ANNUAL FINANCIAL REPORT

WHITE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2009

TENNESSEE
COMPTROLLER
OF THE TREASURY

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ANNUAL FINANCIAL REPORT

WHITE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2009

DEPARTMENT OF AUDIT
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Comptroller of the Treasury

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State Auditors

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Audit Highlights

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

Scope

We have audited the basic financial statements of White 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 did 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, the business-type 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 White County management. Detailed findings, recommendations, and management's response are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF FINANCE DIRECTOR

- A revenue anticipation note was not retired by June 30, 2009, as required by state statutes.
- The Solid Waste Department had deficiencies in computer system backup procedures.
- The Solid Waste Department's software did not have adequate application controls.

OTHER FINDING

- Duties were not segregated adequately among the officials and employees in the Offices of County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.

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INTRODUCTORY SECTION

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White County Officials
June 30, 2009

Officials

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

Board of County Commissioners

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

Financial Management Committee

Wallace Austin, Chairman
Herd Sullivan, County Mayor
Abner Graham, Road Superintendent
Donny Haley, Director of Schools
Andy Alley
Joe England
Dewayne Howard

Board of Education

Barbara Jared, Chairperson
Donna Jones
Richard McBride
Kenneth Robinson
Gary Sparkman
Rebecca Tubb
Janet Webb

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FINANCIAL SECTION

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

December 7, 2009

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

To the County Mayor and Board of County Commissioners:

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

We 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 White 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 White 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 White 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 White 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, the business-type activities, each major fund, and the aggregate remaining fund information of White 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 December 7, 2009, on our consideration of White County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

The budgetary comparison, pension, and other postemployment benefits information on pages 71 through 79 are not required parts of the basic financial statements but they do provide supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise White County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the White County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the White County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

Justin P. Wilson
Comptroller of the Treasury

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Basic Financial Statements

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Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	White County School Department
ASSETS				
Cash	$ 53,731	$ 0	$ 53,731	$ 0
Equity in Pooled Cash and Investments	5,271,391	496,905	5,768,296	15,606,790
Accounts Receivable	999,877	90,000	1,089,877	0
Allowance for Uncollectibles	(375,929)	0	(375,929)	0
Due from Other Governments	654,145	572	654,717	678,959
Property Taxes Receivable	4,289,882	0	4,289,882	3,198,601
Allowance for Uncollectible Property Taxes	(137,626)	0	(137,626)	(102,616)
Notes Receivable	415,616	0	415,616	0
Deferred Charges - Debt Issuance Costs	174,759	0	174,759	0
Capital Assets:				
Assets Not Depreciated:				
Land	1,004,978	580,078	1,585,056	693,842
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	8,146,958	934,835	9,081,793	19,431,747
Other Capital Assets	1,030,278	0	1,030,278	694,938
Infrastructure	3,686,139	490,851	4,176,990	0
Total Assets	$ 25,214,199	$ 2,593,241	$ 27,807,440	$ 40,202,261
LIABILITIES				
Accounts Payable	$ 26,854	$ 7,267	$ 34,121	$ 0
Payroll Deductions Payable	0	0	0	345,458
Accrued Interest Payable	99,953	0	99,953	0
Due to Litigants, Heirs, and Others	5,637	0	5,637	0
Deferred Revenue - Current Property Taxes	3,984,905	0	3,984,905	2,971,205
Unamortized Premium on Debt	94,762	0	94,762	0
Noncurrent Liabilities:				
Due Within One Year	1,664,522	205,422	1,869,944	8,529
Due in More Than One Year	13,467,620	980,805	14,448,425	515,732
Total Liabilities	$ 19,344,253	$ 1,193,494	$ 20,537,747	$ 3,840,924
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	$ 5,694,960	$ 1,049,799	$ 6,744,759	$ 0
Invested in Capital Assets	0	0	0	20,820,527
Restricted for:				
Industrial/Economic Development	544,700	0	544,700	0
Local Purpose Tax	1,170,674	0	1,170,674	0
Drug Control	42,770	0	42,770	0
Highway/Public Works	907,688	0	907,688	0
Debt Service	2,136,747	0	2,136,747	0
School Federal Projects	0	0	0	120,461
Central Cafeteria	0	0	0	417,892
Basic Education Program	0	0	0	7,070,423
Other Purposes	108,147	0	108,147	559,167
Unrestricted	(4,735,740)	349,948	(4,385,792)	7,372,867
Total Net Assets	$ 5,869,946	$ 1,399,747	$ 7,269,693	$ 36,361,337

