deficiency) of Revenues Over Expenditures	$ (125,365)	$ (106,009)	$ (106,009)	$ (19,356)
Net Change in Fund Balance	$ (125,365)	$ (106,009)	$ (106,009)	$ (19,356)
Fund Balance, July 1, 2008	1,590,965	1,600,000	1,600,000	(9,035)
Fund Balance, June 30, 2009	$ 1,465,600	$ 1,493,991	$ 1,493,991	$ (28,391)

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Proprietary Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the county, or to other governments, on a cost-reimbursement basis.

Self-Insurance Fund – The Self-Insurance Fund is used to account for the self-insured general liability, property, casualty, and workers' compensation programs managed by the county for the primary government and the discretely presented School Department.

Employee Insurance - General Fund – The Employee Insurance - General Fund is used to account for the primary government's self-insured retirees' supplemental health and employee dental program.

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Exhibit I-1

Sullivan County, Tennessee
Combining Statement of Net Assets
All Proprietary Funds
June 30, 2009

	Internal Service Funds		
	Self-Insurance	Employee Insurance - General	Total
ASSETS			
Current Assets:			
Cash	$ 47,740	$ 0	$ 47,740
Equity in Pooled Cash and Investments	2,153,806	1,048,403	3,202,209
Accounts Receivable	189,649	0	189,649
Due from Other Funds	0	145,912	145,912
Total Assets	$ 2,391,195	$ 1,194,315	$ 3,585,510
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 10,614	$ 0	$ 10,614
Claims and Judgments Payable	423,614	0	423,614
Total Liabilities	$ 434,228	$ 0	$ 434,228
NET ASSETS			
Unrestricted	$ 1,956,967	$ 1,194,315	$ 3,151,282
Total Net Assets	$ 1,956,967	$ 1,194,315	$ 3,151,282

Exhibit I-2

Sullivan County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
All Proprietary Funds
For the Year Ended June 30, 2009

	Internal Service Funds		
	Self-Insurance	Employee Insurance - General	Total
Operating Revenues			
Self-Insurance Premiums	$ 406,837	$ 438,933	$ 845,770
Cobra Insurance Payments	0	3,684	3,684
Total Operating Revenues	$ 406,837	$ 442,617	$ 849,454
Operating Expenses			
Handling Charges and Administrative Costs	$ 48,000	$ 33,318	$ 81,318
Dental Insurance	0	310,557	310,557
Contracts with Private Agencies	2,233	0	2,233
Building and Contents Insurance	21,265	0	21,265
Liability Insurance	27,267	0	27,267
Medical Claims	0	246,955	246,955
Bank Charges	374	0	374
Trustee's Commission	206	0	206
Vehicle and Equipment Insurance	25,620	0	25,620
Workers' Compensation Insurance	308,631	0	308,631
Total Operating Expenses	$ 433,596	$ 590,830	$ 1,024,426
Operating Income (Loss)	$ (26,759)	$ (148,213)	$ (174,972)
Nonoperating Revenues (Expenses)			
Investment Income	$ 20,599	$ 0	$ 20,599
Miscellaneous Refunds	726	0	726
Total Nonoperating Revenues (Expenses)	$ 21,325	$ 0	$ 21,325
Change in Net Assets	$ (5,434)	$ (148,213)	$ (153,647)
Net Assets, July 1, 2008	1,962,401	1,342,528	3,304,929
Net Assets, June 30, 2009	$ 1,956,967	$ 1,194,315	$ 3,151,282

Exhibit I-3

Sullivan County, Tennessee
Combining Statement of Cash Flows
All Proprietary Funds
For the Year Ended June 30, 2009

	Internal Service Funds		
	Self-Insurance	Employee Insurance - General	Total
Cash Flows from Operating Activities			
Receipts for Self-insurance Premiums	$ 301,783	$ 840,472	$ 1,142,255
Payments to Insurers	(373,731)	(310,557)	(684,288)
Payments for Claims	(209,219)	(246,955)	(456,174)
Payments for Administrative Costs	(50,813)	(33,318)	(84,131)
Net Cash Provided By (Used In) Operating Activities	$ (331,980)	$ 249,642	$ (82,338)
Cash Flows from Investing Activities			
Interest on Investments	$ 20,599	$ 0	$ 20,599
Net Cash Provided By (Used In) Investing Activities	$ 20,599	$ 0	$ 20,599
Cash Flows from Noncapital Financing Activities			
Miscellaneous Refunds	$ 726	$ 0	$ 726
Net Cash Provided By (Used In) Noncapital Financing Activities	$ 726	$ 0	$ 726
Increase (Decrease) in Cash	$ (310,655)	$ 249,642	$ (61,013)
Cash, July 1, 2008	2,512,201	798,761	3,310,962
Cash, June 30, 2009	$ 2,201,546	$ 1,048,403	$ 3,249,949
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Operating Income (Loss)	$ (26,759)	$ (148,213)	$ (174,972)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:			
Changes in Assets and Liabilities:			
(Increase) Decrease in Current Receivables	(105,054)	397,855	292,801
Increase (Decrease) in Other Current Liabilities	(200,167)	0	(200,167)
Net Cash Provided By (Used In) Operating Activities	$ (331,980)	$ 249,642	$ (82,338)

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Fiduciary Funds

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

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

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

Airport Joint Venture Fund – The Airport Joint Venture Fund is used to account for airport improvements at the Tri-Cities Airport.

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.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues held in trust for the benefit of the multi-jurisdictional drug task force, which was created by contract (mutual aid agreement) between the participating city and county governments.

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Exhibit J-1

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

	Agency Funds						
	Cities - Sales Tax	City School ADA - Bristol	City School ADA - Kingsport	Airport Joint Venture	Constitutional Officers - Agency	Judicial District Drug	Total
ASSETS							
Cash	$ 0	$ 0	$ 0	$ 0	$ 8,305,321	$ 0	$ 8,305,321
Equity in Pooled Cash and Investments	0	367,473	557,035	86,479	0	97,649	1,108,636
Accounts Receivable	0	270	409	0	2,976	0	3,655
Due from Other Governments	3,212,013	683,094	1,032,992	0	0	5,880	4,933,979
Taxes Receivable	0	9,317,469	14,130,297	0	0	0	23,447,766
Allowance for Uncollectible Taxes	0	(268,618)	(407,370)	0	0	0	(675,988)
Total Assets	$ 3,212,013	$ 10,099,688	$ 15,313,363	$ 86,479	$ 8,308,297	$ 103,529	$ 37,123,369
LIABILITIES							
Accounts Payable	$ 0	$ 0	$ 0	$ 0	$ 0	$ 181	$ 181
Due to Other Taxing Units	3,212,013	10,099,688	15,313,363	0	0	0	28,625,064
Due to Litigants, Heirs, and Others	0	0	0	0	8,308,297	0	8,308,297
Due to Joint Ventures	0	0	0	86,479	0	103,348	189,827
Total Liabilities	$ 3,212,013	$ 10,099,688	$ 15,313,363	$ 86,479	$ 8,308,297	$ 103,529	$ 37,123,369

Exhibit J-2

Sullivan 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	$ 19,606,519	$ 19,606,519	$ 0
Due from Other Governments	3,157,541	3,212,013	3,157,541	3,212,013
Total Assets	$ 3,157,541	$ 22,818,532	$ 22,764,060	$ 3,212,013
Liabilities				
Due to Other Taxing Units	$ 3,157,541	$ 22,818,532	$ 22,764,060	$ 3,212,013
Total Liabilities	$ 3,157,541	$ 22,818,532	$ 22,764,060	$ 3,212,013
City School ADA - Bristol Fund				
Assets				
Equity in Pooled Cash and Investments	$ 403,226	$ 13,195,673	$ 13,231,426	$ 367,473
Accounts Receivable	231	270	231	270
Due from Other Governments	673,769	683,094	673,769	683,094
Taxes Receivable	9,025,289	9,317,469	9,025,289	9,317,469
Allowance for Uncollectible Taxes	(225,436)	(268,618)	(225,436)	(268,618)
Total Assets	$ 9,877,079	$ 22,927,888	$ 22,705,279	$ 10,099,688
Liabilities				
Due to Other Taxing Units	$ 9,877,079	$ 22,927,888	$ 22,705,279	$ 10,099,688
Total Liabilities	$ 9,877,079	$ 22,927,888	$ 22,705,279	$ 10,099,688
City School ADA - Kingsport Fund				
Assets				
Equity in Pooled Cash and Investments	$ 608,613	$ 20,010,720	$ 20,062,298	$ 557,035
Accounts Receivable	348	409	348	409
Due from Other Governments	1,023,538	1,032,992	1,023,538	1,032,992
Taxes Receivable	13,613,312	14,130,297	13,613,312	14,130,297
Allowance for Uncollectible Taxes	(340,036)	(407,370)	(340,036)	(407,370)
Total Assets	$ 14,905,775	$ 34,767,048	$ 34,359,460	$ 15,313,363
Liabilities				
Due to Other Taxing Units	$ 14,905,775	$ 34,767,048	$ 34,359,460	$ 15,313,363
Total Liabilities	$ 14,905,775	$ 34,767,048	$ 34,359,460	$ 15,313,363
Airport Joint Venture				
Assets				
Equity in Pooled Cash and Investments	$ 284,292	$ 21,869	$ 219,682	$ 86,479
Total Assets	$ 284,292	$ 21,869	$ 219,682	$ 86,479

(Continued)

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
Airport Joint Venture (Cont.)				
Liabilities				
Due to Joint Ventures	$ 284,292	$ 21,869	$ 219,682	$ 86,479
Total Liabilities	$ 284,292	$ 21,869	$ 219,682	$ 86,479
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 8,986,459	$ 28,520,783	$ 29,201,921	$ 8,305,321
Accounts Receivable	0	2,976	0	2,976
Due from Other Funds	11,088	0	11,088	0
Total Assets	$ 8,997,547	$ 28,523,759	$ 29,213,009	$ 8,308,297
Liabilities				
Due to Litigants, Heirs, and Others	$ 8,997,547	$ 28,523,759	$ 29,213,009	$ 8,308,297
Total Liabilities	$ 8,997,547	$ 28,523,759	$ 29,213,009	$ 8,308,297
Judicial District Drug Fund				
Assets				
Equity in Pooled Cash and Investments	$ 114,021	$ 136,536	$ 152,908	$ 97,649
Due from Other Governments	16,866	5,880	16,866	5,880
Total Assets	$ 130,887	$ 142,416	$ 169,774	$ 103,529
Liabilities				
Accounts Payable	$ 1,179	$ 181	$ 1,179	$ 181
Due to Joint Ventures	129,708	142,235	168,595	103,348
Total Liabilities	$ 130,887	$ 142,416	$ 169,774	$ 103,529
Totals - All Agency Funds				
Assets				
Cash	$ 8,986,459	$ 28,520,783	$ 29,201,921	$ 8,305,321
Equity in Pooled Cash and Investments	1,410,152	52,971,317	53,272,833	1,108,636
Accounts Receivable	579	3,655	579	3,655
Due from Other Governments	4,871,714	4,933,979	4,871,714	4,933,979
Due from Other Funds	11,088	0	11,088	0
Taxes Receivable	22,638,601	23,447,766	22,638,601	23,447,766
Allowance for Uncollectible Taxes	(565,472)	(675,988)	(565,472)	(675,988)
Total Assets	$ 37,353,121	$ 109,201,512	$ 109,431,264	$ 37,123,369
Liabilities				
Accounts Payable	$ 1,179	$ 181	$ 1,179	$ 181
Due to Joint Ventures	414,000	164,104	388,277	189,827
Due to Other Taxing Units	27,940,395	80,513,468	79,828,799	28,625,064
Due to Litigants, Heirs, and Others	8,997,547	28,523,759	29,213,009	8,308,297
Total Liabilities	$ 37,353,121	$ 109,201,512	$ 109,431,264	$ 37,123,369

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Sullivan County School Department

This section presents combining and individual fund financial statements for the Sullivan County School Department, a discretely presented component unit. The 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.

Special Purpose Fund – The Special Purpose Fund is used to account for the transactions involving school maintenance and building construction.

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.

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

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Exhibit K-1

Sullivan County, Tennessee
Statement of Activities
Discretely Presented Sullivan 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	$ 58,180,672	$ 15,600	$ 5,326,949	$ (52,838,123)
Support Services	31,257,658	360,972	1,411,171	(29,485,515)
Operation of Non-Instructional Services	6,550,225	2,412,343	3,353,808	(784,074)
Interest on Long-term Debt	861,597	0	0	(861,597)
Total Governmental Activities	$ 96,850,152	$ 2,788,915	$ 10,091,928	$ (83,969,309)

General Revenues:	
Taxes:	
Property Taxes Levied for General Purposes	$ 27,120,827
Local Option Sales Tax	12,175,809
Other Local Taxes	6,923
Grants and Contributions Not Restricted for Specific Programs	44,056,345
Unrestricted Investment Income	245
Miscellaneous	590,211
Total General Revenues	$ 83,950,360
Change in Net Assets	$ (18,949)
Net Assets, July 1, 2008	43,836,980
Net Assets, June 30, 2009	$ 43,818,031

Exhibit K-2

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

	Major Fund General Purpose School	Nonmajor Funds Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash	$ 129,478	$ 0	$ 129,478
Equity in Pooled Cash and Investments	6,563,175	564,416	7,127,591
Inventories	582,404	0	582,404
Accounts Receivable	43,493	0	43,493
Due from Other Governments	2,390,170	87,497	2,477,667
Due from Other Funds	51,146	81	51,227
Property Taxes Receivable	26,576,729	1,339,722	27,916,451
Allowance for Uncollectible Property Taxes	(766,194)	(38,624)	(804,818)
Total Assets	$ 35,570,401	$ 1,953,092	$ 37,523,493
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	$ 202,509	$ 39,940	$ 242,449
Payroll Deductions Payable	474,411	0	474,411
Contracts Payable	0	112,894	112,894
Retainage Payable	0	3,724	3,724
Due to Other Funds	81	51,146	51,227
Due to Primary Government	34,040	0	34,040
Other Current Liabilities	6,096	0	6,096
Deferred Revenue - Current Property Taxes	25,145,938	1,267,596	26,413,534
Deferred Revenue - Delinquent Property Taxes	607,434	30,620	638,054
Other Deferred Revenues	950,000	0	950,000
Total Liabilities	$ 27,420,509	$ 1,505,920	$ 28,926,429
Fund Balances			
Reserved for Encumbrances	$ 539,453	$ 30,186	$ 569,639
Reserved for Inventory	582,404	0	582,404
Reserved for Career Ladder - Extended Contract	137,270	0	137,270
Reserved for Career Ladder Program	90,904	0	90,904
Reserved for Technology	31,280	0	31,280
Reserved for Basic Education Program	844,947	0	844,947
Reserved for Title I Grants to Local Education Agencies	0	470	470
Reserved for Innovative Education Program Strategies	0	643	643
Reserved for Special Education - Grants to States	0	23,436	23,436
Other Federal Reserves	0	6	6
Unreserved, Reported In:			
General Fund	5,923,634	0	5,923,634
Special Revenue Funds	0	351,467	351,467
Debt Service Funds	0	40,964	40,964
Total Fund Balances	$ 8,149,892	$ 447,172	$ 8,597,064
Total Liabilities and Fund Balances	$ 35,570,401	$ 1,953,092	$ 37,523,493

Exhibit K-3

Sullivan County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
Discretely Presented Sullivan 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 K-2)			$ 8,597,064
(1)	Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
	Add: land	$ 1,051,748	
	Add: construction in progress	17,770	
	Add: buildings and improvements net of accumulated depreciation	51,815,006	
	Add: other capital assets net of accumulated depreciation	2,668,495	55,553,019
(2)	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		1,588,054
(3)	Debt issuance costs are expensed when paid in the governmental funds. The unamortized portion of these charges are reflected on the statement of net assets.		111,371
(4)	Interest costs of long-term debt are expensed when due in the governmental funds. Interest costs incurred as of the balance sheet date are accrued in the statement of net assets.		(130,379)
(5)	Long-term liabilities, including capital leases payable and bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
	Less: capital lease payable	$ (71,031)	
	Less: bonds payable	(15,915,000)	
	Less: compensated absences payable	(2,693,026)	
	Less: other postemployment benefits liability	(2,355,538)	
	Less: unamortized premiums on bonds	(955,323)	
	Add: deferred amount on refunded bonds	88,820	(21,901,098)
Net assets of governmental activities (Exhibit A)			$ 43,818,031

Exhibit K-4

Sullivan County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Sullivan 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	$ 38,154,528	$ 1,300,997	$ 39,455,525
Licenses and Permits	6,488	0	6,488
Charges for Current Services	2,784,421	0	2,784,421
Other Local Revenues	594,949	0	594,949
State of Tennessee	44,753,549	0	44,753,549
Federal Government	3,014,264	5,528,586	8,542,850
Total Revenues	$ 89,308,199	$ 6,829,583	$ 96,137,782
Expenditures			
Current:			
Finance	$ 0	$ 21,335	$ 21,335
Instruction	51,003,423	4,134,211	55,137,634
Support Services	29,501,471	1,405,540	30,907,011
Operation of Non-Instructional Services	5,664,971	0	5,664,971
Capital Outlay	79,666	1,028,326	1,107,992
Debt Service:			
Principal on Debt	17,454	1,265,000	1,282,454
Interest on Debt	40,867	839,200	880,067
Other Debt Service	0	500	500
Total Expenditures	$ 86,307,852	$ 8,694,112	$ 95,001,964
Excess (Deficiency) of Revenues Over Expenditures	$ 3,000,347	$ (1,864,529)	$ 1,135,818
Other Financing Sources (Uses)			
Transfers In	$ 412,000	$ 2,133,534	$ 2,545,534
Transfers Out	(2,133,534)	(412,000)	(2,545,534)
Total Other Financing Sources (Uses)	$ (1,721,534)	$ 1,721,534	$ 0
Net Change in Fund Balances	$ 1,278,813	$ (142,995)	$ 1,135,818
Fund Balance, July 1, 2008	6,871,079	590,167	7,461,246
Fund Balance, June 30, 2009	$ 8,149,892	$ 447,172	$ 8,597,064

Exhibit K-5

Sullivan County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Sullivan 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 K-4)		$ 1,135,818
(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 depreciation and capital outlays is itemized as follows:		
Add: capital assets purchased in the current period	$ 1,257,432	
Less: current year depreciation expense	(2,452,436)	(1,195,004)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: book value of assets disposed		(15,147)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2008	$ (1,636,244)	
Add: deferred delinquent property taxes and other deferred June 30, 2009	1,588,054	(48,190)
(4) The issuance of long-term debt (e.g., notes, leases, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Less: change in deferred amount on refunding	$ (86,419)	
Add: principal payments on bonds	1,265,000	
Add: principal payments on capital lease	17,454	
Add: change in premium on debt issuances	108,558	
Less: change in deferred debt issuance costs	(12,656)	1,291,937
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	$ 9,488	
Change in compensated absences payable	37,674	
Change in other postemployment benefits liability	(1,235,525)	(1,188,363)
Change in net assets of governmental activities (Exhibit B)		$ (18,949)