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets — Primary Government: Total Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: White County School Department
Primary Government:								
Governmental Activities:								
General Government	$ 1,181,895	$ 181,359	$ 17,314	$ 0	$ (983,222)	$ 0	$ (983,222)	$ 0
Finance	802,720	503,585	14,282	0	(284,853)	0	(284,853)	0
Administration of Justice	686,636	518,026	9,000	0	(159,610)	0	(159,610)	0
Public Safety	3,409,480	657,440	88,234	0	(2,663,806)	0	(2,663,806)	0
Public Health and Welfare	1,235,243	1,179,544	36,775	0	(18,924)	0	(18,924)	0
Social, Cultural, and Recreational Services	436,879	0	150,394	0	(286,485)	0	(286,485)	0
Agriculture and Natural Resources	94,837	0	0	0	(94,837)	0	(94,837)	0
Other Operations	706,428	70,000	0	0	(636,428)	0	(636,428)	0
Highways/Public Works	1,618,656	0	1,583,281	552,293	516,918	0	516,918	0
Interest on Long-term Debt	737,821	0	0	0	(737,821)	0	(737,821)	0
Other Debt Service	30,437	0	246,179	0	215,742	0	215,742	0
Total Governmental Activities	$ 10,941,032	$ 3,109,954	$ 2,145,459	$ 552,293	$ (5,133,326)	$ 0	$ (5,133,326)	$ 0
Business-type Activities:								
Solid Waste Disposal	$ 961,322	$ 1,099,995	$ 19,077	$ 0	$ 0	$ 157,750	$ 157,750	$ 0
Total Primary Government	$ 11,902,354	$ 4,209,949	$ 2,164,536	$ 552,293	$ (5,133,326)	$ 157,750	$ (4,975,576)	$ 0
Component Unit:								
White County School Department	$ 27,353,657	$ 713,411	$ 3,952,156	$ 30,348	$ 0	$ 0	$ 0	$ (22,657,742)

(Continued)

Exhibit B

White County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: White County School Department
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					$ 3,966,464	$ 0	$ 3,966,464	$ 3,170,125
Property Taxes Levied for Debt Service					298,847	0	298,847	0
Local Option Sales Taxes					1,088,411	0	1,088,411	1,354,222
Litigation Tax - General					61,817	0	61,817	0
Litigation Tax - Special Purpose					49,250	0	49,250	0
Litigation Tax - Jail, Workhouse, or Courthouse					25,359	0	25,359	0
Wholesale Beer Tax					149,400	0	149,400	0
Mineral Severance Tax					60,020	0	60,020	0
Business Tax					127,360	0	127,360	0
Other Local Taxes					14,308	0	14,308	5,129
Grants and Contributions Not Restricted to Specific Programs					504,310	0	504,310	19,431,619
Unrestricted Investment Earnings					440,265	0	440,265	0
Sale of Equipment					1,500	0	1,500	0
Sale of Land					0	0	0	6,924
Premium Amortization					5,960	0	5,960	0
Miscellaneous					114,770	0	114,770	33,379
Total General Revenues					$ 6,908,041	$ 0	$ 6,908,041	$ 24,001,398
Insurance Recovery					$ 20,500	$ 4,354	$ 24,854	$ 14,613
Change in Net Assets					$ 1,795,215	$ 162,104	$ 1,957,319	$ 1,358,269
Net Assets, July 1, 2008					4,074,731	(792,996)	3,281,735	35,003,068
Prior-period Adjustment					0	2,030,639	2,030,639	0
Net Assets, June 30, 2009					$ 5,869,946	$ 1,399,747	$ 7,269,693	$ 36,361,337