Exhibit K-6

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

	Special Revenue Funds			Debt Service Fund	Total
	Special Purpose	School Federal Projects	Total	Education Debt Service	Nonmajor Governmental Funds
ASSETS					
Equity in Pooled Cash and Investments	$ 497,166	$ 26,286	$ 523,452	$ 40,964	$ 564,416
Due from Other Governments	0	87,497	87,497	0	87,497
Due from Other Funds	0	81	81	0	81
Property Taxes Receivable	1,339,722	0	1,339,722	0	1,339,722
Allowance for Uncollectible Property Taxes	(38,624)	0	(38,624)	0	(38,624)
Total Assets	$ 1,798,264	$ 113,864	$ 1,912,128	$ 40,964	$ 1,953,092
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 3,090	$ 36,850	$ 39,940	$ 0	$ 39,940
Contracts Payable	112,894	0	112,894	0	112,894
Retainage Payable	3,724	0	3,724	0	3,724
Due to Other Funds	0	51,146	51,146	0	51,146
Deferred Revenue - Current Property Taxes	1,267,596	0	1,267,596	0	1,267,596
Deferred Revenue - Delinquent Property Taxes	30,620	0	30,620	0	30,620
Total Liabilities	$ 1,417,924	$ 87,996	$ 1,505,920	$ 0	$ 1,505,920
Fund Balances					
Reserved for Encumbrances	$ 28,873	$ 1,313	$ 30,186	$ 0	$ 30,186
Reserved for Title I Grants to Local Education Agencies	0	470	470	0	470
Reserved for Innovative Education Program Strategies	0	643	643	0	643
Reserved for Special Education - Grants to States	0	23,436	23,436	0	23,436
Other Federal Reserves	0	6	6	0	6
Unreserved	351,467	0	351,467	40,964	392,431
Total Fund Balances	$ 380,340	$ 25,868	$ 406,208	$ 40,964	$ 447,172
Total Liabilities and Fund Balances	$ 1,798,264	$ 113,864	$ 1,912,128	$ 40,964	$ 1,953,092

Exhibit K-7

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

	Special Revenue Funds			Debt Service Fund	Total
	Special Purpose	School Federal Projects	Total	Education Debt Service	Nonmajor Governmental Funds
Revenues					
Local Taxes	$ 1,300,997	$ 0	$ 1,300,997	$ 0	$ 1,300,997
Federal Government	0	5,528,586	5,528,586	0	5,528,586
Total Revenues	$ 1,300,997	$ 5,528,586	$ 6,829,583	$ 0	$ 6,829,583
Expenditures					
Current:					
Finance	$ 0	$ 0	$ 0	$ 21,335	$ 21,335
Instruction	0	4,134,211	4,134,211	0	4,134,211
Support Services	25,723	1,379,817	1,405,540	0	1,405,540
Capital Outlay	1,028,326	0	1,028,326	0	1,028,326
Debt Service:					
Principal on Debt	0	0	0	1,265,000	1,265,000
Interest on Debt	0	0	0	839,200	839,200
Other Debt Service	0	0	0	500	500
Total Expenditures	$ 1,054,049	$ 5,514,028	$ 6,568,077	$ 2,126,035	$ 8,694,112
Excess (Deficiency) of Revenues Over Expenditures	$ 246,948	$ 14,558	$ 261,506	$ (2,126,035)	$ (1,864,529)
Other Financing Sources (Uses)					
Transfers In	$ 0	$ 0	$ 0	$ 2,133,534	$ 2,133,534
Transfers Out	(412,000)	0	(412,000)	0	(412,000)
Total Other Financing Sources (Uses)	$ (412,000)	$ 0	$ (412,000)	$ 2,133,534	$ 1,721,534
Net Change in Fund Balances	$ (165,052)	$ 14,558	$ (150,494)	$ 7,499	$ (142,995)
Fund Balance, July 1, 2008	545,392	11,310	556,702	33,465	590,167
Fund Balance, June 30, 2009	$ 380,340	$ 25,868	$ 406,208	$ 40,964	$ 447,172

Exhibit K-8

Sullivan County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Sullivan 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	$ 38,154,528	$ 0	$ 0	$ 38,154,528	$ 38,522,797	$ 38,522,797	$ (368,269)
Licenses and Permits	6,488	0	0	6,488	6,200	6,200	288
Charges for Current Services	2,784,421	0	0	2,784,421	3,012,986	3,012,986	(228,565)
Other Local Revenues	594,949	0	0	594,949	496,525	597,690	(2,741)
State of Tennessee	44,753,549	0	0	44,753,549	43,320,128	44,852,543	(98,994)
Federal Government	3,014,264	0	0	3,014,264	3,022,500	3,022,500	(8,236)
Total Revenues	$ 89,308,199	$ 0	$ 0	$ 89,308,199	$ 88,381,136	$ 90,014,716	$ (706,517)
Expenditures							
Instruction							
Regular Instruction Program	$ 42,902,618	$ (92,470)	$ 391,850	$ 43,201,998	$ 44,134,374	$ 44,544,332	$ 1,342,334
Special Education Program	5,423,681	(31,818)	33	5,391,896	5,486,232	5,529,524	137,628
Vocational Education Program	2,677,124	(3,756)	4,515	2,677,883	2,923,158	2,923,158	245,275
Support Services							
Health Services	110,512	0	418	110,930	112,020	115,572	4,642
Other Student Support	1,736,839	0	0	1,736,839	1,739,665	1,759,365	22,526
Regular Instruction Program	3,559,082	(9,800)	12,037	3,561,319	3,874,053	3,879,334	318,015
Special Education Program	148,674	0	78	148,752	178,743	178,743	29,991
Vocational Education Program	202,678	0	0	202,678	224,288	224,288	21,610
Adult Programs	47	0	0	47	75	75	28
Other Programs	1,050,455	0	0	1,050,455	0	1,050,455	0
Board of Education	1,601,502	0	0	1,601,502	1,562,348	1,662,348	60,846
Director of Schools	635,707	0	0	635,707	709,718	701,458	65,751
Office of the Principal	5,709,856	0	0	5,709,856	5,923,097	5,923,097	213,241

(Continued)

Exhibit K-8

Sullivan County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Sullivan 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.)							
Fiscal Services	$ 278,636	$ 0	$ 0	$ 278,636	$ 301,173	$ 301,173	$ 22,537
Operation of Plant	6,165,610	0	0	6,165,610	5,725,898	6,215,171	49,561
Maintenance of Plant	3,873,912	(133)	5,258	3,879,037	3,875,223	3,906,623	27,586
Transportation	4,102,253	0	5,265	4,107,518	4,531,201	4,142,928	35,410
Central and Other	325,708	(10,290)	0	315,418	322,779	322,779	7,361
Operation of Non-Instructional Services							
Food Service	5,629,557	(13,146)	117,999	5,734,410	6,381,869	6,231,869	497,459
Community Services	35,414	0	0	35,414	92,385	67,385	31,971
Capital Outlay							
Regular Capital Outlay	79,666	0	2,000	81,666	107,500	107,500	25,834
Principal on Debt							
Education	17,454	0	0	17,454	0	17,454	0
Interest on Debt							
Education	40,867	0	0	40,867	60,000	41,325	458
Total Expenditures	$ 86,307,852	$ (161,413)	$ 539,453	$ 86,685,892	$ 88,265,799	$ 89,845,956	$ 3,160,064
Excess (Deficiency) of Revenues Over Expenditures	$ 3,000,347	$ 161,413	$ (539,453)	$ 2,622,307	$ 115,337	$ 168,760	$ 2,453,547
Other Financing Sources (Uses)							
Insurance Recovery	$ 0	$ 0	$ 0	$ 0	$ 1,900	$ 1,900	$ (1,900)
Transfers In	412,000	0	0	412,000	412,000	412,000	0
Transfers Out	(2,133,534)	0	0	(2,133,534)	(2,134,200)	(2,134,200)	666
Total Other Financing Sources (Uses)	$ (1,721,534)	$ 0	$ 0	$ (1,721,534)	$ (1,720,300)	$ (1,720,300)	$ (1,234)
Net Change in Fund Balance	$ 1,278,813	$ 161,413	$ (539,453)	$ 900,773	$ (1,604,963)	$ (1,551,540)	$ 2,452,313
Fund Balance, July 1, 2008	6,871,079	(161,413)	0	6,709,666	6,007,437	6,007,437	702,229
Fund Balance, June 30, 2009	$ 8,149,892	$ 0	$ (539,453)	$ 7,610,439	$ 4,402,474	$ 4,455,897	$ 3,154,542

Exhibit K-9

Sullivan County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Sullivan County School Department
Special Purpose 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	$ 1,300,997	$ 0	$ 0	$ 1,300,997	$ 1,297,047	$ 1,297,047	$ 3,950
Total Revenues	$ 1,300,997	$ 0	$ 0	$ 1,300,997	$ 1,297,047	$ 1,297,047	$ 3,950
Expenditures							
Support Services							
Board of Education	$ 25,723	$ 0	$ 0	$ 25,723	$ 29,000	$ 29,000	$ 3,277
Capital Outlay							
Regular Capital Outlay	1,028,326	(315,711)	28,873	741,488	856,047	856,047	114,559
Total Expenditures	$ 1,054,049	$ (315,711)	$ 28,873	$ 767,211	$ 885,047	$ 885,047	$ 117,836
Excess (Deficiency) of Revenues Over Expenditures	$ 246,948	$ 315,711	$ (28,873)	$ 533,786	$ 412,000	$ 412,000	$ 121,786
Other Financing Sources (Uses)							
Transfers Out	$ (412,000)	$ 0	$ 0	$ (412,000)	$ (412,000)	$ (412,000)	$ 0
Total Other Financing Sources (Uses)	$ (412,000)	$ 0	$ 0	$ (412,000)	$ (412,000)	$ (412,000)	$ 0
Net Change in Fund Balance	$ (165,052)	$ 315,711	$ (28,873)	$ 121,786	$ 0	$ 0	$ 121,786
Fund Balance, July 1, 2008	545,392	(315,711)	0	229,681	0	0	229,681
Fund Balance, June 30, 2009	$ 380,340	$ 0	$ (28,873)	$ 351,467	$ 0	$ 0	$ 351,467

Exhibit K-10

Sullivan County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Sullivan 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	$ 5,528,586	$ 0	$ 0	$ 5,528,586	$ 5,947,794	$ 5,947,794	$ (419,208)
Total Revenues	$ 5,528,586	$ 0	$ 0	$ 5,528,586	$ 5,947,794	$ 5,947,794	$ (419,208)
Expenditures							
Instruction							
Regular Instruction Program	$ 1,852,459	$ 0	$ 0	$ 1,852,459	$ 1,894,902	$ 1,900,902	$ 48,443
Special Education Program	2,117,139	0	0	2,117,139	2,194,579	2,146,331	29,192
Vocational Education Program	164,613	0	0	164,613	143,792	164,613	0
Support Services							
Other Student Support	246,278	(1,672)	0	244,606	360,125	341,906	97,300
Regular Instruction Program	611,945	(718)	1,313	612,540	887,038	881,845	269,305
Special Education Program	50,016	0	0	50,016	49,305	50,060	44
Vocational Education Program	2,215	0	0	2,215	5,100	2,215	0
Transportation	469,363	0	0	469,363	421,873	469,365	2
Total Expenditures	$ 5,514,028	$ (2,390)	$ 1,313	$ 5,512,951	$ 5,956,714	$ 5,957,237	$ 444,286
Excess (Deficiency) of Revenues Over Expenditures	$ 14,558	$ 2,390	$ (1,313)	$ 15,635	$ (8,920)	$ (9,443)	$ 25,078
Other Financing Sources (Uses)							
Transfers In	$ 0	$ 0	$ 0	$ 0	$ 37,500	$ 0	$ 0
Transfers Out	0	0	0	0	(37,500)	0	0
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Net Change in Fund Balance	$ 14,558	$ 2,390	$ (1,313)	$ 15,635	$ (8,920)	$ (9,443)	$ 25,078
Fund Balance, July 1, 2008	11,310	(2,390)	0	8,920	8,920	9,443	(523)
Fund Balance, June 30, 2009	$ 25,868	$ 0	$ (1,313)	$ 24,555	$ 0	$ 0	$ 24,555

Exhibit K-11

Sullivan County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Sullivan 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	$ 0	$ 2,134,200	$ 0	$ 0
Total Revenues	$ 0	$ 2,134,200	$ 0	$ 0
Expenditures				
Finance				
Other Finance	$ 21,335	$ 22,000	$ 22,000	$ 665
Principal on Debt				
Education	1,265,000	1,265,000	1,265,000	0
Interest on Debt				
Education	839,200	839,200	839,200	0
Other Debt Service				
Education	500	8,000	8,000	7,500
Total Expenditures	$ 2,126,035	$ 2,134,200	$ 2,134,200	$ 8,165
Excess (Deficiency) of Revenues Over Expenditures	$ (2,126,035)	$ 0	$ (2,134,200)	$ 8,165
Other Financing Sources (Uses)				
Transfers In	$ 2,133,534	$ 0	$ 2,134,200	$ (666)
Total Other Financing Sources (Uses)	$ 2,133,534	$ 0	$ 2,134,200	$ (666)
Net Change in Fund Balance	$ 7,499	$ 0	$ 0	$ 7,499
Fund Balance, July 1, 2008	33,465	0	0	33,465
Fund Balance, June 30, 2009	$ 40,964	$ 0	$ 0	$ 40,964

MISCELLANEOUS SCHEDULES

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Exhibit L-1

Sullivan County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds
Primary Government and Discretely Presented Sullivan 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	Matured During Period	Outstanding 6-30-09
PRIMARY GOVERNMENT							
NOTES PAYABLE							
Payable through General Debt Service Fund							
Building Renovations	$ 3,000,000	4.2 to 4.75 %	12-1-1998	4-1-10	$ 975,000	$ 475,000	$ 500,000
General Obligation Refunding, Series 2003	3,330,000	3.2	12-1-03	4-1-11	2,030,000	445,000	1,585,000
Industrial Park	1,995,000	4.5 to 5.05	6-1-05	4-1-17	1,840,000	90,000	1,750,000
Industrial Park	505,000	5.54	2-1-06	2-1-17	470,000	20,000	450,000
Total Payable through General Debt Service Fund					$ 5,315,000	$ 1,030,000	$ 4,285,000
Total Notes Payable					$ 5,315,000	$ 1,030,000	$ 4,285,000
CAPITAL LEASE PAYABLE							
Payable through Ambulance Service Fund							
Equipment for EMS Department	69,891	7.9	1-18-07	1-22-09	$ 36,747	$ 36,747	$ 0
Total Capital Lease Payable					$ 36,747	$ 36,747	$ 0
BONDS PAYABLE							
Payable through General Debt Service Fund							
General Obligation Public Improvement Bonds, Series 2002	4,465,000	2.5 to 3.5	10-1-02	8-1-14	$ 2,800,000	$ 365,000	$ 2,435,000
General Obligation Public Improvement Bonds, Series 2005	6,000,000	3.25 to 4.1	6-1-05	5-1-25	5,675,000	175,000	5,500,000
Schools Refunding	16,320,000	4.75 to 5	9-1-05	4-1-24	16,320,000	0	16,320,000
Industrial Park Series 2007	6,500,000	5.9 to 6.25	6-21-07	4-1-28	6,500,000	100,000	6,400,000
Total Bonds Payable					$ 31,295,000	$ 640,000	$ 30,655,000

(Continued)

Exhibit L-1

Sullivan County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds
Primary Government and Discretely Presented Sullivan County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Matured During Period	Outstanding 6-30-09
DISCRETELY PRESENTED SULLIVAN COUNTY SCHOOL DEPARTMENT							
CAPITAL LEASE PAYABLE							
Payable through General Purpose School Fund							
Copiers	$ 99,273	9.086 %	11-1-07	10-1-12	$ 88,485	$ 17,454	$ 71,031
Total Capital Lease Payable					$ 88,485	$ 17,454	$ 71,031
BONDS PAYABLE							
Payable through Education Debt Service Fund							
Schools	24,200,000	4 to 5	5-1-01	5-1-19	$ 3,960,000	$ 1,265,000	$ 2,695,000
Schools Refunding	13,220,000	5	11-1-04	5-1-19	13,220,000	0	13,220,000
Total Bonds Payable					$ 17,180,000	$ 1,265,000	$ 15,915,000

Exhibit L-2

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

PRIMARY GOVERNMENT

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2010	$ 1,135,000	$ 182,142	$ 1,317,142
2011	1,200,000	139,708	1,339,708
2012	280,000	99,123	379,123
2013	285,000	85,163	370,163
2014	315,000	70,814	385,814
2015	345,000	54,838	399,838
2016	350,000	37,210	387,210
2017	375,000	19,305	394,305
Total	$ 4,285,000	$ 688,303	$ 4,973,303

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2010	$ 655,000	$ 1,476,480	$ 2,131,480
2011	670,000	1,452,739	2,122,739
2012	1,370,000	1,427,830	2,797,830
2013	1,460,000	1,367,840	2,827,840
2014	1,585,000	1,303,100	2,888,100
2015	1,690,000	1,231,025	2,921,025
2016	1,360,000	1,161,775	2,521,775
2017	1,445,000	1,097,400	2,542,400
2018	2,030,000	1,029,063	3,059,063
2019	2,150,000	932,687	3,082,687
2020	2,290,000	830,213	3,120,213
2021	2,455,000	719,887	3,174,887
2022	2,655,000	597,738	3,252,738
2023	2,825,000	465,137	3,290,137
2024	3,025,000	323,987	3,348,987
2025	1,115,000	172,303	1,287,303
2026	600,000	115,313	715,313
2027	625,000	78,412	703,412
2028	650,000	39,975	689,975
Total	$ 30,655,000	$ 15,822,904	$ 46,477,904

(Continued)

Exhibit L-2

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

DISCRETELY PRESENTED SULLIVAN COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2010	$ 1,320,000	$ 782,275	$ 2,102,275
2011	1,375,000	722,875	2,097,875
2012	1,395,000	661,000	2,056,000
2013	1,460,000	591,250	2,051,250
2014	1,530,000	518,250	2,048,250
2015	1,605,000	441,750	2,046,750
2016	1,680,000	361,500	2,041,500
2017	1,750,000	277,500	2,027,500
2018	1,850,000	190,000	2,040,000
2019	1,950,000	97,500	2,047,500
Total	$ 15,915,000	$ 4,643,900	$ 20,558,900

Year Ending June 30	Capital Lease Principal	Capital Lease Interest	Capital Lease Requirements
2010	$ 19,108	$ 5,671	$ 24,779
2011	20,918	3,861	24,779
2012	22,900	1,879	24,779
2013	8,105	154	8,259
Total	$ 71,031	$ 11,565	$ 82,596

Exhibit L-3

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

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Health Department	Liquidate fund deficit	$ 164,010
General	Sports and Recreation	Operations	74,158
Ambulance Service	General	Funds for salary for Health Dept/EMS director	34,000
Drug Control	Judicial District Drug	Matching funds for grant	9,334
Sanitation Projects	General	Funds for sewer capital projects	500,000
Total Transfers Primary Government			$ 781,502
DISCRETELY PRESENTED SULLIVAN COUNTY SCHOOL DEPARTMENT			
Special Purpose	General Purpose School	Debt retirement	$ 412,000
General Purpose School	Education Debt Service	Debt retirement	2,133,534
Total Transfers Discretely Presented Sullivan County School Department			$ 2,545,534

Exhibit L-4

Sullivan County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Sullivan 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	$ 100,125	$ 50,000	Cincinnati Insurance Company
Highway Commissioner	Section 8-24-102, TCA	95,357	100,000	"
Director of Schools	State Board of Education and County Board of Education	117,424 (1)	100,000	"
Trustee	Section 8-24-102, TCA	80,474	3,918,000	"
Assessor of Property	Section 8-24-102, TCA	80,474	10,000	"
Director of Accounts and Budgets	Section 5-13-101, et. seq., TCA	80,474	25,000	"
Purchasing Agent	Section 261, Private Acts of 1947, as amended	59,779	10,000	"
County Clerk	Section 8-24-102, TCA	80,474	50,000	"
Circuit Court Clerk	Section 8-24-102, TCA	80,474	100,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	80,474 (2)	80,000	"
Register	Section 8-24-102, TCA	80,474	25,000	"
Sheriff	Section 8-24-102, TCA, and County Commission	95,957 (3)	26,000	"

Employee Blanket Bonds - All County Employees:
Public Employee Dishonesty
(self-insured to $25,000 through county Self-Insurance Fund) 250,000 BB&T - KDC Insurance

(1) Includes chief executive officer training supplement of $1,000.
(2) Does not include special commissioner fees of $4,522.
(3) Includes $6,835 supplement as workhouse superintendent and a $600 law enforcement training supplement.

Exhibit L-5

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

		Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation	District Attorney General
Local Taxes						
County Property Taxes						
Current Property Tax	$ 20,057,751	$ 677,055	$ 0	$ 0	$ 0	$ 0
Trustee's Collections - Prior Year	465,305	15,707	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	285,937	9,652	0	0	0	0
Interest and Penalty	236,004	7,966	0	0	0	0
Pick-up Taxes	148,101	4,999	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	5,905	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	669,244	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	55,073	0	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	741,399	0	0	0	0	0
Litigation Tax - General	368,781	0	0	0	0	0
Litigation Tax - Office of Public Defender	207,577	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	327,821	0	0	0	0	0
Business Tax	1,898,187	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	78,913	2,664	0	0	0	0
Wholesale Beer Tax	0	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0	0
Total Local Taxes	$ 25,545,998	$ 718,043	$ 0	$ 0	$ 0	$ 0
Licenses and Permits						
Licenses						
Animal Registration	$ 900	$ 0	$ 0	$ 0	$ 0	$ 0
Cable TV Franchise	237,680	0	0	0	0	0
Permits						
Beer Permits	1,662	0	0	0	0	0
Building Permits	65,170	0	0	0	0	0
Total Licenses and Permits	$ 305,412	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit L-5

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

		Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation	District Attorney General
Fines, Forfeitures, and Penalties						
Circuit Court						
Officers Costs	$ 187,288	$ 0	$ 0	$ 0	$ 0	$ 0
District Attorney General Fees	0	0	0	0	0	14,438
Criminal Court						
DUI Treatment Fines	88,327	0	0	0	0	0
General Sessions Court						
Fines	335,514	0	0	0	0	0
Fines for Littering	71	0	0	0	0	0
Officers Costs	93,719	0	0	0	0	0
Game and Fish Fines	914	0	0	0	0	0
Drug Control Fines	0	0	0	21,840	0	0
Drug Court Fees	42,160	0	0	0	0	0
Courtroom Security Fee	13,986	0	0	0	0	0
Victims Assistance Assessments	3,309	0	0	0	0	0
Chancery Court						
Officers Costs	8,057	0	0	0	0	0
Data Entry Fee - Chancery Court	3,094	0	0	0	0	0
Judicial District Drug Program						
Drug Task Force Forfeitures and Seizures	0	0	0	54,847	0	0
Courtroom Security Fee	147	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	86	0	0	14,428	0	0
Other Fines, Forfeitures, and Penalties	8,090	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	$ 784,762	$ 0	$ 0	$ 91,115	$ 0	$ 14,438
Charges for Current Services						
General Service Charges						
Tipping Fees	$ 0	$ 1,241,160	$ 0	$ 0	$ 0	$ 0
Patient Charges	823,798	0	4,763,754	0	0	0
Zoning Studies	4,235	0	0	0	0	0
Work Release Charges for Board	25,152	0	0	0	0	0

(Continued)

Exhibit L-5

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

	General	Special Revenue Funds: Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation	District Attorney General
Charges for Current Services (Cont.)						
General Service Charges (Cont.)						
Health Department Collections	$ 389,950	$ 0	$ 0	$ 0	$ 0	$ 0
Backflow Charges	3,073	0	0	0	0	0
Fees						
Recreation Fees	0	0	0	0	158,351	0
Copy Fees	5,751	0	0	0	0	0
Library Fees	10,017	0	0	0	0	0
Greenbelt Late Application Fee	100	0	0	0	0	0
Telephone Commissions	203,131	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	53,876	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	12,000	0	0	0	0	0
Data Processing Fee - County Clerk	14,348	0	0	0	0	0
Other Charges for Services						
Other Charges for Services	2,545	0	0	0	0	0
Total Charges for Current Services	$ 1,547,976	$ 1,241,160	$ 4,763,754	$ 0	$ 158,351	$ 0
Other Local Revenues						
Recurring Items						
Investment Income	$ 715	$ 0	$ 0	$ 0	$ 0	$ 0
Lease/Rentals	45,126	0	0	0	0	0
Sale of Materials and Supplies	1,409	0	0	0	125	0
Commissary Sales	30,003	0	0	0	0	0
Sale of Maps	181	0	0	0	0	0
Sale of Recycled Materials	677	85,507	0	0	694	0
Miscellaneous Refunds	30,275	0	108	9	0	0
Nonrecurring Items						
Revenue from Joint Ventures	0	0	0	0	0	0
Sale of Equipment	0	0	46,000	0	0	0
Sale of Property	16,190	10,000	0	0	0	0

(Continued)

Exhibit L-5

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

		Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation	District Attorney General
Other Local Revenues (Cont.)						
Nonrecurring Items (Cont.)						
Damages Recovered from Individuals	$ 3,885	$ 0	$ 55,000	$ 0	$ 0	$ 0
Contributions and Gifts	1,299	0	0	0	0	0
Other Local Revenues						
Other Local Revenues	188,817	0	0	0	0	0
Total Other Local Revenues	$ 318,577	$ 95,507	$ 101,108	$ 9	$ 819	$ 0
Fees Received from County Officials						
Fees in-Lieu-of Salary						
County Clerk	$ 1,361,531	$ 0	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	653,688	0	0	0	0	0
General Sessions Court Clerk	1,198,888	0	0	0	0	0
Clerk and Master	562,032	0	0	0	0	0
Register	727,200	0	0	0	0	0
Sheriff	5,995	0	0	0	0	0
Trustee	2,249,104	0	0	0	0	0
Total Fees Received from County Officials	$ 6,758,438	$ 0	$ 0	$ 0	$ 0	$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 121,849	$ 0	$ 0	$ 0	$ 0	$ 0
Public Safety Grants						
Law Enforcement Training Programs	61,800	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	569,487	0	0	0	0	0
Other Health and Welfare Grants	22,335	10,361	0	0	0	0
Public Works Grants						
Litter Program	66,903	13,198	0	0	0	0
Other Public Works Grants	0	0	0	0	0	0
Other State Revenues						
Income Tax	572,090	0	0	0	0	0

(Continued)

Exhibit L-5

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

	General	Special Revenue Funds				
		Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation	District Attorney General
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Beer Tax	$ 18,701	$ 0	$ 0	$ 0	$ 0	$ 0
Alcoholic Beverage Tax	166,716	0	0	0	0	0
Mixed Drink Tax	11,483	0	0	0	0	0
Prisoner Transportation	4,844	0	0	0	0	0
Contracted Prisoner Boarding	2,117,889	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Reappraisal Program Reimbursement	52,542	0	0	0	0	0
Registrar's Salary Supplement	14,912	0	0	0	0	0
Other State Grants	349,230	15,474	0	0	0	0
Other State Revenues	16,274	0	0	344	0	0
Total State of Tennessee	$ 4,167,055	$ 39,033	$ 0	$ 344	$ 0	$ 0
Federal Government						
Federal Through State						
Community Development	$ 41,371	$ 0	$ 0	$ 0	$ 0	$ 0
Civil Defense Reimbursement	82,755	0	0	0	0	0
Homeland Security Grants	5,600	0	0	0	0	0
Other Federal through State	1,563,089	0	0	0	0	0
Direct Federal Revenue						
Forest Service	25,734	0	0	0	0	0
Medicare	30,056	0	0	0	0	0
Other Direct Federal Revenue	305,873	0	0	0	0	0
Total Federal Government	$ 2,054,478	$ 0	$ 0	$ 0	$ 0	$ 0
Other Governments and Citizens Groups						
Other Governments						
Paving and Maintenance	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Contributions	15,065	0	0	0	0	0
Contracted Services	1,294,208	98,900	0	0	0	0

(Continued)

Exhibit L-5

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

		Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation	District Attorney General
Other Governments and Citizens Groups (Cont.)						
Citizens Groups						
Donations	$ 25,746	$ 0	$ 10,720	$ 5,000	$ 0	$ 0
Other						
Other	0	0	28	0	0	0
Total Other Governments and Citizens Groups	$ 1,335,019	$ 98,900	$ 10,748	$ 5,000	$ 0	$ 0
Total	$ 42,817,715	$ 2,192,643	$ 4,875,610	$ 96,468	$ 159,170	$ 14,438

(Continued)

Exhibit L-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Other Capital Projects	Total
Local Taxes						
County Property Taxes						
Current Property Tax	$ 0	$ 1,325,900	$ 2,285,060	$ 0	$ 0	$ 24,345,766
Trustee's Collections - Prior Year	0	30,759	53,010	0	0	564,781
Circuit/Clerk & Master Collections - Prior Years	0	18,902	32,575	0	0	347,066
Interest and Penalty	0	15,601	26,887	0	0	286,458
Pick-up Taxes	0	9,790	16,873	0	0	179,763
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	5,905
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	669,244
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	55,073
County Local Option Taxes						
Local Option Sales Tax	0	2,500,000	0	0	0	3,241,399
Litigation Tax - General	0	0	176,760	0	0	545,541
Litigation Tax - Office of Public Defender	0	0	0	0	0	207,577
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	327,821
Business Tax	0	0	0	0	0	1,898,187
Mineral Severance Tax	0	180,493	0	0	0	180,493
Statutory Local Taxes						
Bank Excise Tax	0	5,216	8,990	0	0	95,783
Wholesale Beer Tax	0	460,762	0	0	0	460,762
Interstate Telecommunications Tax	0	14,390	0	0	0	14,390
Total Local Taxes	$ 0	$ 4,561,813	$ 2,600,155	$ 0	$ 0	$ 33,426,009
Licenses and Permits						
Licenses						
Animal Registration	$ 0	$ 0	$ 0	$ 0	$ 0	$ 900
Cable TV Franchise	0	184,000	0	0	0	421,680
Permits						
Beer Permits	0	0	0	0	0	1,662
Building Permits	0	0	0	0	0	65,170
Total Licenses and Permits	$ 0	$ 184,000	$ 0	$ 0	$ 0	$ 489,412

(Continued)

Exhibit L-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Other Capital Projects	Total
Fines, Forfeitures, and Penalties						
Circuit Court						
Officers Costs	$ 0	$ 0	$ 0	$ 0	$ 0	$ 187,288
District Attorney General Fees	0	0	0	0	0	14,438
Criminal Court						
DUI Treatment Fines	0	0	0	0	0	88,327
General Sessions Court						
Fines	0	0	0	0	0	335,514
Fines for Littering	0	0	0	0	0	71
Officers Costs	0	0	0	0	0	93,719
Game and Fish Fines	0	0	0	0	0	914
Drug Control Fines	0	0	0	0	0	21,840
Drug Court Fees	0	0	0	0	0	42,160
Courtroom Security Fee	0	0	0	0	0	13,986
Victims Assistance Assessments	0	0	0	0	0	3,309
Chancery Court						
Officers Costs	0	0	0	0	0	8,057
Data Entry Fee - Chancery Court	0	0	0	0	0	3,094
Judicial District Drug Program						
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	54,847
Courtroom Security Fee	0	0	0	0	0	147
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	0	0	0	14,514
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	8,090
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 0	$ 0	$ 890,315
Charges for Current Services						
General Service Charges						
Tipping Fees	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,241,160
Patient Charges	0	0	0	0	0	5,587,552
Zoning Studies	0	0	0	0	0	4,235
Work Release Charges for Board	0	0	0	0	0	25,152

(Continued)

Exhibit L-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Other Capital Projects	Total
Charges for Current Services (Cont.)						
General Service Charges (Cont.)						
Health Department Collections	$ 0	$ 0	$ 0	$ 0	$ 0	$ 389,950
Backflow Charges	0	0	0	0	0	3,073
Fees						
Recreation Fees	0	0	0	0	0	158,351
Copy Fees	0	0	0	0	0	5,751
Library Fees	0	0	0	0	0	10,017
Greenbelt Late Application Fee	0	0	0	0	0	100
Telephone Commissions	0	0	0	0	0	203,131
Constitutional Officers' Fees and Commissions	2,115	0	0	0	0	2,115
Special Commissioner Fees/Special Master Fees	4,522	0	0	0	0	4,522
Data Processing Fee - Register	0	0	0	0	0	53,876
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	12,000
Data Processing Fee - County Clerk	0	0	0	0	0	14,348
Other Charges for Services						
Other Charges for Services	0	0	0	0	0	2,545
Total Charges for Current Services	$ 6,637	$ 0	$ 0	$ 0	$ 0	$ 7,717,878
Other Local Revenues						
Recurring Items						
Investment Income	$ 0	$ 339,173	$ 14,834	$ 0	$ 0	$ 354,722
Lease/Rentals	0	0	0	0	0	45,126
Sale of Materials and Supplies	0	1,577	0	0	0	3,111
Commissary Sales	0	0	0	0	0	30,003
Sale of Maps	0	0	0	0	0	181
Sale of Recycled Materials	0	0	0	0	0	86,878
Miscellaneous Refunds	0	635	0	0	0	31,027
Nonrecurring Items						
Revenue from Joint Ventures	0	0	703,669	0	0	703,669
Sale of Equipment	0	0	0	0	0	46,000
Sale of Property	0	0	0	0	0	26,190

(Continued)

Exhibit L-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Other Capital Projects	Total
Other Local Revenues (Cont.)						
Nonrecurring Items (Cont.)						
Damages Recovered from Individuals	$ 0	$ 0	$ 0	$ 0	$ 0	$ 58,885
Contributions and Gifts	0	0	0	0	0	1,299
Other Local Revenues						
Other Local Revenues	0	0	0	0	0	188,817
Total Other Local Revenues	$ 0	$ 341,385	$ 718,503	$ 0	$ 0	$ 1,575,908
Fees Received from County Officials						
Fees in-Lieu-of Salary						
County Clerk	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,361,531
Circuit Court Clerk	0	0	0	0	0	653,688
General Sessions Court Clerk	0	0	0	0	0	1,198,888
Clerk and Master	0	0	0	0	0	562,032
Register	0	0	0	0	0	727,200
Sheriff	0	0	0	0	0	5,995
Trustee	0	0	0	0	0	2,249,104
Total Fees Received from County Officials	$ 0	$ 0	$ 0	$ 0	$ 0	$ 6,758,438
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 0	$ 0	$ 0	$ 0	$ 0	$ 121,849
Public Safety Grants						
Law Enforcement Training Programs	0	0	0	0	0	61,800
Health and Welfare Grants						
Health Department Programs	0	0	0	0	0	569,487
Other Health and Welfare Grants	0	17,549	0	0	0	50,245
Public Works Grants						
Litter Program	0	0	0	0	0	80,101
Other Public Works Grants	0	0	0	1,134,244	0	1,134,244
Other State Revenues						
Income Tax	0	0	0	0	0	572,090

(Continued)

Exhibit L-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Other Capital Projects	Total
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Beer Tax	$ 0	$ 0	$ 0	$ 0	$ 0	$ 18,701
Alcoholic Beverage Tax	0	0	0	0	0	166,716
Mixed Drink Tax	0	0	0	0	0	11,483
Prisoner Transportation	0	0	0	0	0	4,844
Contracted Prisoner Boarding	0	0	0	0	0	2,117,889
Gasoline and Motor Fuel Tax	0	2,604,942	0	0	0	2,604,942
Petroleum Special Tax	0	112,671	0	0	0	112,671
Reappraisal Program Reimbursement	0	0	0	0	0	52,542
Registrar's Salary Supplement	0	0	0	0	0	14,912
Other State Grants	0	0	0	0	0	364,704
Other State Revenues	0	0	0	0	0	16,618
Total State of Tennessee	$ 0	$ 2,735,162	$ 0	$ 1,134,244	$ 0	$ 8,075,838
Federal Government						
Federal Through State						
Community Development	$ 0	$ 0	$ 0	$ 0	$ 0	$ 41,371
Civil Defense Reimbursement	0	0	0	0	0	82,755
Homeland Security Grants	0	0	0	0	0	5,600
Other Federal through State	0	0	0	0	70,140	1,633,229
Direct Federal Revenue						
Forest Service	0	10,400	0	0	0	36,134
Medicare	0	0	0	0	0	30,056
Other Direct Federal Revenue	0	0	0	0	0	305,873
Total Federal Government	$ 0	$ 10,400	$ 0	$ 0	$ 70,140	$ 2,135,018
Other Governments and Citizens Groups						
Other Governments						
Paving and Maintenance	$ 0	$ 9,056	$ 0	$ 0	$ 0	$ 9,056
Contributions	0	0	0	0	0	15,065
Contracted Services	0	0	0	0	0	1,393,108

(Continued)

Exhibit L-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Other Capital Projects	Total
Other Governments and Citizens Groups (Cont.)						
Citizens Groups						
Donations	$ 0	$ 0	$ 0	$ 0	$ 0	$ 41,466
Other						
Other	0	0	0	0	0	28
Total Other Governments and Citizens Groups	$ 0	$ 9,056	$ 0	$ 0	$ 0	$ 1,458,723
Total	$ 6,637	$ 7,841,816	$ 3,318,658	$ 1,134,244	$ 70,140	$ 62,527,539