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

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Local Purpose Tax	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS						
Cash	$ 0	$ 0	$ 0	$ 0	$ 53,731	$ 53,731
Equity in Pooled Cash and Investments	1,270,955	1,138,962	603,830	2,087,089	170,555	5,271,391
Accounts Receivable	998,517	0	0	0	1,360	999,877
Allowance for Uncollectibles	(375,929)	0	0	0	0	(375,929)
Due from Other Governments	180,428	31,712	304,138	137,867	0	654,145
Due from Other Funds	48,155	0	0	0	7,200	55,355
Property Taxes Receivable	3,988,838	0	0	301,044	0	4,289,882
Allowance for Uncollectible Property Taxes	(127,969)	0	0	(9,657)	0	(137,626)
Notes Receivable - Long-term	0	0	0	0	415,616	415,616
Total Assets	$ 5,982,995	$ 1,170,674	$ 907,968	$ 2,516,343	$ 648,462	$ 11,226,442
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	$ 26,574	$ 0	$ 280	$ 0	$ 0	$ 26,854
Due to Other Funds	0	0	0	0	55,355	55,355
Due to Litigants, Heirs, and Others	0	0	0	0	5,637	5,637
Deferred Revenue - Current Property Taxes	3,705,262	0	0	279,643	0	3,984,905
Deferred Revenue - Delinquent Property Taxes	144,302	0	0	10,891	0	155,193
Other Deferred Revenues	583,265	16,949	141,332	72,226	0	813,772
Total Liabilities	$ 4,459,403	$ 16,949	$ 141,612	$ 362,760	$ 60,992	$ 5,041,716
Fund Balances						
Reserved for Encumbrances	$ 140,517	$ 0	$ 228	$ 0	$ 123	$ 140,868
Reserved for Alcohol and Drug Treatment	15,960	0	0	0	0	15,960
Reserved for Drug Court	17,354	0	0	0	0	17,354
Reserved for Computer System - Register	43,765	0	0	0	0	43,765
Reserved for Automation Purposes - Circuit Court	1,836	0	0	0	0	1,836
Reserved for Automation Purposes - General Sessions Court	26,774	0	0	0	0	26,774

(Continued)

Exhibit C-1

White County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds				Nonmajor Funds	
	General	Local Purpose Tax	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Govern-mental Funds
LIABILITIES AND FUND BALANCES (Cont.)						
Fund Balances (Cont.)						
Reserved for Automation Purposes - Chancery Court	$ 1,286	$ 0	$ 0	$ 0	$ 0	$ 1,286
Reserved for Automation Purposes - County Clerk	1,172	0	0	0	0	1,172
Reserved for Loan Program	0	0	0	0	544,700	544,700
Reserved for Capital Outlay	0	0	145,118	0	0	145,118
Unreserved, Reported In:						
General Fund	1,274,928	0	0	0	0	1,274,928
Special Revenue Funds	0	1,153,725	621,010	0	42,647	1,817,382
Debt Service Funds	0	0	0	2,153,583	0	2,153,583
Total Fund Balances	$ 1,523,592	$ 1,153,725	$ 766,356	$ 2,153,583	$ 587,470	$ 6,184,726
Total Liabilities and Fund Balances	$ 5,982,995	$ 1,170,674	$ 907,968	$ 2,516,343	$ 648,462	$ 11,226,442

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

Exhibit C-2

White County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Assets
June 30, 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)		$ 6,184,726
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 1,004,978	
Add: infrastructure net of accumulated depreciation	3,686,139	
Add: buildings and improvements net of accumulated depreciation	8,146,958	
Add: other capital assets net of accumulated depreciation	1,030,278	13,868,353
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	$ (13,075,000)	
Less: notes payable	(2,057,142)	
Less: other deferred revenue - premium on debt	(94,762)	
Add: deferred charges - debt issuance charges	174,759	
Less: accrued interest on bonds and notes	(99,953)	(15,152,098)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		968,965
Net assets of governmental activities (Exhibit A)		$ 5,869,946

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

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Local Purpose Tax	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Revenues						
Local Taxes	$ 4,592,652	$ 183,516	$ 60,020	$ 1,129,480	$ 0	$ 5,965,668
Licenses and Permits	65,363	0	0	0	0	65,363
Fines, Forfeitures, and Penalties	137,100	0	0	0	49,552	186,652
Charges for Current Services	1,048,676	0	0	0	3,410	1,052,086
Other Local Revenues	165,758	0	27,646	443,537	8,856	645,797
Fees Received from County Officials	924,118	0	0	0	0	924,118
State of Tennessee	896,968	0	2,131,008	20,120	4,849	3,052,945
Federal Government	66,112	0	0	0	0	66,112
Other Governments and Citizens Groups	374,558	0	0	246,179	0	620,737
Total Revenues	$ 8,271,305	$ 183,516	$ 2,218,674	$ 1,839,316	$ 66,667	$ 12,579,478
Expenditures						
Current:						
General Government	$ 1,131,775	$ 0	$ 0	$ 0	$ 3,410	$ 1,135,185
Finance	768,257	0	0	0	0	768,257
Administration of Justice	678,228	0	0	0	0	678,228
Public Safety	3,250,720	0	0	0	62,975	3,313,695
Public Health and Welfare	1,218,283	0	0	0	0	1,218,283
Social, Cultural, and Recreational Services	407,228	0	0	0	0	407,228
Agriculture and Natural Resources	94,837	0	0	0	0	94,837
Other Operations	699,852	1,826	0	0	333	702,011
Highways	0	0	2,603,474	0	0	2,603,474
Debt Service:						
Principal on Debt	0	0	0	2,049,524	0	2,049,524
Interest on Debt	0	0	0	703,594	0	703,594
Other Debt Service	0	0	0	205,196	0	205,196
Total Expenditures	$ 8,249,180	$ 1,826	$ 2,603,474	$ 2,958,314	$ 66,718	$ 13,879,512
Excess (Deficiency) of Revenues Over Expenditures	$ 22,125	$ 181,690	$ (384,800)	$ (1,118,998)	$ (51)	$ (1,300,034)
Other Financing Sources (Uses)						
Refunding Debt Issued	$ 0	$ 0	$ 0	$ 13,295,000	$ 0	$ 13,295,000

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Local Purpose Tax	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Other Financing Sources (Uses) (Cont.)						
Notes Issued	$ 200,000	$ 0	$ 400,000	$ 0	$ 0	$ 600,000
Premiums on Debt Issued	0	0	0	100,722	0	100,722
Insurance Recovery	40,045	0	0	0	0	40,045
Transfers In	10,400	0	0	0	0	10,400
Transfers Out	0	0	(10,400)	0	0	(10,400)
Payments to Refunded Debt Escrow Agent	0	0	0	(13,210,000)	0	(13,210,000)
Total Other Financing Sources (Uses)	$ 250,445	$ 0	$ 389,600	$ 185,722	$ 0	$ 825,767
Net Change in Fund Balances	$ 272,570	$ 181,690	$ 4,800	$ (933,276)	$ (51)	$ (474,267)
Fund Balance, July 1, 2008	1,251,022	972,035	761,556	3,086,859	587,521	6,658,993
Fund Balance, June 30, 2009	$ 1,523,592	$ 1,153,725	$ 766,356	$ 2,153,583	$ 587,470	$ 6,184,726

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

Exhibit C-4

White County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 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)		$ (474,267)
(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	$ 1,297,102	
Less: current year depreciation expense	(539,980)	757,122
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets	$ (8,698)	
Less: decrease of revenue for the sale or insurance recovery of disposed assets	(19,545)	(28,243)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2009	$ 968,965	
Less: deferred delinquent property taxes and other deferred June 30, 2008	(838,656)	130,309
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on notes	$ 909,524	
Add: principal payments on bonds	1,140,000	
Less: note proceeds	(600,000)	
Less: bond proceeds	(13,295,000)	
Add: payment to refunding agent	13,210,000	
Less: premium on debt proceeds	(94,762)	
Add: deferred debt issuance costs	174,759	1,444,521
(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 on notes	$ 566	
Change in accrued interest on bonds	(85,231)	
Change in accrued interest on other loans	50,438	(34,227)
Change in net assets of governmental activities (Exhibit B)		$ 1,795,215