Exhibit L-6

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

	Special Purpose	General Purpose School	School Federal Projects	Total
Local Taxes				
County Property Taxes				
Current Property Tax	$ 1,230,020	$ 24,400,523	$ 0	$ 25,630,543
Trustee's Collections - Prior Year	24,995	564,475	0	589,470
Circuit/Clerk & Master Collections - Prior Years	17,502	352,083	0	369,585
Interest and Penalty	14,443	289,608	0	304,051
Pick-up Taxes	9,057	179,666	0	188,723
County Local Option Taxes				
Local Option Sales Tax	0	12,261,795	0	12,261,795
Statutory Local Taxes				
Bank Excise Tax	4,980	98,796	0	103,776
Interstate Telecommunications Tax	0	7,582	0	7,582
Total Local Taxes	$ 1,300,997	$ 38,154,528	$ 0	$ 39,455,525
Licenses and Permits				
Licenses				
Marriage Licenses	$ 0	$ 6,488	$ 0	$ 6,488
Total Licenses and Permits	$ 0	$ 6,488	$ 0	$ 6,488
Charges for Current Services				
Education Charges				
Tuition - Summer School	$ 0	$ 15,600	$ 0	$ 15,600
Lunch Payments - Children	0	1,397,738	0	1,397,738
Lunch Payments - Adults	0	164,802	0	164,802
Income from Breakfast	0	133,955	0	133,955
A la carte Sales	0	715,848	0	715,848
Receipts from Individual Schools	0	43,383	0	43,383
TBI Criminal Background Fees	0	1,860	0	1,860
Other Charges for Services				
Other Charges for Services	0	311,235	0	311,235
Total Charges for Current Services	$ 0	$ 2,784,421	$ 0	$ 2,784,421
Other Local Revenues				
Recurring Items				
Investment Income	$ 0	$ 245	$ 0	$ 245
Sale of Materials and Supplies	0	4,494	0	4,494
Refund of Telecommunication & Internet Fees (E-Rate)	0	90,699	0	90,699
Retirees' Insurance Payments	0	307,136	0	307,136
Cobra Insurance Payments	0	1,907	0	1,907
Commodity Rebates	0	21,361	0	21,361
Miscellaneous Refunds	0	164,937	0	164,937
Nonrecurring Items				
Damages Recovered from Individuals	0	3,361	0	3,361
Other Local Revenues				
Other Local Revenues	0	809	0	809
Total Other Local Revenues	$ 0	$ 594,949	$ 0	$ 594,949
State of Tennessee				
General Government Grants				
On-Behalf Contributions for OPEB	$ 0	$ 1,050,455	$ 0	$ 1,050,455

(Continued)

Exhibit L-6

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

	Special Purpose	General Purpose School	School Federal Projects	Total
State of Tennessee (Cont.)				
State Education Funds				
Basic Education Program	$ 0	$ 40,283,610	$ 0	$ 40,283,610
Early Childhood Education	0	468,015	0	468,015
School Food Service	0	59,997	0	59,997
Driver Education	0	24,003	0	24,003
Other State Education Funds	0	546,312	0	546,312
Career Ladder Program	0	566,059	0	566,059
Career Ladder - Extended Contract	0	285,600	0	285,600
Other State Revenues				
State Revenue Sharing - T.V.A.	0	1,469,498	0	1,469,498
Total State of Tennessee	$ 0	$ 44,753,549	$ 0	$ 44,753,549
Federal Government				
Federal Through State				
USDA School Lunch Program	$ 0	$ 1,950,658	$ 0	$ 1,950,658
Breakfast	0	594,838	0	594,838
USDA - Other	0	3,705	0	3,705
Vocational Education - Basic Grants to States	0	0	200,046	200,046
Title I Grants to Local Education Agencies	0	0	2,192,861	2,192,861
Innovative Education Program Strategies	0	0	112	112
Special Education - Grants to States	0	218,292	2,546,810	2,765,102
Special Education Preschool Grants	0	0	108,568	108,568
Eisenhower Professional Development State Grants	0	0	440,252	440,252
Other Federal through State	0	0	39,937	39,937
Direct Federal Revenue				
ROTC Reimbursement	0	177,818	0	177,818
Forest Service	0	21,000	0	21,000
Other Direct Federal Revenue	0	47,953	0	47,953
Total Federal Government	$ 0	$ 3,014,264	$ 5,528,586	$ 8,542,850
Total	$ 1,300,997	$ 89,308,199	$ 5,528,586	$ 96,137,782

Exhibit L-7

Sullivan 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	$	167,873		
Social Security		10,408		
Employer Medicare		2,434		
Advertising		17		
Contracts with Government Agencies		106,953		
Freight Expenses		32		
Legal Notices, Recording, and Court Costs		1,135		
Maintenance and Repair Services - Office Equipment		2,831		
Postal Charges		721		
Printing, Stationery, and Forms		1,266		
Travel		833		
Tuition		1,144		
Food Supplies		80		
Office Supplies		356		
Other Supplies and Materials		126		
Total County Commission			$	296,209
County Mayor/Executive				
County Official/Administrative Officer	$	100,125		
Secretary(ies)		29,064		
Social Security		7,778		
State Retirement		18,929		
Life Insurance		120		
Medical Insurance		15,763		
Dental Insurance		536		
Employer Medicare		1,819		
Communication		1,514		
Contributions		250		
Dues and Memberships		2,872		
Maintenance and Repair Services - Office Equipment		237		
Postal Charges		208		
Travel		681		
Tuition		300		
Data Processing Supplies		129		
Food Supplies		171		
Gasoline		1,072		
Office Supplies		202		
Periodicals		549		
Total County Mayor/Executive				182,319

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
County Attorney		
County Official/Administrative Officer	$ 105,131	
Secretary(ies)	38,480	
Social Security	8,572	
State Retirement	21,003	
Life Insurance	120	
Medical Insurance	15,231	
Dental Insurance	713	
Employer Medicare	2,005	
Communication	2,245	
Dues and Memberships	1,140	
Legal Notices, Recording, and Court Costs	55	
Maintenance and Repair Services - Office Equipment	443	
Postal Charges	546	
Printing, Stationery, and Forms	42	
Rentals	76	
Travel	990	
Tuition	244	
Other Contracted Services	554	
Data Processing Supplies	272	
Office Supplies	758	
Periodicals	8,048	
Total County Attorney		$ 206,668
Election Commission		
County Official/Administrative Officer	$ 72,427	
Clerical Personnel	87,828	
Temporary Personnel	75,098	
Part-time Personnel	33,171	
Election Commission	7,092	
Election Workers	83,457	
Social Security	16,488	
State Retirement	25,596	
Life Insurance	225	
Medical Insurance	36,713	
Dental Insurance	1,332	
Employer Medicare	3,923	
Communication	9,123	
Data Processing Services	51,550	
Dues and Memberships	150	
Legal Notices, Recording, and Court Costs	4,084	

(Continued)

Exhibit L-7

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

General Fund (Cont.)			
General Government (Cont.)			
Election Commission (Cont.)			
Maintenance and Repair Services - Equipment	$ 4,518		
Maintenance and Repair Services - Office Equipment	3,035		
Postal Charges	9,619		
Printing, Stationery, and Forms	115		
Rentals	7,250		
Travel	1,893		
Tuition	1,450		
Data Processing Supplies	1,316		
General Construction Materials	350		
Office Supplies	5,981		
Other Supplies and Materials	29		
Other Charges	32,746		
Data Processing Equipment	148		
Furniture and Fixtures	604		
Office Equipment	1,784		
Total Election Commission		$	579,095
Register of Deeds			
County Official/Administrative Officer	$ 80,474		
Clerical Personnel	206,393		
Part-time Personnel	20,429		
Social Security	17,655		
State Retirement	33,670		
Life Insurance	407		
Medical Insurance	55,535		
Dental Insurance	1,771		
Employer Medicare	4,129		
Communication	3,484		
Data Processing Services	597		
Dues and Memberships	786		
Freight Expenses	120		
Maintenance and Repair Services - Office Equipment	105,784		
Postal Charges	1,643		
Printing, Stationery, and Forms	6,678		
Rentals	3,467		
Travel	2,400		
Data Processing Supplies	110		
Food Supplies	432		
Office Supplies	4,809		
Furniture and Fixtures	162		
Total Register of Deeds			550,935

(Continued)

Exhibit L-7

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

General Fund (Cont.)
General Government (Cont.)
Planning

Supervisor/Director	$ 50,742	
Clerical Personnel	30,212	
Other Salaries and Wages	112,275	
Board and Committee Members Fees	3,225	
Social Security	11,476	
State Retirement	27,081	
Life Insurance	267	
Medical Insurance	26,358	
Dental Insurance	950	
Employer Medicare	2,685	
Communication	3,448	
Consultants	7,965	
Contracts with Government Agencies	349	
Data Processing Services	2,189	
Dues and Memberships	907	
Freight Expenses	38	
Legal Notices, Recording, and Court Costs	718	
Licenses	8	
Maintenance and Repair Services - Office Equipment	5,791	
Postal Charges	874	
Printing, Stationery, and Forms	351	
Travel	3,861	
Tuition	1,337	
Permits	2,500	
Crushed Stone	258	
Data Processing Supplies	1,554	
Food Supplies	54	
Gasoline	2,845	
Lubricants	63	
Office Supplies	1,104	
Periodicals	152	
Tires and Tubes	858	
Vehicle Parts	300	
Other Supplies and Materials	73	
Data Processing Equipment	8,522	
Other Construction	10,172	
Other Capital Outlay	5,904	
Total Planning		$ 327,466

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
Geographical Information Systems		
Consultants	$ 101	
Other Contracted Services	204,580	
Data Processing Supplies	268	
Total Geographical Information Systems		$ 204,949
County Buildings		
Supervisor/Director	$ 45,768	
Mechanic(s)	66,507	
Guards	72,936	
Clerical Personnel	32,761	
Custodial Personnel	124,012	
Maintenance Personnel	189,562	
Social Security	32,289	
State Retirement	55,440	
Life Insurance	732	
Medical Insurance	87,915	
Dental Insurance	3,280	
Employer Medicare	6,180	
Communication	9,357	
Janitorial Services	678	
Licenses	18	
Maintenance and Repair Services - Buildings	10,902	
Maintenance and Repair Services - Equipment	60,675	
Pest Control	540	
Printing, Stationery, and Forms	45	
Rentals	6,724	
Travel	436	
Tuition	75	
Permits	700	
Crushed Stone	602	
Custodial Supplies	20,006	
Data Processing Supplies	1,294	
Diesel Fuel	68	
Drugs and Medical Supplies	737	
Electricity	289,296	
Equipment Parts - Heavy	4,614	
Equipment Parts - Light	18	
Equipment and Machinery Parts	6,587	
Food Supplies	121	
Garage Supplies	261	

(Continued)

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

General Fund (Cont.)				
General Government (Cont.)				
County Buildings (Cont.)				
Gasoline	$	14,418		
General Construction Materials		15,848		
Lubricants		460		
Natural Gas		12,428		
Office Supplies		1,303		
Small Tools		1,507		
Tires and Tubes		908		
Uniforms		50		
Vehicle Parts		4,074		
Water and Sewer		15,083		
Chemicals		837		
Other Supplies and Materials		16,885		
Building Improvements		99,904		
Furniture and Fixtures		42,474		
Heating and Air Conditioning Equipment		35,942		
Motor Vehicles		16,867		
Other Equipment		14,572		
Other Capital Outlay		613		
Total County Buildings			$	1,425,309
Other Facilities				
Contracts with Government Agencies	$	187,672		
Total Other Facilities				187,672
Preservation of Records				
Supervisor/Director	$	19,618		
Part-time Personnel		9,492		
Social Security		932		
State Retirement		754		
Life Insurance		29		
Employer Medicare		218		
Communication		2,776		
Data Processing Services		111		
Dues and Memberships		85		
Maintenance and Repair Services - Office Equipment		1,110		
Postal Charges		118		
Printing, Stationery, and Forms		54		
Rentals		22		
Travel		342		
Data Processing Supplies		2,505		

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
Preservation of Records (Cont.)		
Food Supplies	$ 200	
Library Books/Media	11,039	
Office Supplies	17,105	
Periodicals	300	
Office Equipment	6,990	
Total Preservation of Records		$ 73,800
Risk Management		
Supervisor/Director	$ 47,555	
Social Security	2,702	
State Retirement	6,715	
Life Insurance	58	
Medical Insurance	8,563	
Dental Insurance	341	
Employer Medicare	632	
Communication	1,051	
Data Processing Services	36	
Postal Charges	84	
Travel	1,068	
Data Processing Supplies	115	
Instructional Supplies and Materials	492	
Periodicals	378	
Other Supplies and Materials	598	
Boiler Insurance	20,245	
Building and Contents Insurance	16,262	
Excess Risk Insurance	200,000	
Liability Insurance	238,691	
Premiums on Corporate Surety Bonds	502	
Vehicle and Equipment Insurance	3,560	
Workers' Compensation Insurance	159,997	
Total Risk Management		709,645
Finance		
Accounting and Budgeting		
County Official/Administrative Officer	$ 80,474	
Supervisor/Director	192,964	
Clerical Personnel	167,186	
Part-time Personnel	14,086	
Social Security	26,925	
State Retirement	51,152	

(Continued)

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

General Fund (Cont.)
Finance (Cont.)
Accounting and Budgeting (Cont.)

Life Insurance	$ 585	
Medical Insurance	60,047	
Dental Insurance	2,378	
Employer Medicare	6,297	
Communication	8,324	
Dues and Memberships	222	
Maintenance Agreements	350	
Maintenance and Repair Services - Equipment	125	
Maintenance and Repair Services - Office Equipment	2,508	
Postal Charges	8,057	
Printing, Stationery, and Forms	1,701	
Rentals	49	
Travel	1,278	
Tuition	1,105	
Data Processing Supplies	1,433	
Drugs and Medical Supplies	166	
Food Supplies	166	
Gasoline	1,001	
Instructional Supplies and Materials	399	
Office Supplies	4,601	
Periodicals	189	
Vehicle Parts	383	
Data Processing Equipment	1,147	
Total Accounting and Budgeting		$ 635,298

Purchasing

County Official/Administrative Officer	$ 59,779	
Assistant(s)	44,095	
Supervisor/Director	36,804	
Purchasing Personnel	131,456	
Equipment Operators	71,712	
Clerical Personnel	54,914	
Maintenance Personnel	32,054	
Social Security	24,943	
State Retirement	61,449	
Life Insurance	701	
Medical Insurance	70,785	
Dental Insurance	2,375	
Employer Medicare	5,834	
Communication	6,113	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Finance (Cont.)		
Purchasing (Cont.)		
Data Processing Services	$ 610	
Dues and Memberships	250	
Legal Notices, Recording, and Court Costs	1,467	
Maintenance and Repair Services - Office Equipment	2,537	
Postal Charges	1,195	
Printing, Stationery, and Forms	1,967	
Rentals	9,048	
Custodial Supplies	98	
Data Processing Supplies	2,290	
Diesel Fuel	537	
Duplicating Supplies	5,467	
Electricity	465	
Equipment Parts - Light	316	
Food Preparation Supplies	219	
Food Supplies	481	
Garage Supplies	327	
Gasoline	1,942	
Lubricants	62	
Office Supplies	4,780	
Periodicals	274	
Small Tools	24	
Uniforms	383	
Vehicle Parts	340	
Other Supplies and Materials	3,784	
Data Processing Equipment	3,916	
Total Purchasing		$ 645,793
Property Assessor's Office		
County Official/Administrative Officer	$ 80,474	
Assistant(s)	59,343	
Supervisor/Director	48,750	
Deputy(ies)	260,868	
Internal Audit Personnel	50,612	
Clerical Personnel	490,436	
Board and Committee Members Fees	1,570	
Social Security	56,794	
State Retirement	138,650	
Life Insurance	1,555	
Medical Insurance	163,024	
Dental Insurance	6,112	

(Continued)

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

General Fund (Cont.)			
Finance (Cont.)			
Property Assessor's Office (Cont.)			
Employer Medicare	$	13,283	
Audit Services		2,755	
Communication		12,434	
Contracts with Government Agencies		27,122	
Data Processing Services		5,032	
Dues and Memberships		40	
Legal Notices, Recording, and Court Costs		120	
Licenses		5,029	
Maintenance and Repair Services - Office Equipment		3,977	
Maintenance and Repair Services - Vehicles		1,416	
Postal Charges		5,498	
Printing, Stationery, and Forms		350	
Travel		2,421	
Tuition		3,237	
Data Processing Supplies		1,142	
Food Supplies		265	
Gasoline		10,089	
Lubricants		70	
Office Supplies		4,905	
Tires and Tubes		585	
Vehicle Parts		1,244	
Other Supplies and Materials		308	
Other Charges		21,781	
Data Processing Equipment		1,182	
Office Equipment		3,763	
Total Property Assessor's Office			$ 1,486,236
County Trustee's Office			
County Official/Administrative Officer	$	80,474	
Assistant(s)		41,256	
Deputy(ies)		197,389	
Part-time Personnel		9,360	
Social Security		19,041	
State Retirement		38,263	
Life Insurance		469	
Medical Insurance		70,277	
Dental Insurance		2,580	
Employer Medicare		4,453	
Communication		11,323	
Data Processing Services		3,096	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Finance (Cont.)		
County Trustee's Office (Cont.)		
Dues and Memberships	$ 971	
Legal Services	50	
Maintenance and Repair Services - Office Equipment	2,056	
Postal Charges	32,098	
Printing, Stationery, and Forms	17,201	
Rentals	76	
Travel	362	
Data Processing Supplies	3,982	
Office Supplies	1,619	
Total County Trustee's Office		$ 536,396
County Clerk's Office		
County Official/Administrative Officer	$ 80,474	
Deputy(ies)	675,331	
Part-time Personnel	52,503	
Board and Committee Members Fees	480	
Social Security	45,253	
State Retirement	107,160	
Life Insurance	1,340	
Medical Insurance	162,276	
Dental Insurance	6,018	
Unemployment Compensation	96	
Employer Medicare	10,695	
Communication	14,178	
Data Processing Services	40,165	
Dues and Memberships	811	
Legal Notices, Recording, and Court Costs	415	
Maintenance and Repair Services - Buildings	161	
Maintenance and Repair Services - Office Equipment	1,586	
Postal Charges	35,726	
Printing, Stationery, and Forms	2,834	
Travel	1,089	
Other Contracted Services	690	
Data Processing Supplies	1,840	
Equipment Parts - Light	82	
Food Supplies	219	
Office Supplies	9,744	
Data Processing Equipment	11,449	
Office Equipment	495	
Total County Clerk's Office		1,263,110

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Finance (Cont.)				
Data Processing				
Communication	$	1,176		
Data Processing Services		10,325		
Licenses		1,557		
Maintenance Agreements		138,428		
Maintenance and Repair Services - Office Equipment		1,239		
Printing, Stationery, and Forms		2,317		
Data Processing Supplies		3,236		
Office Supplies		113		
Data Processing Equipment		10,789		
Total Data Processing			$	169,180
Other Finance				
Refunds	$	323		
Trustee's Commission		490,692		
Total Other Finance				491,015
Administration of Justice				
Circuit Court Judge				
Communication	$	9,555		
Postal Charges		309		
Printing, Stationery, and Forms		257		
Office Supplies		2,918		
Total Circuit Court Judge				13,039
Circuit Court Clerk				
County Official/Administrative Officer	$	80,474		
Clerical Personnel		819,792		
Part-time Personnel		47,676		
Social Security		55,570		
State Retirement		128,135		
Life Insurance		1,538		
Medical Insurance		140,600		
Dental Insurance		5,815		
Employer Medicare		12,997		
Communication		18,718		
Contracts with Other School Systems		491		
Data Processing Services		6,336		
Dues and Memberships		1,372		
Freight Expenses		43		
Maintenance Agreements		3,777		