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

Exhibit D-1

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

	Major Fund Business-type Activities - Enterprise Fund Solid Waste Disposal Fund
ASSETS	
Current Assets:	
Equity in Pooled Cash and Investments	$ 496,905
Accounts Receivable	90,000
Due from Other Governments	572
Total Current Assets	$ 587,477
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation):	
Land	$ 580,078
Buildings and Improvements	934,835
Other Capital Assets	490,851
Total Noncurrent Assets	$ 2,005,764
Total Assets	$ 2,593,241
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 7,267
Total Current Liabilities	$ 7,267
Noncurrent Liabilities:	
Due Within One Year	$ 205,422
Due in More Than One Year	980,805
Total Noncurrent Liabilities	$ 1,186,227
Total Liabilities	$ 1,193,494
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	$ 1,049,799
Unrestricted	349,948
Total Net Assets	$ 1,399,747

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

Exhibit D-2

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

	Major Fund Business-type Activities - Enterprise Fund Solid Waste Disposal Fund
Operating Revenues	
Charges for Current Services	$ 1,073,926
Other Local Revenues	26,069
Total Operating Revenues	$ 1,099,995
Operating Expenses	
Public Health and Welfare	$ 782,307
Depreciation	121,490
Miscellaneous	10,747
Total Operating Expenses	$ 914,544
Operating Income (Loss)	$ 185,451
Nonoperating Revenues (Expenses)	
Grants	$ 19,077
Insurance Recovery	4,354
Interest on Notes	(46,778)
Total Nonoperating Revenues (Expenses)	$ (23,347)
Net Income	$ 162,104
Net Assets, July 1, 2008	(792,996)
Prior-period Adjustment	2,030,639
Net Assets, June 30, 2009	$ 1,399,747

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

Exhibit D-3

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

	Major Fund Business-type Activities - Enterprise Fund Solid Waste Disposal Fund
Cash Flows from Operating Activities	
Receipts from Customers and Users	$ 1,101,214
Payments to Suppliers	(397,842)
Payments to Employees	(399,022)
Other Payments	(10,747)
Net Cash Provided By (Used In) Operating Activities	$ 293,603
Cash Flows from Noncapital Financing Activities	
Grants Received	$ 21,796
Insurance Recovery	4,354
Net Cash Provided By (Used In) Noncapital Financing Activities	$ 26,150
Cash Flows from Capital and Related Financing Activities	
Interest Paid on Capital Outlay Notes	$ (46,778)
Principal Paid on Capital Outlay Notes	(141,967)
Net Cash Provided By (Used In) Capital and Related Financing Activities	$ (188,745)
Net Increase (Decrease) in Cash	$ 131,008
Cash, July 1, 2008	365,897
Cash, June 30, 2009	$ 496,905
Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	$ 185,451
Adjustment to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	121,490
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(208)
Increase (Decrease) in Due from Other Funds	1,427
Increase (Decrease) in Accounts Payable	(14,557)
Net Cash Provided By (Used In) Operating Activities	$ 293,603

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

Exhibit E

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

	Agency Funds
ASSETS	
Cash	$ 497,823
Investments	1,261,388
Due from Other Governments	270,901
Total Assets	$ 2,030,112
LIABILITIES	
Due to Other Taxing Units	$ 270,901
Due to Litigants, Heirs, and Others	1,759,211
Total Liabilities	$ 2,030,112

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

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

White County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present White County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The White County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of White County, and the White County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the White County Emergency Communications District were not available from other auditors in time for inclusion in this report.

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

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

Administrative Office:

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The White County School Department component unit only reports governmental activities in the government-wide financial statements.

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

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

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

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

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

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

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

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

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

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

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

White County reports the following major governmental funds:

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

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

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

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

White County reports the following major proprietary fund:

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

Additionally, White County reports the following fund type:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in White County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

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

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

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

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For the purposes of the statement of cash flows, cash includes cash on deposit with the county trustee.

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented White County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. White County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. Receivables and Payables

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

All ambulance service and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.81 percent of total taxes levied.