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
Circuit Court Clerk (Cont.)				
Maintenance and Repair Services - Equipment	$	1,092		
Maintenance and Repair Services - Office Equipment		6,991		
Postal Charges		13,708		
Printing, Stationery, and Forms		10,166		
Rentals		122		
Travel		1,149		
Data Processing Supplies		4,593		
Food Supplies		270		
General Construction Materials		222		
Office Supplies		17,145		
Periodicals		404		
Other Supplies and Materials		147		
Furniture and Fixtures		10,346		
Total Circuit Court Clerk			$	1,389,689
General Sessions Court				
Judge(s)	$	281,298		
Secretary(ies)		67,464		
Social Security		16,555		
State Retirement		51,132		
Life Insurance		240		
Medical Insurance		22,838		
Dental Insurance		879		
Employer Medicare		4,930		
Communication		4,862		
Dues and Memberships		605		
Licenses		970		
Maintenance Agreements		2,153		
Maintenance and Repair Services - Office Equipment		420		
Postal Charges		655		
Printing, Stationery, and Forms		432		
Travel		5,362		
Tuition		420		
Office Supplies		580		
Periodicals		3,381		
Total General Sessions Court				465,176
General Sessions Judge				
Judge(s)	$	281,298		
Assistant(s)		61,674		

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
General Sessions Judge (Cont.)		
Secretary(ies)	$ 32,611	
Social Security	18,270	
State Retirement	54,920	
Life Insurance	298	
Medical Insurance	31,076	
Dental Insurance	1,248	
Employer Medicare	5,305	
Communication	5,401	
Dues and Memberships	270	
Licenses	970	
Maintenance Agreements	718	
Maintenance and Repair Services - Office Equipment	1,028	
Postal Charges	510	
Printing, Stationery, and Forms	1,362	
Travel	3,677	
Tuition	245	
Data Processing Supplies	236	
Office Supplies	1,379	
Periodicals	1,692	
Uniforms	374	
Total General Sessions Judge		$ 504,562
Drug Court		
Contracts with Private Agencies	$ 32,935	
Total Drug Court		32,935
Chancery Court		
County Official/Administrative Officer	$ 80,474	
Clerical Personnel	184,486	
Part-time Personnel	60,880	
Social Security	18,488	
State Retirement	45,448	
Life Insurance	527	
Medical Insurance	48,947	
Dental Insurance	2,050	
Employer Medicare	4,323	
Communication	5,443	
Data Processing Services	3,160	
Dues and Memberships	989	
Freight Expenses	33	

(Continued)

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

General Fund (Cont.)			
Administration of Justice (Cont.)			
Chancery Court (Cont.)			
Maintenance and Repair Services - Office Equipment	$ 5,364		
Postal Charges	3,305		
Printing, Stationery, and Forms	6,908		
Rentals	44		
Travel	355		
Data Processing Supplies	338		
Office Supplies	6,432		
Periodicals	297		
Data Processing Equipment	1,323		
Furniture and Fixtures	4,246		
Total Chancery Court		$	483,860
Juvenile Court			
Supervisor/Director	$ 71,335		
Probation Officer(s)	31,989		
Guidance Personnel	207,002		
Secretary(ies)	66,254		
Clerical Personnel	12,694		
Social Security	23,357		
State Retirement	57,582		
Life Insurance	598		
Medical Insurance	71,911		
Dental Insurance	2,985		
Unemployment Compensation	550		
Employer Medicare	5,463		
Advertising	372		
Communication	1,610		
Dues and Memberships	220		
Legal Services	23,750		
Maintenance Agreements	1,435		
Maintenance and Repair Services - Office Equipment	319		
Postal Charges	48		
Printing, Stationery, and Forms	336		
Travel	3,781		
Tuition	3,490		
Other Contracted Services	56,289		
Data Processing Supplies	2,415		
Gasoline	523		
Office Supplies	2,314		
Periodicals	78		

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
Juvenile Court (Cont.)				
Tires and Tubes	$	155		
Data Processing Equipment		1,770		
Law Enforcement Equipment		7,293		
Office Equipment		3,961		
Total Juvenile Court			$	661,879
District Attorney General				
Assistant(s)	$	167,467		
Salary Supplements		4,257		
Secretary(ies)		25,282		
Part-time Personnel		10,348		
Social Security		12,040		
State Retirement		27,290		
Life Insurance		232		
Medical Insurance		18,314		
Dental Insurance		846		
Employer Medicare		2,816		
Travel		4,845		
Total District Attorney General				273,737
Office of Public Defender				
Paraprofessionals	$	141,805		
Clerical Personnel		25,572		
Social Security		9,508		
State Retirement		23,381		
Life Insurance		229		
Medical Insurance		29,558		
Dental Insurance		980		
Employer Medicare		2,224		
Licenses		1,200		
Travel		1,758		
Tuition		225		
Office Supplies		335		
Total Office of Public Defender				236,775
Other Administration of Justice				
Board and Committee Members Fees	$	6,540		
Jury and Witness Fees		95,051		
Other Per Diem and Fees		32,806		
Legal Services		4,127		
Total Other Administration of Justice				138,524

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Courtroom Security		
Deputy(ies)	$ 146,982	
Part-time Personnel	77,620	
Social Security	13,022	
State Retirement	20,947	
Life Insurance	296	
Medical Insurance	25,397	
Dental Insurance	1,333	
Employer Medicare	3,045	
Communication	78	
Evaluation and Testing	622	
Licenses	4,800	
Medical and Dental Services	98	
Tuition	5,542	
Food Supplies	798	
Law Enforcement Supplies	39	
Office Supplies	296	
Uniforms	5,926	
Total Courtroom Security		$ 306,841
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 95,957	
Assistant(s)	211,358	
Deputy(ies)	1,970,174	
Captain(s)	260,437	
Lieutenant(s)	696,275	
Sergeant(s)	1,046,203	
Mechanic(s)	98,797	
Dispatchers/Radio Operators	496,761	
Secretary(ies)	351,280	
School Resource Officer	133,378	
Social Security	310,429	
State Retirement	749,329	
Life Insurance	7,533	
Medical Insurance	881,112	
Dental Insurance	31,911	
Unemployment Compensation	4,716	
Employer Medicare	72,601	
Communication	92,466	
Data Processing Services	26,702	

(Continued)

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

General Fund (Cont.)
Public Safety (Cont.)
Sheriff's Department (Cont.)

Dues and Memberships	$	2,840
Evaluation and Testing		1,061
Financial Advisory Services		182
Freight Expenses		19
Licenses		4,898
Maintenance and Repair Services - Buildings		112
Maintenance and Repair Services - Equipment		23,620
Maintenance and Repair Services - Office Equipment		8,470
Maintenance and Repair Services - Vehicles		1,295
Medical and Dental Services		1,146
Pest Control		480
Postal Charges		4,688
Printing, Stationery, and Forms		3,445
Rentals		4,907
Tow-in Services		2,008
Transportation - Other than Students		431
Travel		35,680
Tuition		34,360
Veterinary Services		3,088
Disposal Fees		4,583
Other Contracted Services		9,910
Animal Food and Supplies		2,046
Custodial Supplies		2,017
Data Processing Supplies		4,825
Electricity		4,506
Equipment Parts - Heavy		1,871
Equipment Parts - Light		256
Equipment and Machinery Parts		4,364
Food Supplies		3,627
Garage Supplies		1,164
Gasoline		321,412
General Construction Materials		4,003
Instructional Supplies and Materials		2,255
Law Enforcement Supplies		12,445
Lubricants		5,202
Office Supplies		14,186
Periodicals		1,242
Pipe		193
Small Tools		82
Tires and Tubes		16,243

(Continued)

Exhibit L-7

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

General Fund (Cont.)			
Public Safety (Cont.)			
Sheriff's Department (Cont.)			
Uniforms	$ 45,476		
Vehicle Parts	52,973		
Water and Sewer	173		
Gravel and Chert	607		
Other Supplies and Materials	22,678		
Other Charges	48,189		
Building Improvements	4,800		
Data Processing Equipment	42,386		
Law Enforcement Equipment	175,741		
Maintenance Equipment	4,071		
Motor Vehicles	65,508		
Office Equipment	1,492		
Other Equipment	7,763		
Other Capital Outlay	6,585		
Total Sheriff's Department		$	8,565,023
Administration of the Sexual Offender Registry			
Data Processing Services	$ 400		
Remittance of Revenue Collected	3,200		
Data Processing Supplies	5,855		
Food Supplies	56		
Office Supplies	127		
Total Administration of the Sexual Offender Registry			9,638
Jail			
Assistant(s)	$ 122,960		
Deputy(ies)	2,433,240		
Captain(s)	98,673		
Lieutenant(s)	309,098		
Sergeant(s)	280,493		
Medical Personnel	321,702		
Secretary(ies)	28,563		
Cafeteria Personnel	136,303		
Board and Committee Members Fees	16,271		
Social Security	214,525		
State Retirement	535,466		
Life Insurance	6,127		
Medical Insurance	769,051		
Dental Insurance	28,540		
Unemployment Compensation	4,017		

(Continued)

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

General Fund (Cont.)
Public Safety (Cont.)
Jail (Cont.)

Employer Medicare	$	51,542
Advertising		1,052
Architects		1,500
Communication		23,463
Data Processing Services		19,912
Dues and Memberships		860
Evaluation and Testing		1,919
Financial Advisory Services		14
Licenses		2,996
Maintenance and Repair Services - Buildings		3,380
Maintenance and Repair Services - Equipment		50,115
Maintenance and Repair Services - Office Equipment		4,126
Maintenance and Repair Services - Vehicles		1,769
Medical and Dental Services		419,150
Pest Control		3,050
Postal Charges		630
Printing, Stationery, and Forms		1,366
Rentals		6,015
Tow-in Services		196
Transportation - Other than Students		28,152
Travel		13,308
Tuition		9,401
Disposal Fees		21,855
Other Contracted Services		273
Custodial Supplies		71,127
Data Processing Supplies		3,330
Diesel Fuel		608
Drugs and Medical Supplies		107,250
Electricity		274,876
Equipment Parts - Heavy		5,599
Equipment Parts - Light		3,540
Equipment and Machinery Parts		10,983
Food Preparation Supplies		21,321
Food Supplies		672,589
Garage Supplies		257
Gasoline		44,957
General Construction Materials		6,959
Law Enforcement Supplies		14,321
Lubricants		1,989
Natural Gas		79,880

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Jail (Cont.)		
Office Supplies	$ 11,532	
Periodicals	703	
Prisoners Clothing	12,691	
Small Tools	22	
Tires and Tubes	2,081	
Uniforms	32,968	
Vehicle Parts	5,964	
Water and Sewer	150,677	
Liner Materials	1,445	
Other Supplies and Materials	8,863	
Data Processing Equipment	5,486	
Food Service Equipment	1,715	
Law Enforcement Equipment	37,821	
Motor Vehicles	36,380	
Total Jail		$ 7,599,007
Workhouse		
Deputy(ies)	$ 56,046	
Social Security	3,133	
State Retirement	7,917	
Life Insurance	116	
Medical Insurance	17,606	
Dental Insurance	682	
Employer Medicare	733	
Communication	304	
Custodial Supplies	2,293	
Total Workhouse		88,830
Juvenile Services		
Contracts with Government Agencies	$ 342,990	
Contributions	292,552	
Total Juvenile Services		635,542
Fire Prevention and Control		
Contributions	$ 1,433,971	
Total Fire Prevention and Control		1,433,971
Civil Defense		
Supervisor/Director	$ 50,245	
Medical Personnel	190,470	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Civil Defense (Cont.)		
Secretary(ies)	$ 28,061	
Part-time Personnel	43,923	
Social Security	17,947	
State Retirement	42,984	
Life Insurance	465	
Medical Insurance	51,585	
Dental Insurance	1,842	
Unemployment Compensation	1,335	
Employer Medicare	4,197	
Communication	5,195	
Contributions	325	
Dues and Memberships	35	
Legal Services	50	
Licenses	18	
Maintenance and Repair Services - Equipment	60	
Maintenance and Repair Services - Office Equipment	343	
Maintenance and Repair Services - Vehicles	550	
Postal Charges	43	
Printing, Stationery, and Forms	119	
Travel	390	
Tuition	150	
Other Contracted Services	331	
Data Processing Supplies	408	
Drugs and Medical Supplies	289	
Equipment Parts - Light	3,242	
Equipment and Machinery Parts	79	
Food Preparation Supplies	438	
Gasoline	2,896	
General Construction Materials	59	
Lubricants	58	
Office Supplies	482	
Periodicals	314	
Small Tools	488	
Tires and Tubes	389	
Uniforms	3,115	
Vehicle Parts	622	
Other Supplies and Materials	417	
Other Capital Outlay	33	
Total Civil Defense		$ 453,992

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Public Safety (Cont.)				
Rescue Squad				
Part-time Personnel	$	15,131		
Other Per Diem and Fees		329		
Social Security		819		
Employer Medicare		192		
Other Fringe Benefits		529		
Contributions		234,359		
Maintenance and Repair Services - Equipment		383		
Printing, Stationery, and Forms		48		
Other Contracted Services		12,660		
Maintenance Equipment		4,920		
Motor Vehicles		36,800		
Other Equipment		10,607		
Other Capital Outlay		5,935		
Total Rescue Squad			$	322,712
Disaster Relief				
Contributions	$	6,000		
Equipment Parts - Light		3,543		
Other Equipment		32		
Total Disaster Relief				9,575
County Coroner/Medical Examiner				
Other Per Diem and Fees	$	29,504		
Communication		539		
Contributions		95,835		
Maintenance and Repair Services - Vehicles		319		
Other Contracted Services		39,000		
Drugs and Medical Supplies		6,380		
Gasoline		3,231		
Lubricants		71		
Tires and Tubes		249		
Vehicle Parts		1,268		
Other Charges		3,600		
Total County Coroner/Medical Examiner				179,996
Other Public Safety				
Communication	$	2,543		
Maintenance and Repair Services - Equipment		136,232		
Electricity		15,287		
Equipment Parts - Light		3,575		

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Other Public Safety (Cont.)		
Natural Gas	$ 749	
Propane Gas	359	
Communication Equipment	15,800	
Total Other Public Safety		$ 174,545
Public Health and Welfare		
Local Health Center		
County Official/Administrative Officer	$ 73,086	
Assistant(s)	109,995	
Supervisor/Director	200,141	
Medical Personnel	1,235,999	
Clerical Personnel	304,558	
Custodial Personnel	29,419	
Social Security	105,831	
State Retirement	199,102	
Life Insurance	1,946	
Medical Insurance	187,388	
Dental Insurance	7,497	
Employer Medicare	27,024	
Other Fringe Benefits	2,626	
Advertising	1,719	
Bank Charges	1,202	
Communication	39,359	
Contracts with Government Agencies	27,694	
Contracts with Private Agencies	14	
Freight Expenses	501	
Janitorial Services	12,554	
Licenses	968	
Maintenance and Repair Services - Equipment	17,737	
Maintenance and Repair Services - Office Equipment	29,980	
Medical and Dental Services	16,243	
Pest Control	1,615	
Postal Charges	9,321	
Printing, Stationery, and Forms	2,060	
Rentals	3,312	
Travel	4,802	
Tuition	470	
Disposal Fees	1,260	
Other Contracted Services	4,907	
Custodial Supplies	5,552	

(Continued)

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Local Health Center (Cont.)		
Data Processing Supplies	$ 8,816	
Drugs and Medical Supplies	194,183	
Electricity	69,796	
Equipment and Machinery Parts	904	
Fertilizer, Lime, and Seed	292	
Food Supplies	533	
Gasoline	3,079	
General Construction Materials	1,896	
Instructional Supplies and Materials	3,004	
Lubricants	137	
Natural Gas	9,911	
Office Supplies	12,254	
Periodicals	1,435	
Small Tools	22	
Uniforms	822	
Vehicle Parts	170	
Water and Sewer	8,581	
Other Supplies and Materials	3,881	
Trustee's Commission	251	
Total Local Health Center		$ 2,985,849
Rabies and Animal Control		
Truck Drivers	$ 135,229	
Social Security	7,552	
State Retirement	18,653	
Life Insurance	232	
Medical Insurance	33,813	
Dental Insurance	1,186	
Employer Medicare	1,766	
Communication	3,120	
Evaluation and Testing	80	
Licenses	496	
Maintenance Agreements	400	
Maintenance and Repair Services - Buildings	596	
Maintenance and Repair Services - Equipment	1,228	
Maintenance and Repair Services - Office Equipment	195	
Maintenance and Repair Services - Vehicles	240	
Pest Control	2,680	
Postal Charges	15	
Printing, Stationery, and Forms	676	

(Continued)

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

General Fund (Cont.)				
Public Health and Welfare (Cont.)				
Rabies and Animal Control (Cont.)				
Travel	$	1,892		
Tuition		1,560		
Veterinary Services		14,611		
Disposal Fees		1,474		
Other Contracted Services		415		
Animal Food and Supplies		519		
Custodial Supplies		5,968		
Data Processing Supplies		493		
Drugs and Medical Supplies		3,924		
Electricity		6,467		
Equipment Parts - Light		359		
Equipment and Machinery Parts		7		
Gasoline		12,728		
General Construction Materials		1,672		
Natural Gas		7,037		
Office Supplies		952		
Tires and Tubes		625		
Uniforms		2,000		
Vehicle Parts		2,985		
Water and Sewer		1,732		
Wire		243		
Other Supplies and Materials		1,612		
Other Charges		916		
Data Processing Equipment		1,300		
Heating and Air Conditioning Equipment		1,893		
Motor Vehicles		20,923		
Total Rabies and Animal Control			$	302,464
Dental Health Program				
Medical Personnel	$	334,136		
Social Security		19,164		
State Retirement		45,434		
Life Insurance		352		
Medical Insurance		56,865		
Dental Insurance		1,796		
Employer Medicare		4,482		
Bank Charges		251		
Communication		1,416		
Contracts with Private Agencies		3,786		
Janitorial Services		1,907		

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Public Health and Welfare (Cont.)				
Dental Health Program (Cont.)				
Licenses	$	455		
Maintenance and Repair Services - Equipment		5,452		
Pest Control		480		
Postal Charges		191		
Printing, Stationery, and Forms		67		
Rentals		97		
Travel		407		
Tuition		362		
Disposal Fees		1,586		
Other Contracted Services		265		
Custodial Supplies		791		
Data Processing Supplies		102		
Drugs and Medical Supplies		40,025		
Electricity		5,273		
Equipment and Machinery Parts		2,812		
Food Supplies		213		
Instructional Supplies and Materials		1,119		
Office Supplies		310		
Periodicals		58		
Other Supplies and Materials		617		
Total Dental Health Program			$	530,271
Crippled Children Services				
Clerical Personnel	$	95,690		
Social Security		5,489		
State Retirement		10,462		
Life Insurance		109		
Medical Insurance		7,922		
Dental Insurance		682		
Employer Medicare		1,284		
Postal Charges		300		
Travel		3,248		
Total Crippled Children Services				125,186
Other Local Health Services				
Supervisor/Director	$	113,143		
Teachers		172,853		
Medical Personnel		776,669		
Education Media Personnel		29,932		
Clerical Personnel		195,032		