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

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

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

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

3. Capital Assets

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

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

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

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

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

Assets	Years
Buildings and Improvements	20-40
Other Capital Assets	5-15
Infrastructure:	
Roads	40

4. **Compensated Absences**

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

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

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

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

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

Vested or accumulated vacation leave is accrued when incurred in proprietary funds using the accrual basis of accounting. White County's proprietary fund did not have a policy for accruing vested or accumulated vacation leave when it was incurred. However, these amounts would be immaterial to the financial statements of White County.

5. Long-term Obligations

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

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

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

6. Net Assets and Fund Equity

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

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

bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

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

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 $108,147, with the primary restrictions being for: (1) computer systems for various offices ($72,375); (2) drug and alcohol treatment ($15,960); and (3) drug court ($17,354). For the discretely presented School Department, the account balance in Restricted for Other Purposes ($559,167) consists of restrictions for various programs, primarily vocational projects ($500,000).

As of June 30, 2009, White County has $6,924,950 in outstanding debt for capital purposes for the discretely presented White County School Department. This debt is a liability of White County; however, the capital assets acquired are reported in the financial statements of the School Department. Therefore, White County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

7. Prior-period Adjustment

Net assets were restated $2,030,639 from the prior year in the Solid Waste Disposal Fund because the closure/postclosure cost estimates in the prior years had been miscalculated. During the current year, new information was obtained from the state, which significantly changed the method of calculating these estimated liabilities and necessitated a restatement of net assets.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented White County School Department

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

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

Primary Government

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

Discretely Presented White County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed

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

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

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with

collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; 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, White County had the following investments carried at fair value or cost. The agency fund investments were made on behalf of litigants at the direction of a court order and are held in the Office of Circuit Court Clerk.

Investments	Maturities	Fair Value or Cost
Fiduciary Fund:		
Wachovia Bank Deposit Accounts	On Demand	$ 60,627
Wachovia Fixed Income Securities	On Demand	443,932
Wachovia Open End Mutual Funds	On Demand	756,829
Total		$ 1,261,388

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. White County has no investment policy that would further limit its investment choices. As of June 30, 2009, White County's investments in Wachovia Bank Deposits, Wachovia Fixed Income Securities, and Wachovia Open End Mutual Funds were unrated.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. White County does not have a formal policy that limits custodial credit risk for investments. Of the $1,261,388 in mutual funds and money market accounts, the underlying securities for the investments were uninsured and held by the investment's counterparty, not in the name of the county. However, it should be noted that these amounts are invested on behalf of litigants at the order of the court and the county has no custodial credit risk for these investments.

B. Notes Receivable

Notes receivable of $415,616 in the Industrial/Economic Development Fund represent the outstanding balances of loans due White County from local industries at June 30, 2009.

C. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	$ 1,004,978	$ 0	$ 0	$ 1,004,978
Total Capital Assets Not Depreciated	$ 1,004,978	$ 0	$ 0	$ 1,004,978
Capital Assets Depreciated:				
Buildings and Improvements	$ 10,907,818	$ 0	$ 0	$ 10,907,818
Infrastructure	2,954,468	1,005,366	0	3,959,834

Governmental Activities (Cont.):

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Depreciated (Cont.):				
Other Capital Assets	$ 2,555,176	291,736	(41,360)	2,805,552
Total Capital Assets Depreciated	$ 16,417,462	$ 1,297,102	$ (41,360)	$ 17,673,204
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 2,494,112	$ 266,748	$ 0	$ 2,760,860
Infrastructure	187,253	86,442	0	273,695
Other Capital Assets	1,601,601	186,790	(13,117)	1,775,274
Total Accumulated Depreciation	$ 4,282,966	$ 539,980	$ (13,117)	$ 4,809,829
Total Capital Assets Depreciated, Net	$ 12,134,496	$ 757,122	$ (28,243)	$ 12,863,375
Governmental Activities Capital Assets, Net	$ 13,139,474	$ 757,122	$ (28,243)	$ 13,868,353

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

Governmental Activities:

General Government	$ 265,744
Public Safety	67,971
Public Health and Welfare	47,904
Other Operations	1,004
Highways/Public Works	157,357
Total Depreciation Expense - Governmental Activities	$ 539,980