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Other Local Health Services (Cont.)		
Part-time Personnel	$ 78,938	
Other Salaries and Wages	51,372	
Social Security	82,141	
State Retirement	187,297	
Life Insurance	2,094	
Medical Insurance	203,129	
Dental Insurance	8,047	
Employer Medicare	19,210	
Advertising	6,634	
Communication	35,295	
Contracts with Government Agencies	16,681	
Contributions	30,000	
Freight Expenses	45	
Maintenance and Repair Services - Equipment	1,976	
Medical and Dental Services	2,097	
Postal Charges	1,400	
Printing, Stationery, and Forms	3,255	
Rentals	450	
Travel	28,153	
Tuition	1,721	
Other Contracted Services	2,452	
Custodial Supplies	42	
Data Processing Supplies	46,525	
Drugs and Medical Supplies	12,785	
Electricity	229	
Equipment and Machinery Parts	420	
Food Supplies	3,677	
General Construction Materials	822	
Instructional Supplies and Materials	50,406	
Office Supplies	15,613	
Periodicals	148	
Other Supplies and Materials	4,795	
Total Other Local Health Services		$ 2,185,478
Regional Mental Health Center		
Contributions	$ 69,359	
Total Regional Mental Health Center		69,359
Aid to Dependent Children		
Contributions	$ 27,250	
Total Aid to Dependent Children		27,250

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Public Health and Welfare (Cont.)				
Other Local Welfare Services				
Contributions	$	5,760		
Pauper Burials		10,000		
Total Other Local Welfare Services			$	15,760
Other Public Health and Welfare				
Contributions	$	20,000		
Total Other Public Health and Welfare				20,000
Social, Cultural, and Recreational Services				
Senior Citizens Assistance				
Contributions	$	11,000		
Total Senior Citizens Assistance				11,000
Libraries				
Supervisor/Director	$	44,013		
Clerical Personnel		287,036		
Custodial Personnel		69,076		
Part-time Personnel		21,889		
Social Security		24,384		
State Retirement		47,006		
Life Insurance		581		
Medical Insurance		54,800		
Dental Insurance		2,251		
Employer Medicare		5,703		
Advertising		540		
Communication		7,525		
Contributions		30,000		
Data Processing Services		5,128		
Dues and Memberships		1,013		
Janitorial Services		1,471		
Maintenance and Repair Services - Buildings		576		
Maintenance and Repair Services - Equipment		57		
Maintenance and Repair Services - Office Equipment		4,206		
Matching Share		16,928		
Pest Control		2,500		
Postal Charges		3,371		
Printing, Stationery, and Forms		266		
Rentals		1,740		
Travel		498		
Tuition		881		

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Libraries (Cont.)		
Disposal Fees	$ 411	
Other Contracted Services	225	
Custodial Supplies	2,920	
Data Processing Supplies	29,767	
Electricity	18,272	
Equipment and Machinery Parts	118	
Food Supplies	229	
General Construction Materials	3,679	
Instructional Supplies and Materials	22,305	
Library Books/Media	36,439	
Natural Gas	3,627	
Office Supplies	20,704	
Periodicals	2,115	
Vehicle Parts	11	
Water and Sewer	1,205	
Other Supplies and Materials	312	
Other Charges	16,541	
Building Improvements	660	
Data Processing Equipment	5,749	
Furniture and Fixtures	11,512	
Other Capital Outlay	792	
Total Libraries		$ 811,032
Parks and Fair Boards		
Contributions	$ 65,000	
Payments to Schools - Other	300,000	
Total Parks and Fair Boards		365,000
Agriculture and Natural Resources		
Agriculture Extension Service		
Communication	$ 2,553	
Contributions	7,000	
Matching Share	115,925	
Printing, Stationery, and Forms	120	
Total Agriculture Extension Service		125,598
Forest Service		
Contributions	$ 1,000	
Total Forest Service		1,000

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Agriculture and Natural Resources (Cont.)				
Soil Conservation				
Secretary(ies)	$	28,775		
Social Security		1,632		
State Retirement		4,064		
Life Insurance		58		
Medical Insurance		7,922		
Employer Medicare		382		
Contributions		5,100		
Total Soil Conservation			$	47,933
Other Operations				
Tourism				
Supervisor/Director	$	7,773		
Social Security		1,228		
State Retirement		3,046		
Unemployment Compensation		4,468		
Employer Medicare		287		
Advertising		523		
Contributions		10,200		
Data Processing Services		111		
Printing, Stationery, and Forms		175		
Rentals		22		
Travel		402		
Tuition		40		
Other Contracted Services		500		
Office Supplies		150		
Other Charges		13,300		
Total Tourism				42,225
Industrial Development				
Contracts with Private Agencies	$	4,193		
Contributions		353,940		
Electricity		307		
Building Improvements		41,152		
Site Development		27,292		
Total Industrial Development				426,884
Housing and Urban Development				
Contributions	$	20,000		
Total Housing and Urban Development				20,000

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Other Operations (Cont.)		
Other Economic and Community Development		
Contracts with Government Agencies	$ 200,000	
Contributions	13,000	
Total Other Economic and Community Development		$ 213,000
Veterans' Services		
Rentals	$ 11,900	
Total Veterans' Services		11,900
Contributions to Other Agencies		
Contributions	$ 25,000	
Total Contributions to Other Agencies		25,000
Employee Benefits		
Social Security	$ 864	
Medical Insurance	207,308	
Employer Medicare	29	
Other Fringe Benefits	35,523	
Total Employee Benefits		243,724
Miscellaneous		
Dues and Memberships	$ 24,400	
Other Charges	28,423	
Total Miscellaneous		52,823
Highways		
Other Charges		
Consultants	$ 5,000	
Total Other Charges		5,000
Instruction		
Vocational Education Program		
Contributions	$ 10,239	
Total Vocational Education Program		10,239
Other		
Contracts with Other Public Agencies	$ 161,467	
Total Other		161,467

(Continued)

Exhibit L-7

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

General Fund (Cont.)			
Support Services			
Fiscal Services			
Other Charges	$ 50,000		
Total Fiscal Services		$ 50,000	
Capital Projects			
Public Utility Projects			
Other Capital Outlay	$ 762,732		
Total Public Utility Projects		762,732	
Highway and Street Capital Projects			
Contracts with Other Public Agencies	$ 6,193		
Legal Notices, Recording, and Court Costs	44		
Other Road Supplies	9,608		
Road Signs	1,306		
Right-of-Way	1,000		
Total Highway and Street Capital Projects		18,151	
Total General Fund			$ 43,617,268
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Sanitation Education/Information			
Communication	$ 939		
Data Processing Services	30		
Dues and Memberships	390		
Postal Charges	1		
Printing, Stationery, and Forms	10		
Other Contracted Services	9,296		
Custodial Supplies	634		
Office Supplies	30		
Other Supplies and Materials	907		
Total Sanitation Education/Information		$ 12,237	
Transfer Stations			
Supervisor/Director	$ 57,851		
Mechanic(s)	29,986		
Equipment Operators	32,462		
Truck Drivers	217,857		
Clerical Personnel	28,606		
Maintenance Personnel	154,611		
Part-time Personnel	18,707		

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)
Public Health and Welfare (Cont.)
Transfer Stations (Cont.)

Social Security	$	29,685
State Retirement		70,920
Employee and Dependent Insurance		5,612
Life Insurance		875
Medical Insurance		129,691
Dental Insurance		4,420
Employer Medicare		7,152
Bank Charges		101
Communication		7,911
Contracts with Government Agencies		4,789
Data Processing Services		60
Dues and Memberships		2,440
Evaluation and Testing		1,500
Freight Expenses		17
Legal Notices, Recording, and Court Costs		167
Maintenance and Repair Services - Equipment		22,878
Maintenance and Repair Services - Vehicles		5,776
Postal Charges		131
Printing, Stationery, and Forms		1,122
Rentals		3,376
Tow-in Services		215
Travel		3,302
Disposal Fees		735,819
Other Contracted Services		854
Custodial Supplies		1,461
Data Processing Supplies		3,775
Diesel Fuel		115,826
Drugs and Medical Supplies		1,049
Electricity		15,373
Equipment Parts - Heavy		5,663
Equipment Parts - Light		5,602
Equipment and Machinery Parts		3,527
Fuel Oil		873
Garage Supplies		6,095
Gasoline		10,807
General Construction Materials		7,950
Instructional Supplies and Materials		40
Lubricants		9,518
Office Supplies		4,568
Propane Gas		305

(Continued)

Exhibit L-7

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

Solid Waste/Sanitation Fund (Cont.)			
Public Health and Welfare (Cont.)			
Transfer Stations (Cont.)			
Small Tools	$ 228		
Tires and Tubes	27,426		
Vehicle Parts	17,305		
Water and Sewer	1,590		
Other Supplies and Materials	3,665		
Trustee's Commission	25,911		
Data Processing Equipment	1,745		
Other Equipment	9,961		
Other Capital Outlay	4,415		
Total Transfer Stations		$ 1,863,571	
Total Solid Waste/Sanitation Fund			$ 1,875,808
Health Department Fund			
Public Health and Welfare			
Local Health Center			
Maintenance and Repair Services - Equipment	$ 851		
Maintenance and Repair Services - Office Equipment	652		
Medical and Dental Services	213		
Rentals	2,120		
Disposal Fees	59		
Other Contracted Services	3		
Data Processing Supplies	91		
Drugs and Medical Supplies	13,338		
Gasoline	515		
General Construction Materials	79		
Instructional Supplies and Materials	3,944		
Office Supplies	5,554		
Periodicals	210		
Other Supplies and Materials	2,369		
Health Equipment	8,473		
Total Local Health Center		$ 38,471	
Dental Health Program			
Drugs and Medical Supplies	$ 5		
Food Supplies	38		
Office Supplies	27		
Total Dental Health Program		70	

(Continued)

Exhibit L-7

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

Health Department Fund (Cont.)			
Public Health and Welfare (Cont.)			
Crippled Children Services			
Communication	$ 10		
Total Crippled Children Services		$ 10	
Other Local Health Services			
Communication	$ 431		
Printing, Stationery, and Forms	360		
Other Contracted Services	119		
Data Processing Supplies	34,371		
Drugs and Medical Supplies	10,066		
Instructional Supplies and Materials	36,889		
Office Supplies	1,178		
Periodicals	26		
Uniforms	668		
Other Supplies and Materials	2,767		
Health Equipment	14,570		
Total Other Local Health Services		101,445	
Total Health Department Fund			$ 139,996
Ambulance Service Fund			
Public Health and Welfare			
Ambulance/Emergency Medical Services			
Supervisor/Director	$ 48,939		
Captain(s)	144,484		
Lieutenant(s)	141,151		
Medical Personnel	1,923,182		
Clerical Personnel	123,199		
Part-time Personnel	223,205		
Social Security	148,632		
State Retirement	340,353		
Employee and Dependent Insurance	2,806		
Life Insurance	3,481		
Medical Insurance	492,790		
Dental Insurance	16,322		
Unemployment Compensation	7,317		
Employer Medicare	34,761		
Other Fringe Benefits	1,062		
Bank Charges	676		
Communication	18,316		
Data Processing Services	8,465		

(Continued)

Exhibit L-7

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

Ambulance Service Fund (Cont.)
Public Health and Welfare (Cont.)
Ambulance/Emergency Medical Services (Cont.)

Dues and Memberships	$	725
Freight Expenses		22
Legal Notices, Recording, and Court Costs		187
Licenses		5,285
Maintenance and Repair Services - Buildings		940
Maintenance and Repair Services - Equipment		8,336
Maintenance and Repair Services - Office Equipment		2,655
Maintenance and Repair Services - Vehicles		552
Pest Control		1,300
Postal Charges		21,547
Printing, Stationery, and Forms		1,409
Rentals		30,044
Tow-in Services		735
Tuition		776
Disposal Fees		3,442
Other Contracted Services		11,742
Custodial Supplies		2,794
Data Processing Supplies		5,174
Diesel Fuel		103,863
Drugs and Medical Supplies		126,117
Electricity		19,353
Equipment Parts - Light		4,979
Equipment and Machinery Parts		841
Fuel Oil		206
Garage Supplies		660
Gasoline		3,901
General Construction Materials		218
Instructional Supplies and Materials		457
Lubricants		4,620
Natural Gas		8,843
Office Supplies		5,148
Periodicals		255
Small Tools		61
Tires and Tubes		15,952
Uniforms		17,412
Vehicle Parts		38,803
Water and Sewer		1,195
Other Supplies and Materials		5,981
Trustee's Commission		47,382
Building Improvements		8,133

(Continued)

Exhibit L-7

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

Ambulance Service Fund (Cont.)			
Public Health and Welfare (Cont.)			
Ambulance/Emergency Medical Services (Cont.)			
Communication Equipment	$ 1,398		
Motor Vehicles	169,823		
Health Equipment	1		
Other Equipment	38,677		
Other Capital Outlay	1,398		
Total Ambulance/Emergency Medical Services		$ 4,402,483	
Principal on Debt			
General Government			
Principal on Capital Leases	$ 36,747		
Total General Government		36,747	
Interest on Debt			
General Government			
Interest on Capital Leases	$ 2,673		
Total General Government		2,673	
Total Ambulance Service Fund			$ 4,441,903
Drug Control Fund			
Public Safety			
Sheriff's Department			
Advertising	$ 203		
Communication	3,287		
Confidential Drug Enforcement Payments	29,000		
Dues and Memberships	105		
Licenses	37		
Maintenance and Repair Services - Vehicles	229		
Postal Charges	52		
Rentals	1,800		
Tow-in Services	2,391		
Travel	3,094		
Tuition	1,425		
Data Processing Supplies	1,651		
Equipment Parts - Light	240		
Gasoline	621		
Law Enforcement Supplies	23,519		
Office Supplies	361		
Periodicals	168		
Vehicle Parts	651		

(Continued)

Exhibit L-7

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

Drug Control Fund (Cont.)			
Public Safety (Cont.)			
Sheriff's Department (Cont.)			
Other Supplies and Materials	$ 14		
Trustee's Commission	930		
Other Charges	3,475		
Law Enforcement Equipment	3,393		
Motor Vehicles	5,009		
Other Capital Outlay	9,000		
Total Sheriff's Department		$ 90,655	
Total Drug Control Fund			$ 90,655
Sports and Recreation Fund			
Social, Cultural, and Recreational Services			
Parks and Fair Boards			
Supervisor/Director	$ 31,967		
Laborers	25,391		
Temporary Personnel	31,955		
Social Security	5,149		
State Retirement	8,163		
Employee and Dependent Insurance	2,806		
Life Insurance	116		
Medical Insurance	11,479		
Dental Insurance	341		
Unemployment Compensation	3,037		
Employer Medicare	1,204		
Advertising	750		
Bank Charges	759		
Communication	685		
Licenses	230		
Printing, Stationery, and Forms	330		
Rentals	718		
Disposal Fees	1,444		
Crushed Stone	306		
Custodial Supplies	1,017		
Diesel Fuel	2,899		
Electricity	17,889		
Equipment Parts - Light	1,123		
Equipment and Machinery Parts	31		
Garage Supplies	271		
Gasoline	1,855		
General Construction Materials	4,381		

(Continued)

Exhibit L-7

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

Sports and Recreation Fund (Cont.)			
Social, Cultural, and Recreational Services (Cont.)			
Parks and Fair Boards (Cont.)			
Ice	$ 773		
Lubricants	283		
Office Supplies	197		
Propane Gas	848		
Road Signs	460		
Small Tools	585		
Tires and Tubes	72		
Uniforms	240		
Vehicle Parts	238		
Water and Sewer	21,478		
Chemicals	120		
Other Supplies and Materials	71		
Trustee's Commission	1,561		
Other Equipment	3,520		
Total Parks and Fair Boards		$ 186,742	
Total Sports and Recreation Fund			$ 186,742
District Attorney General Fund			
Administration of Justice			
District Attorney General			
Communication	$ 492		
Dues and Memberships	2,370		
Janitorial Services	2,250		
Legal Services	101		
Licenses	7		
Printing, Stationery, and Forms	352		
Travel	782		
Tuition	4,492		
Library Books/Media	1,352		
Office Supplies	100		
Periodicals	254		
Trustee's Commission	159		
Total District Attorney General		$ 12,711	
Total District Attorney General Fund			12,711

(Continued)

Exhibit L-7

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

Constitutional Officers - Fees Fund			
General Government			
Other General Administration			
Special Commissioner Fees/Special Master Fees	$ 4,522		
Other Charges	2,115		
Total Other General Administration		$ 6,637	
Total Constitutional Officers - Fees Fund			$ 6,637
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 95,357		
Social Security	5,862		
State Retirement	14,103		
Life Insurance	62		
Medical Insurance	8,259		
Dental Insurance	372		
Employer Medicare	1,371		
Communication	12,772		
Data Processing Services	1,500		
Dues and Memberships	4,614		
Evaluation and Testing	840		
Licenses	2,905		
Maintenance Agreements	1,450		
Maintenance and Repair Services - Buildings	744		
Maintenance and Repair Services - Office Equipment	1,259		
Pest Control	1,800		
Postal Charges	458		
Printing, Stationery, and Forms	63		
Rentals	1,276		
Travel	967		
Tuition	1,663		
Permits	300		
Other Contracted Services	420		
Data Processing Supplies	1,649		
Electricity	29,917		
Food Preparation Supplies	48		
Garage Supplies	11		
General Construction Materials	875		
Natural Gas	7,908		
Office Supplies	5,234		
Periodicals	305		

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Administration (Cont.)		
Water and Sewer	$ 4,574	
Other Supplies and Materials	141	
Trustee's Commission	86,491	
Other Equipment	17,549	
Total Administration		$ 313,119
Highway and Bridge Maintenance		
Assistant(s)	$ 141,237	
Supervisor/Director	227,621	
Paraprofessionals	115,658	
Foremen	423,430	
Mechanic(s)	391,008	
Equipment Operators	1,145,726	
Equipment Operators - Heavy	974,743	
Truck Drivers	610,682	
Dispatchers/Radio Operators	93,263	
Laborers	230,997	
Social Security	246,375	
State Retirement	609,768	
Employee and Dependent Insurance	134,688	
Life Insurance	7,924	
Medical Insurance	1,040,945	
Dental Insurance	35,875	
Unemployment Compensation	3,083	
Employer Medicare	58,877	
Other Fringe Benefits	2,037	
Communication	3,655	
Engineering Services	1,440	
Evaluation and Testing	1,803	
Licenses	180	
Maintenance and Repair Services - Buildings	3,750	
Maintenance and Repair Services - Equipment	3,095	
Pest Control	450	
Rentals	15,368	
Travel	1,566	
Tuition	65	
Disposal Fees	803	
Maintenance and Repair Services - Records	760	
Other Contracted Services	50,650	
Concrete	894	

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Highway and Bridge Maintenance (Cont.)		
Crushed Stone	$ 49,289	
Data Processing Supplies	12	
Electricity	1,767	
Equipment Parts - Light	690	
Equipment and Machinery Parts	3,020	
Explosives and Drilling Supplies	4,790	
Fertilizer, Lime, and Seed	5,480	
General Construction Materials	31,106	
Office Supplies	1,102	
Other Road Supplies	4,643	
Pipe - Concrete	1,814	
Pipe - Metal	30,419	
Salt	163,484	
Structural Steel	2,623	
T&I Construction Materials	28,956	
Uniforms	6,197	
Water and Sewer	175	
Fencing	1,675	
Other Supplies and Materials	117	
Total Highway and Bridge Maintenance		$ 6,915,775
Operation and Maintenance of Equipment		
Freight Expenses	$ 62	
Licenses	17	
Maintenance and Repair Services - Equipment	15,048	
Maintenance and Repair Services - Vehicles	25,247	
Rentals	384	
Tuition	500	
Disposal Fees	2,284	
Asphalt - Hot Mix	112,373	
Concrete	5,386	
Crushed Stone	12,999	
Custodial Supplies	5,949	
Diesel Fuel	179,277	
Drugs and Medical Supplies	310	
Equipment Parts - Heavy	48,986	
Equipment Parts - Light	6,476	
Equipment and Machinery Parts	3,199	
Fuel Oil	2,834	
Garage Supplies	4,349	