Business-type Activities:

	Balance 7-1-08	Increases	Balance 6-30-09
Capital Assets Not Depreciated:			
Land	$ 580,078	$ 0	$ 580,078
Total Capital Assets Not Depreciated	$ 580,078	$ 0	$ 580,078
Capital Assets Depreciated:			
Buildings and Improvements	$ 1,775,853	$ 0	$ 1,775,853
Other Capital Assets	1,426,702	0	1,426,702
Total Capital Assets Depreciated	$ 3,202,555	$ 0	$ 3,202,555
Less Accumulated Depreciation For:			
Buildings and Improvements	$ 806,947	$ 34,071	$ 841,018
Other Capital Assets	848,432	87,419	935,851
Total Accumulated Depreciation	$ 1,655,379	$ 121,490	$ 1,776,869
Total Capital Assets Depreciated, Net	$ 1,547,176	$ (121,490)	$ 1,425,686
Business-type Activities Capital Assets, Net	$ 2,127,254	$ (121,490)	$ 2,005,764

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

Business-type Activities:

Public Health and Welfare	$ 121,490
Total Depreciation Expense - Business-type Activities	$ 121,490

Discretely Presented White County School Department

Governmental Activities:

	Balance 7-1-08	Increases	Balance 6-30-09
Capital Assets Not Depreciated:			
Land	$ 693,842	$ 0	$ 693,842
Total Capital Assets Not Depreciated	$ 693,842	$ 0	$ 693,842
Capital Assets Depreciated:			
Buildings and Improvements	$ 25,899,904	$ 1,385,078	$ 27,284,982
Other Capital Assets	1,753,767	71,294	1,825,061
Total Capital Assets Depreciated	$ 27,653,671	$ 1,456,372	$ 29,110,043
Less Accumulated Depreciation For:			
Buildings and Improvements	$ 7,215,080	$ 638,155	$ 7,853,235
Other Capital Assets	1,007,428	122,695	1,130,123
Total Accumulated Depreciation	$ 8,222,508	$ 760,850	$ 8,983,358
Total Capital Assets Depreciated, Net	$ 19,431,163	$ 695,522	$ 20,126,685
Governmental Activities Capital Assets, Net	$ 20,125,005	$ 695,522	$ 20,820,527

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

Governmental Activities:

Instruction	$ 638,155
Support Services	122,695
Total Depreciation Expense - Governmental Activities	$ 760,850

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	$ 48,155
Nonmajor governmental	"	7,200
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	161,395

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

Interfund Transfers:

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

Primary Government

Transfer Out	Transfer In General Fund
Highway/Public Works	$ 10,400

Discretely Presented White County School Department

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental fund	$ 40,527

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

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 20 years for bonds and up to seven years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. General obligation bonds and capital outlay notes 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	4 to 4.4 %	$ 1,000,000	$ 880,000
General Obligation Bonds - Refunding	3.85 to 4.24	13,245,000	12,195,000
Capital Outlay Notes	3.49 to 4.31	2,700,000	2,057,142

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	$ 955,000	$ 518,360	$ 1,473,360
2011	990,000	483,760	1,473,760
2012	1,030,000	447,860	1,477,860
2013	1,065,000	409,548	1,474,548
2014	1,095,000	370,898	1,465,898

Year Ending June 30	Bonds (Cont.) Principal	Interest	Total
2015-2019	$ 6,205,000	$ 1,164,585	$ 7,369,585
2020-2024	1,660,000	116,685	1,776,685
2025	75,000	3,300	78,300
Total	$ 13,075,000	$ 3,514,996	$ 16,589,996

Year Ending June 30	Notes Principal	Interest	Total
2010	$ 709,522	$ 77,216	$ 786,738
2011	576,191	48,644	624,835
2012	342,857	27,554	370,411
2013	142,857	17,786	160,643
2014	142,857	11,857	154,714
2015	142,858	5,928	148,786
Total	$ 2,057,142	$ 188,985	$ 2,246,127

There is $2,153,583 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled $566, based on the 2000 federal census. Debt per capita, including bonds and notes totaled $655, based on the 2000 federal census.