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)				
Highways (Cont.)				
Operation and Maintenance of Equipment (Cont.)				
Gasoline	$	139,645		
General Construction Materials		1,893		
Lubricants		26,522		
Office Supplies		641		
Other Road Supplies		1,867		
Pipe		160		
Road Signs		2,820		
Small Tools		4,389		
Structural Steel		969		
T&I Construction Materials		363		
Tires and Tubes		44,457		
Uniforms		1,116		
Vehicle Parts		42,868		
Wood Products		627		
Fencing		345		
Other Supplies and Materials		6,862		
Total Operation and Maintenance of Equipment			$	701,224
Asphalt Plant Operations				
Licenses	$	362		
Asphalt		85,536		
Asphalt - Hot Mix		392,961		
Crushed Stone		157,885		
Electricity		15,872		
Equipment Parts - Heavy		233		
Equipment Parts - Light		63		
Lubricants		2,357		
Natural Gas		50,693		
Water and Sewer		391		
Total Asphalt Plant Operations				706,353
Traffic Control				
Other Road Supplies	$	5,667		
Road Signs		5,813		
Chemicals		100		
Total Traffic Control				11,580
Other Charges				
Engineering Services	$	5,940		
Crushed Stone		16,699		

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Other Charges (Cont.)			
Liability Insurance	$ 93,300		
Total Other Charges		$ 115,939	
Capital Outlay			
Equipment Operators	$ 27,400		
Equipment Operators - Heavy	27,400		
Truck Drivers	13,700		
Social Security	5,377		
State Retirement	9,957		
Data Processing Equipment	31,630		
Highway Equipment	3,088		
Maintenance Equipment	2,720		
Motor Vehicles	222,379		
Office Equipment	7,771		
Total Capital Outlay		351,422	
Total Highway/Public Works Fund			$ 9,115,412
General Debt Service Fund			
Finance			
Other Finance			
Trustee's Commission	$ 49,678		
Total Other Finance		$ 49,678	
Principal on Debt			
General Government			
Principal on Bonds	$ 640,000		
Principal on Notes	1,030,000		
Total General Government		1,670,000	
Interest on Debt			
General Government			
Interest on Bonds	$ 1,499,518		
Interest on Notes	221,791		
Total General Government		1,721,309	
Other Debt Service			
General Government			
Bank Charges	$ 1,381		
Other Debt Service	1,655		
Total General Government		3,036	
Total General Debt Service Fund			3,444,023

(Continued)

Exhibit L-7

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

Community Development/Industrial Park Fund			
Capital Projects			
Other General Government Projects			
Other Construction	$ 1,120,537		
Total Other General Government Projects		$ 1,120,537	
Capital Projects - Donated			
Capital Projects Donated to Other Entities			
Other Capital Outlay	$ 175,872		
Total Capital Projects Donated to Other Entities		175,872	
Total Community Development/Industrial Park Fund			$ 1,296,409
Other Capital Projects Fund			
Social, Cultural, and Recreational Services			
Other Social, Cultural, and Recreational			
Architects	$ 2,400		
Consultants	2,500		
Total Other Social, Cultural, and Recreational		$ 4,900	
Capital Projects			
General Administration Projects			
Building Improvements	$ 27,980		
Total General Administration Projects		27,980	
Total Other Capital Projects Fund			32,880
Total Governmental Funds - Primary Government			$ 64,260,444

Exhibit L-8

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

Special Purpose Fund			
Support Services			
Board of Education			
Trustee's Commission	$ 25,723		
Total Board of Education		$ 25,723	
Capital Outlay			
Regular Capital Outlay			
Architects	$ 18,800		
Building Improvements	210,182		
Heating and Air Conditioning Equipment	214,431		
Other Capital Outlay	584,913		
Total Regular Capital Outlay		1,028,326	
Total Special Purpose Fund			$ 1,054,049
General Purpose School Fund			
Instruction			
Regular Instruction Program			
ADA Coordinator	$ 109,741		
Teachers	27,449,516		
Career Ladder Program	370,292		
Career Ladder Extended Contracts	169,000		
Homebound Teachers	86,711		
Salary Supplements	491,541		
Educational Assistants	1,522,832		
Other Salaries and Wages	384,663		
Certified Substitute Teachers	200,300		
Non-certified Substitute Teachers	214,203		
Social Security	1,820,600		
Handling Charges and Administrative Costs	51,172		
State Retirement	1,983,898		
Life Insurance	44,992		
Medical Insurance	5,203,071		
Dental Insurance	94,824		
Unemployment Compensation	18,861		
Employer Medicare	431,358		
Contracts with Government Agencies	699,402		
Evaluation and Testing	38,046		
Travel	1,129		
Other Contracted Services	1,844		
Basic Skills Materials	1,730		

(Continued)

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Regular Instruction Program (Cont.)		
Equipment and Machinery Parts	$ 39,036	
Instructional Supplies and Materials	473,831	
Office Supplies	96	
Textbooks	482,564	
Other Supplies and Materials	12,103	
Medical Claims	226,588	
In Service/Staff Development	1,110	
Other Charges	150,922	
Data Processing Equipment	69,000	
Regular Instruction Equipment	57,642	
Total Regular Instruction Program		$ 42,902,618
Special Education Program		
Teachers	$ 3,199,138	
Career Ladder Program	53,705	
Psychological Personnel	42,226	
Career Ladder Extended Contracts	27,500	
Homebound Teachers	59,568	
Medical Personnel	17,388	
Educational Assistants	387,080	
Certified Substitute Teachers	11,815	
Non-certified Substitute Teachers	41,830	
Social Security	224,231	
Handling Charges and Administrative Costs	3,481	
State Retirement	264,716	
Life Insurance	6,260	
Medical Insurance	663,342	
Dental Insurance	12,222	
Unemployment Compensation	2,472	
Employer Medicare	53,101	
Contracts with Private Agencies	90,910	
Evaluation and Testing	21,053	
Maintenance and Repair Services - Equipment	1,049	
Other Contracted Services	63,214	
Instructional Supplies and Materials	82,767	
Other Supplies and Materials	1,251	
In Service/Staff Development	19,814	
Special Education Equipment	73,548	
Total Special Education Program		5,423,681

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Vocational Education Program		
Teachers	$ 1,868,726	
Career Ladder Program	17,000	
Career Ladder Extended Contracts	500	
Certified Substitute Teachers	15,607	
Non-certified Substitute Teachers	15,405	
Social Security	113,015	
Handling Charges and Administrative Costs	1,693	
State Retirement	121,985	
Life Insurance	2,684	
Medical Insurance	358,020	
Dental Insurance	5,852	
Unemployment Compensation	1,019	
Employer Medicare	26,471	
Maintenance and Repair Services - Equipment	4,354	
Other Contracted Services	420	
Equipment and Machinery Parts	3,276	
Instructional Supplies and Materials	93,550	
Vocational Instruction Equipment	27,547	
Total Vocational Education Program		$ 2,677,124
Support Services		
Health Services		
Secretary(ies)	$ 19,939	
Other Salaries and Wages	40,398	
Social Security	3,688	
State Retirement	5,546	
Life Insurance	109	
Medical Insurance	9,158	
Dental Insurance	168	
Unemployment Compensation	50	
Employer Medicare	862	
Communication	400	
Travel	7,978	
Other Contracted Services	1,028	
Other Supplies and Materials	21,188	
Total Health Services		110,512
Other Student Support		
Career Ladder Program	$ 14,620	

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Other Student Support (Cont.)		
Guidance Personnel	$ 1,235,221	
Secretary(ies)	73,197	
Social Security	77,313	
Handling Charges and Administrative Costs	1,223	
State Retirement	89,593	
Life Insurance	1,921	
Medical Insurance	219,796	
Dental Insurance	4,830	
Unemployment Compensation	721	
Employer Medicare	18,404	
Total Other Student Support		$ 1,736,839
Regular Instruction Program		
Supervisor/Director	$ 197,403	
Career Ladder Program	19,000	
Career Ladder Extended Contracts	1,000	
Librarians	1,256,292	
Materials Supervisor	149,133	
Truck Drivers	40,511	
Secretary(ies)	136,495	
Educational Assistants	36,021	
Other Salaries and Wages	194,013	
Social Security	124,364	
Handling Charges and Administrative Costs	7,573	
State Retirement	158,230	
Life Insurance	2,990	
Medical Insurance	364,639	
Dental Insurance	6,384	
Unemployment Compensation	1,112	
Employer Medicare	29,290	
Advertising	56	
Communication	6,195	
Consultants	10,000	
Dues and Memberships	5,503	
Freight Expenses	65	
Maintenance and Repair Services - Equipment	27,725	
Printing, Stationery, and Forms	35,969	
Rentals	8,926	
Travel	42,482	

(Continued)

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Regular Instruction Program (Cont.)				
Other Contracted Services	$	52,174		
Equipment and Machinery Parts		106		
Instructional Supplies and Materials		283,030		
Library Books/Media		131,652		
Office Supplies		13,239		
Periodicals		26,869		
Propane Gas		102		
Other Supplies and Materials		12,141		
In Service/Staff Development		167,740		
Administration Equipment		3,387		
Data Processing Equipment		7,271		
Total Regular Instruction Program			$	3,559,082
Special Education Program				
Supervisor/Director	$	81,650		
Career Ladder Program		2,000		
Other Salaries and Wages		5,146		
Social Security		5,402		
Handling Charges and Administrative Costs		47		
State Retirement		5,701		
Life Insurance		62		
Medical Insurance		3,032		
Dental Insurance		168		
Unemployment Compensation		41		
Employer Medicare		1,263		
Communication		603		
Maintenance and Repair Services - Equipment		2,019		
Rentals		1,582		
Travel		35,567		
Office Supplies		1,754		
Other Charges		1,859		
Administration Equipment		778		
Total Special Education Program				148,674
Vocational Education Program				
Supervisor/Director	$	76,814		
Career Ladder Program		2,000		
Secretary(ies)		55,819		
Other Salaries and Wages		5,000		

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Vocational Education Program (Cont.)				
Social Security	$	9,334		
Handling Charges and Administrative Costs		94		
State Retirement		16,491		
Life Insurance		248		
Medical Insurance		26,523		
Dental Insurance		504		
Unemployment Compensation		84		
Employer Medicare		2,183		
Dues and Memberships		240		
Travel		5,936		
Office Supplies		1,319		
Propane Gas		89		
Total Vocational Education Program			$	202,678
Adult Programs				
Handling Charges and Administrative Costs	$	47		
Total Adult Programs				47
Other Programs				
On-Behalf Payments to OPEB	$	1,050,455		
Total Other Programs				1,050,455
Board of Education				
Board and Committee Members Fees	$	30,000		
Social Security		1,600		
Handling Charges and Administrative Costs		94		
Medical Insurance		7,959		
Dental Insurance		504		
Unemployment Compensation		14		
Employer Medicare		435		
Advertising		1,509		
Audit Services		66,365		
Dues and Memberships		13,802		
Legal Services		115,552		
Travel		16,263		
Other Contracted Services		1,767		
Periodicals		475		
Other Supplies and Materials		2,517		
Building and Contents Insurance		126,095		

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Board of Education (Cont.)		
Liability Insurance	$ 114,727	
Trustee's Commission	747,589	
Workers' Compensation Insurance	329,235	
Other Charges	25,000	
Total Board of Education		$ 1,601,502
Director of Schools		
County Official/Administrative Officer	$ 117,424	
Assistant(s)	91,897	
Secretary(ies)	100,478	
Other Salaries and Wages	6,600	
Social Security	18,834	
Handling Charges and Administrative Costs	141	
State Retirement	28,723	
Life Insurance	186	
Medical Insurance	36,430	
Dental Insurance	504	
Unemployment Compensation	105	
Employer Medicare	4,404	
Communication	167,829	
Dues and Memberships	5,554	
Freight Expenses	853	
Maintenance and Repair Services - Equipment	20,594	
Postal Charges	15,780	
Printing, Stationery, and Forms	325	
Rentals	688	
Travel	10,016	
Equipment and Machinery Parts	1,905	
Office Supplies	5,519	
Other Charges	120	
Administration Equipment	798	
Total Director of Schools		635,707
Office of the Principal		
Assistant(s)	$ 1,123,774	
Principals	1,876,138	
Career Ladder Program	59,982	
Accountants/Bookkeepers	372,890	
Career Ladder Extended Contracts	36,500	

(Continued)

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Office of the Principal (Cont.)				
Secretary(ies)	$	697,929		
Social Security		246,759		
Handling Charges and Administrative Costs		3,199		
State Retirement		354,660		
Life Insurance		5,934		
Medical Insurance		733,661		
Dental Insurance		12,446		
Unemployment Compensation		1,990		
Employer Medicare		57,710		
Travel		2,815		
Other Contracted Services		114,063		
Office Supplies		9,406		
Total Office of the Principal			$	5,709,856
Fiscal Services				
Supervisor/Director	$	6,989		
Accountants/Bookkeepers		177,814		
Other Salaries and Wages		146		
Social Security		10,806		
Handling Charges and Administrative Costs		188		
State Retirement		26,298		
Life Insurance		371		
Medical Insurance		38,435		
Dental Insurance		518		
Unemployment Compensation		117		
Employer Medicare		2,529		
Maintenance and Repair Services - Equipment		280		
Printing, Stationery, and Forms		2,023		
Travel		1,673		
Office Supplies		7,181		
Data Processing Equipment		3,268		
Total Fiscal Services				278,636
Operation of Plant				
Custodial Personnel	$	1,923,023		
Social Security		113,757		
Handling Charges and Administrative Costs		2,305		
State Retirement		276,742		
Life Insurance		5,347		

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Operation of Plant (Cont.)		
Medical Insurance	$ 587,223	
Dental Insurance	10,024	
Unemployment Compensation	2,005	
Employer Medicare	26,604	
Other Contracted Services	49,932	
Coal	61,718	
Custodial Supplies	104,917	
Electricity	2,226,959	
Fuel Oil	82,924	
Natural Gas	344,677	
Propane Gas	31,667	
Water and Sewer	310,405	
Other Supplies and Materials	2,925	
Plant Operation Equipment	2,456	
Total Operation of Plant		$ 6,165,610
Maintenance of Plant		
Supervisor/Director	$ 67,890	
Foremen	196,305	
Secretary(ies)	58,709	
Maintenance Personnel	1,817,664	
Other Salaries and Wages	7,000	
Social Security	124,025	
Handling Charges and Administrative Costs	2,023	
State Retirement	316,123	
Life Insurance	3,867	
Medical Insurance	494,716	
Dental Insurance	8,162	
Unemployment Compensation	1,409	
Employer Medicare	29,095	
Communication	4,666	
Freight Expenses	769	
Maintenance and Repair Services - Buildings	1,150	
Maintenance and Repair Services - Equipment	29,030	
Maintenance and Repair Services - Vehicles	14,023	
Rentals	984	
Travel	2,235	
Other Contracted Services	171,409	
Asphalt	5,684	

(Continued)

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Maintenance of Plant (Cont.)				
Concrete	$	711		
Crushed Stone		2,703		
Diesel Fuel		5,383		
Equipment and Machinery Parts		82,300		
Garage Supplies		44,610		
Gasoline		103,347		
General Construction Materials		189,782		
Office Supplies		1,416		
Uniforms		17,592		
Other Supplies and Materials		27,584		
Maintenance Equipment		41,546		
Total Maintenance of Plant			$	3,873,912
Transportation				
Contracts with Parents	$	1,881		
Contracts with Vehicle Owners		3,874,440		
Maintenance and Repair Services - Vehicles		2,618		
Garage Supplies		29,612		
Gasoline		82,365		
Other Supplies and Materials		1,541		
Motor Vehicles		109,796		
Total Transportation				4,102,253
Central and Other				
Supervisor/Director	$	75,218		
Secretary(ies)		30,596		
Other Salaries and Wages		104,918		
Social Security		12,603		
Handling Charges and Administrative Costs		94		
State Retirement		24,286		
Life Insurance		306		
Medical Insurance		31,559		
Dental Insurance		658		
Unemployment Compensation		105		
Employer Medicare		2,947		
Communication		530		
Maintenance and Repair Services - Equipment		1,111		
Travel		1,040		
Other Contracted Services		34,414		

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Central and Other (Cont.)		
Office Supplies	$ 1,941	
Premiums on Corporate Surety Bonds	50	
Administration Equipment	1,175	
Data Processing Equipment	2,157	
Total Central and Other		$ 325,708
Operation of Non-Instructional Services		
Food Service		
Supervisor/Director	$ 87,320	
Career Ladder Program	3,000	
Accountants/Bookkeepers	30,598	
Truck Drivers	22,140	
Secretary(ies)	57,313	
Cafeteria Personnel	2,044,490	
Other Salaries and Wages	103,902	
Social Security	140,362	
State Retirement	182,321	
Life Insurance	4,325	
Medical Insurance	551,824	
Dental Insurance	6,048	
Unemployment Compensation	3,642	
Employer Medicare	32,891	
Communication	883	
Contracts with Other School Systems	8,826	
Data Processing Services	22,521	
Dues and Memberships	567	
Operating Lease Payments	2,936	
Maintenance and Repair Services - Equipment	24,167	
Printing, Stationery, and Forms	356	
Travel	15,423	
Other Contracted Services	286,585	
Equipment and Machinery Parts	36,761	
Food Preparation Supplies	256,054	
Food Supplies	1,589,696	
Garage Supplies	64	
Gasoline	2,612	
Office Supplies	4,206	
Periodicals	177	
Uniforms	5,757	

(Continued)

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

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Other Supplies and Materials	$ 31,479		
In Service/Staff Development	2,288		
Food Service Equipment	68,023		
Total Food Service		$ 5,629,557	
Community Services			
Other Salaries and Wages	$ 30,126		
Social Security	1,838		
State Retirement	2,976		
Unemployment Compensation	40		
Employer Medicare	434		
Total Community Services		35,414	
Capital Outlay			
Regular Capital Outlay			
Architects	$ 4,090		
Other Contracted Services	19,616		
General Construction Materials	55,960		
Total Regular Capital Outlay		79,666	
Principal on Debt			
Education			
Principal on Capital Leases	$ 17,454		
Total Education		17,454	
Interest on Debt			
Education			
Interest on Notes	$ 33,542		
Interest on Capital Leases	7,325		
Total Education		40,867	
Total General Purpose School Fund			$ 86,307,852
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 368,546		
Educational Assistants	608,902		
Other Salaries and Wages	17,137		

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)				
Instruction (Cont.)				
Regular Instruction Program (Cont.)				
Non-certified Substitute Teachers	$	15,000		
Social Security		56,832		
State Retirement		105,323		
Life Insurance		2,408		
Medical Insurance		228,390		
Dental Insurance		4,704		
Unemployment Compensation		1,181		
Employer Medicare		13,307		
Instructional Supplies and Materials		58,619		
Regular Instruction Equipment		372,110		
Total Regular Instruction Program			$	1,852,459
Special Education Program				
Teachers	$	565,609		
Educational Assistants		868,021		
Other Salaries and Wages		84,721		
Certified Substitute Teachers		33,479		
Social Security		90,445		
State Retirement		135,714		
Life Insurance		2,516		
Medical Insurance		290,670		
Dental Insurance		5,598		
Unemployment Compensation		1,751		
Employer Medicare		21,153		
Instructional Supplies and Materials		9,429		
Special Education Equipment		8,033		
Total Special Education Program				2,117,139
Vocational Education Program				
Teachers	$	23,500		
Clerical Personnel		19,300		
Other Supplies and Materials		101,243		
Vocational Instruction Equipment		20,570		
Total Vocational Education Program				164,613
Support Services				
Other Student Support				
Social Workers	$	80,379		
Social Security		4,894		

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)				
Support Services (Cont.)				
Other Student Support (Cont.)				
State Retirement	$	5,160		
Life Insurance		124		
Medical Insurance		9,624		
Dental Insurance		336		
Unemployment Compensation		42		
Employer Medicare		1,144		
Travel		24,373		
Other Supplies and Materials		1,672		
In Service/Staff Development		117,538		
Other Charges		992		
Total Other Student Support			$	246,278
Regular Instruction Program				
Supervisor/Director	$	38,344		
Teachers		145,936		
Secretary(ies)		14,939		
Other Salaries and Wages		55,595		
Certified Substitute Teachers		20,000		
Non-certified Substitute Teachers		15,000		
Social Security		13,010		
State Retirement		14,588		
Life Insurance		234		
Medical Insurance		18,874		
Dental Insurance		644		
Unemployment Compensation		110		
Employer Medicare		3,042		
Consultants		18,768		
Travel		6,238		
Other Contracted Services		32,739		
Instructional Supplies and Materials		14,858		
Library Books/Media		21,517		
Other Supplies and Materials		36,373		
In Service/Staff Development		116,674		
Other Equipment		24,462		
Total Regular Instruction Program				611,945
Special Education Program				
Secretary(ies)	$	30,596		
Social Security		1,859		

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Special Education Program (Cont.)			
State Retirement	$ 4,525		
Life Insurance	62		
Medical Insurance	4,812		
Dental Insurance	168		
Unemployment Compensation	21		
Employer Medicare	435		
Travel	1,288		
In Service/Staff Development	6,250		
Total Special Education Program		$ 50,016	
Vocational Education Program			
Travel	$ 2,215		
Total Vocational Education Program		2,215	
Transportation			
Mechanic(s)	$ 31,807		
Bus Drivers	315,112		
Social Security	20,295		
State Retirement	29,373		
Life Insurance	743		
Medical Insurance	65,429		
Dental Insurance	1,344		
Unemployment Compensation	514		
Employer Medicare	4,746		
Total Transportation		469,363	
Total School Federal Projects Fund			$ 5,514,028
Education Debt Service Fund			
Finance			
Other Finance			
Trustee's Commission	$ 21,335		
Total Other Finance		$ 21,335	
Principal on Debt			
Education			
Principal on Bonds	$ 1,265,000		
Total Education		1,265,000	

(Continued)

Exhibit L-8

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

Education Debt Service Fund (Cont.)			
Interest on Debt			
Education			
Interest on Bonds	$ 839,200		
Total Education		$ 839,200	
Other Debt Service			
Education			
Other Debt Service	$ 500		
Total Education		500	
Total Education Debt Service Fund			$ 2,126,035
Total Governmental Funds - Sullivan County School Department			$ 95,001,964

Exhibit L-9

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

	Cities - Sales Tax Fund	City School ADA - Bristol Fund	City School ADA - Kingsport Fund	Total
Cash Receipts				
Current Property Taxes	$ 0	$ 8,534,476	$ 12,942,858	$ 21,477,334
Trustee's Collections - Prior Years	0	197,898	300,120	498,018
Circuit/Clerk and Master Collections - Prior Years	0	120,337	181,685	302,022
Interest and Penalty	0	99,514	150,388	249,902
Pick-up Taxes	0	62,989	95,524	158,513
Local Option Sales Tax	19,606,519	4,143,166	6,283,268	30,032,953
Bank Excise Tax	0	32,156	49,085	81,241
Interstate Telecommunication Tax	0	2,736	4,150	6,886
Marriage Licenses	0	2,137	3,241	5,378
Other Local Revenues	0	264	401	665
Total Cash Receipts	$ 19,606,519	$ 13,195,673	$ 20,010,720	$ 52,812,912
Cash Disbursements				
Remittance of Revenues Collected	$ 19,410,454	$ 13,011,087	$ 19,728,152	$ 52,149,693
Trustee's Commission	196,065	220,339	334,146	750,550
Total Cash Disbursements	$ 19,606,519	$ 13,231,426	$ 20,062,298	$ 52,900,243
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0	$ (35,753)	$ (51,578)	$ (87,331)
Cash Balance, July 1, 2008	0	403,226	608,613	1,011,839
Cash Balance, June 30, 2009	$ 0	$ 367,473	$ 557,035	$ 924,508

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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

November 16, 2009

Sullivan County Mayor and
Board of County Commissioners
Sullivan 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 Sullivan County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Sullivan County's basic financial statements and have issued our report thereon dated November 16, 2009. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Sullivan County Emergency Communications District, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Sullivan 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 Sullivan County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Sullivan 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: items 09.01, 09.02, 09.03, and 09.04(A,B).

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 Sullivan 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 Sullivan 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 item 09.04 (C,D,E).

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

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

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

November 16, 2009

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

To the County Mayor and Board of County Commissioners:

Compliance

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

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

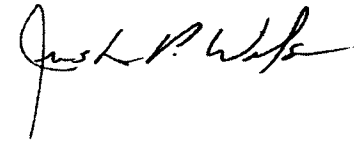
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sullivan County, Tennessee, as of and for the year ended June 30, 2009, and have issued our report thereon dated November 16, 2009. Our report of the aggregate discretely presented component units was qualified due to not including the financial statements of the Sullivan County Emergency Communications District, which were not available from the other auditors as of the date of this report. Our audit was performed for

the purpose of forming our opinions on the financial statements that collectively comprise Sullivan 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.

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

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

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Sullivan 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:			
Direct Program:			
Schools and Roads - Grants to States	10.665	N/A	$ 57,134
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	741,610 (9)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	594,838
National School Lunch Program	10.555	N/A	1,954,363 (9)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	(3)	612,136
Total U.S. Department of Agriculture			$ 3,960,081
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	$ 19,790
Challenge Cost Share	15.642	(2)	16,500
American Battlefield Protection	15.926	GA-2255-08-021	8,857
Total U.S. Department of the Interior			$ 45,147
U.S. Department of Justice:			
Direct Program:			
Local Law Enforcement Block Grant Program	16.592	2005-DJ-BX-J033	$ 9,872
Bulletproof Vest Partnership Program	16.607	(2)	6,131
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(4)	61,892
Passed-through State Department of Finance and Administration:			
Violence Against Women Formula Grants	16.588	Z-07-033061-00	77,744
Total U.S. Department of Justice			$ 155,639
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	STPEN8200	$ 70,140
State and Community Highway Safety	20.600	Z-07-035988-00	111,071
Passed-through State Department of Military:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	GG-0824739-00	5,600
Total U.S. Department of Transportation			$ 186,811
U.S. Environmental Protection Agency:			
Direct Program:			
Brownsfield Assessment and Cleanup Cooperative Agreements	66.818	(2)	$ 41,371
Total U.S. Environmental Protection Agency			$ 41,371

(Continued)

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

Federal/Pass through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	$ 2,155,625
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,749,566
Special Education - Preschool Grants	84.173	N/A	105,243
Career and Technical Education - Basic Grants to States	84.048	N/A	201,718
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	34,797
State Grants for Innovative Programs	84.298	N/A	36,374
Education Technology State Grants	84.318	(2)	5,140
Improving Teacher Quality State Grants	84.367	N/A	443,857
Total U.S. Department of Education			$ 5,732,320
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Public Health and Social Services Emergency Fund	93.003	(5)	$ 392,811 (8)
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	GG-09-25521-00	65,692
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	GG-09-24107-00	69,406
Family Planning Services	93.217	GG-09-24926-00	204,514
Immunization Grants	93.268	(6)	75,924
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GG-09-25530-00	6,300 (8)
Cancer Control	93.399	GG-09-24379-00	54,277
HIV Prevention Activities - Health Department Based	93.940	(7)	79,168
Preventive Health and Health Services Block Grant	93.991	GG-09-26400-00	56,237
Maternal and Child Health Services Block Grant to the States	93.994	GG-09-25772-01	53,849 (8)
Total U.S. Department of Health and Human Services			$ 1,058,178
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
State Domestic Preparedness Equipment Support Program	97.004	(2)	$ 23,026
Emergency Management Performance Grants	97.042	GG-08-026014-00	82,755
Total U.S. Department of Homeland Security			$ 105,781
Total Expenditures of Federal Awards			$ 11,285,328

State Grants		Contract Number	
Care and Coordination Services - State Department of Health	N/A	(2)	$ 40,474
Adolescent Pregnancy - State Department of Health	N/A	(2)	58,674
Tenncare Dental Prevention - State Department of Health	N/A	(2)	207,809
Home Visiting - State Department of Heath	N/A	(2)	307,401
TenderCare Outreach - State Department of Health	N/A	(2)	167,785
Juvenile Service Program - State Commission on Children and Youth	N/A	(2)	4,394
Litter Program - State Department of Transportation	N/A	(2)	80,101
Used Oil Grant - State Department of Transportation	N/A	(2)	50,245

(Continued)

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

Federal/Pass through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
State Grants (Cont.)			
State Industrial Infrastructure Program - State Department of Economic and Community Development	N/A	(2)	$ 1,134,244
State Reappraisal - Comptroller of the Treasury	N/A	(2)	52,542
Adult Basic Education - State Department of Education	N/A	(2)	0
Safe Schools Act Grant - State Department of Education	N/A	(2)	53,185
Coordinated School Health - State Department of Education	N/A	(2)	77,568
Early Childhood Education Project - State Department of Education	N/A	(2)	468,015
Total State Grants			$ 2,702,437

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) - GG-08-22250-00: $271,115; GG-09-26186-00: $341,021.
(4) - Z-08-21643-00: $52-892; Z-08-022811: $9,000.
(5) - GG-07-20437-00: $562; GG-08-22470-00: $104,172; GG-09-25525-00: $288,077.
(6) - GG-08-23169-00: $24,077; GG-09-27173-00: $51,847.
(7) - GG-08-23173-00: $29,414; GG-09-27491-00: $49,754.
(8) - Multi-service contract.
(9) - Total for CFDA No. 10.555 is $2,695,973.

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Sullivan 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 the findings from the Annual Financial Report for Sullivan County, Tennessee, for the year ended June 30, 2008, which have not been corrected.

OFFICE OF COUNTY MAYOR

Finding Number	Page Number	Subject
08.02	251	The Solid Waste Department had deficiencies in information resources.

OFFICE OF SHERIFF

Finding Number	Page Number	Subject
08.07	254	The office did not deposit some funds within three days of collection
08.08	255	Several accounting deficiencies were noted in the office.

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SULLIVAN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2009

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

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

3. The audit disclosed no instances of noncompliance that are material to the financial statements of Sullivan County.

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

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

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

7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the Public Health and Social Services Emergency Fund (CFDA No. 93.003) were determined to be major programs.

8. A $338,560 threshold was used to distinguish between Type A and Type B federal programs.

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

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 09.01 **THE SOLID WASTE DEPARTMENT HAD DEFICIENCIES IN INFORMATION RESOURCES**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The following deficiencies were noted in the information resources of the Solid Waste Department:

A. System backups were not stored off-site until several months into the fiscal year. Sound business practices dictate that system backups be implemented. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process. During the prior-audit period, we advised management of the importance of storing system backups off-site, and management began this practice. However, during the current period, management chose to discontinue the practice of storing system backups off-site. When the importance of storing backups off-site was again brought to management's attention in January 2009, they resumed the practice.

B. The receipting software had the following deficiencies in application controls:

1. The application did not provide a record of changes to previously issued receipts. Users had the capability to change information on receipts, leaving no evidence of the original information.

2. Receipts and charges could be deleted from the application, leaving no evidence of the original transaction.

3. Since the software provided users the ability to assign a receipt number to collections, duplicate receipt numbers could be assigned or a gap in receipt numbers could be created. Section 9-2-103, Tennessee Code Annotated (TCA), provides for receipts to be prenumbered consecutively.

Sound business practices dictate that proper application controls be implemented. Since the vendor did not design the system with proper controls and management was not aware of the importance of these controls, inappropriate system activity could occur.

C. The department did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), TCA. Sound business practices dictate that proper controls be implemented. Without these controls, unauthorized system activity could occur. Proper controls are now in place.

RECOMMENDATION

A. Management should be consistent in their practice of storing system backups off-site.

B. Management should contact their software vendor concerning the addition of controls to the application that would provide an audit trail for any changes to receipts. The capability of deleting receipts and charges should be removed from the application. Instead, an option to void receipts that properly reflects receipt activity on the daily reports should be implemented. The user's ability to manipulate receipt numbers should be removed from the application or manual prenumbered receipts should be issued. These controls would help to ensure the reliability and integrity of the information generated by the system.

FINDING 09.02 **THE HEALTH DEPARTMENT HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

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

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 09.03 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE CENTRAL OFFICE**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among employees in the School Department's Central Office. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability in financial reporting and of the effectiveness and

efficiency of operations. This lack of segregation of duties is the result of management's decisions and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. The following specific internal control deficiencies were noted due to this lack of segregation of duties:

A. There was no oversight or review of payroll and non-payroll disbursements prior to issuing the disbursements.

B. Reconciliations of cash with the trustee were performed by accounting clerks; however, there was no supervisory review of these reconciliations.

C. Accounting clerks had the ability to set up new vendors without any pre-authorization or approval. In addition, there was no subsequent review or approval of vendor lists.

D. Accounting clerks prepared lists and posted journal entries for year-end receivables, payables, and reserves without an independent review or authorization of these entries.

E. Physical access to blank checks was not adequately controlled. Blank checks stock was maintained in an unlocked vault.

RECOMMENDATION

Proper internal controls should be developed and implemented over the various aspects of the financial operations of the School Department. Officials should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

To provide cost savings, a finance supervisory position, which paid approximately $75,000 plus benefits, was eliminated in the 2008-2009 budget. The 2008-2009 budget was balanced with $1.6 million from the fund balance. The 2008-2009 expenditures did not exceed revenues; the $1.6 million and an additional estimated $750,000 were added to the system's fund balance at the end of the budget year. We understand the concerns of the auditor and submit the following responses to the items specified in the audit finding:

A. We ensure that all invoices are coded by someone separate from the accountant who is responsible for compiling the batch for payment. Therefore, all payables are reviewed by more than one accountant. Also, non-payroll disbursements are required to have at least two authoritative signatures prior to payment. Effective immediately, after compiling payable batches for all funds, print-outs will be reviewed and approved by the director or assistant director before checks are written.

B. In the future, the director or assistant director will review and approve the trustee's report and the reconciliations of fund cash with the trustee's cash prepared by the accountant.

C. New vendor numbers are always requested from the Purchasing Department for new vendor entries. The Accounting Department is solely responsible for entering new vendors into the system. Due to constraints in the accounting technology currently used by the Sullivan County Department of Education (SCDE) and Sullivan County Purchasing, this software does not allow integration between the two departments. Therefore, vendors must be manually entered by both parties. In the future, the director or assistant director will approve the addition of any new vendor.

D. Effective immediately, the director or assistant director will review and approve the compiled spreadsheets for year-end payables, receivables, and reserves prior to journal entries. Completed journal entries will also be submitted for approval prior to posting.

E. With the assistance of SCDE Maintenance Department, we are implementing measures to secure blank checks.

OFFICE OF SHERIFF

FINDING 09.04 **SEVERAL ACCOUNTING DEFICIENCIES WERE NOTED IN THE OFFICE**
(A. and B. – Internal Control – Significant Deficiency Under Government Auditing Standards); C., D, and E. – Noncompliance Under Government Auditing Standards)

The following accounting deficiencies were noted in the office. Sound business practices dictate that accounting records should be currently and accurately maintained. It should be noted that some of these deficiencies had been reviewed with management for the year ended June 30, 2008, and continue to exist in part due to a lack of management oversight.

A. The office maintained accounting records for commissary funds; however, commissary account transactions for the period July 2008 through June 2009 had not been posted to the cash journal. The cash journal is the official cash control record of the office and should reflect all financial activity.

B. Numerous errors were noted in posting cash bonds and executions activity to the cash journal.

C. Collections for work release at the jail annex were not always deposited to the office bank account within three days of collection as required by Section 5-8-207, Tennessee Code Annotated (TCA).

D. Receipts had not been issued for collections of all donations at the Animal Shelter. Section 9-2-103, TCA, provides for the issuance of official prenumbered receipts for all collections. Since receipts were not issued for all donations collected at the Animal Shelter, we could not determine if all

collections had been accounted for and if collections were deposited within three days of collection as required by Section 5-8-207, TCA.

E. The office was delinquent in reporting and paying fees and revenues to the county. Section 67-4-213(d), TCA requires officials collecting fees and county revenues to report those collections to the county within 15 days after the end of the month in which the funds were collected.

Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. The above-noted deficiencies increase the risk of unauthorized transactions and diminish the reliability of financial reporting, effectiveness, and efficiency of operations.

RECOMMENDATION

All accounting transactions of the office should be posted to the cash journal currently. Records should be accurately posted, and any errors discovered should be corrected promptly. Receipts should be issued for all collections, and collections should be deposited to the official bank account within three days of collection. The office should report and pay all fees and revenues to the county no later than 15 days after the end of the month in which the funds were collected.

MANAGEMENT'S RESPONSE – SHERIFF

A. The commissary has been turned over to one of the blind vendors sponsored by the State of Tennessee, and they are now operating the entire system. They send monthly checks and reports that are turned directly over to the Office of Accounts and Budgets for deposit. The old bank account is being reconciled monthly and will be closed by June 30, 2010. Each month the commissary bank balance will be posted to the cash journal until the bank account is officially closed.

B. Cash bond deposits and executions are being more closely observed. The executions and bonds are not being sent out until the finance director and her assistant go over each one to make sure of the proper court and amount.

C. Sergeant Bob Hicks is over the work release program and is responsible for the deposits. The sheriff has met with him and told him that he is to check daily for any money that has come in for work release payments. He has been told to make a deposit within three days of receipt of the money. The goal is to make deposits every Tuesday and Thursday, which should cover the three day rule.

D. There has been a restructuring of personnel and responsibilities at the Animal Shelter. Receipts books have been printed that are numbered specifically for donations. Everyone has been instructed that no collections of any kind are to be left at the Animal Shelter, and all collections are to be receipted and deposited accordingly.

E. Since the cash bonds and executions are being checked more closely, this should save time in searching for end-of-month errors and will allow reconciliations to be processed in a timely manner so fees can be transferred to the county by the 15th of the following month.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal programs.

SULLIVAN 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.