Changes in Long-term Liabilities

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

Governmental Activities:	Bonds	Notes	Other Loans
Balance, July 1, 2008	$ 920,000	$ 2,366,666	$ 13,210,000
Additions	13,295,000	600,000	0
Deductions	(1,140,000)	(909,524)	(13,210,000)
Balance, June 30, 2009	$ 13,075,000	$ 2,057,142	$ 0
Balance Due Within One Year	$ 955,000	$ 709,522	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	$ 15,132,142
Less: Balance Due Within One Year	(1,664,522)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 13,467,620

Current Refunding

During the current year, White County refunded three public building authority loans ($13,210,000) with two general obligation bond issues. Two of the other loans had variable interest rates and various fees associated with them, while the other loan had a synthetic interest rate created by the exercising of a swap agreement in prior years. The county issued one bond on September 17, 2008, ($5,120,000) and the other on December, 2, 2008, ($8,175,000) to provide resources to pay off the other loans outstanding. The general obligation bonds issued have fixed interest rates. As a result, the liability for the other loans has been removed from the county's long-term schedule. Since the other loans carried variable and synthetic interest rates, an accurate calculation of the reduction/addition of total debt service payments over the next 11 years could not be determined.

Solid Waste Disposal Fund (Enterprise Fund)

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

Year Ending June 30	Notes Principal	Notes Interest	Notes Total
2010	$ 141,967	$ 40,539	$ 182,506
2011	141,967	34,172	176,139
2012	141,967	27,804	169,771
2013	141,967	21,436	163,403
2014	141,967	15,069	157,036
2015-2016	246,130	11,034	257,164
Total	$ 955,965	$ 150,054	$ 1,106,019

Changes in Long-term Liabilities

Long-term liability activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2009, was as follows:

Business-type Activities:

	Notes	Closure/ Postclosure Care Costs
Balance, July 1, 2008	$ 1,097,932	$ 2,260,901
Deductions	(141,967)	0
Prior-period Adjustment	0	(2,030,639)
Balance, June 30, 2009	$ 955,965	$ 230,262
Balance Due Within One Year	$ 141,967	$ 63,455

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	$ 1,186,227
Less: Balance Due Within One Year	(205,422)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 980,805

Debt per capita of the enterprise fund for the notes totaled $41, based on the 2000 federal census.

Discretely Presented White County School Department

Changes in Long-term Liabilities

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

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2008	$ 160,340	$ 167,490
Additions	69,147	338,386
Deductions	(58,897)	(152,205)
Balance, June 30, 2009	$ 170,590	$ 353,671
Balance Due Within One Year	$ 8,529	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	$	524,261
Less: Balance Due Within One Year		(8,529)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$	515,732

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the White 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 $105,517 and $22,269, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

White County issued tax and revenue anticipation notes in advance of property tax collections and the receipt of grant funds. The proceeds of these notes were deposited in the General ($1,000,000) and the School Federal Projects funds ($150,000). These notes were necessary to provide temporary operating funds before current collections. Short-term debt activity for the year ended June 30, 2009, was as follows:

	Balance 7-1-08	Issued	Redeemed	Balance 6-30-09
Tax Anticipation Notes	$ 0	$ 1,000,000	$ (1,000,000)	$ 0
Revenue Anticipation Notes	0	150,000	0	150,000

The balance noted above represents a revenue anticipation note that had not been repaid as of June 30, 2009, in compliance with state statutes. This amount has been reflected as a receivable in the General Purpose School Fund and a payable in the School Federal Projects Fund.

V. OTHER INFORMATION

A. Risk Management

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

White County offers its general government employees a select benefits limited health plan purchased through a commercial carrier. This is a fully insured fixed rate limited plan in which all employees are eligible to participate; however, pre-65 age retirees are not allowed to remain on the program. Settled claims have not exceeded this commercial coverage.

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

B. Accounting Changes

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

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

C. Subsequent Event

In September 2009, the county's General Purpose School Fund issued a $1,500,000 tax anticipation note to the General Fund for temporary operating funds.

D. Contingent Liabilities

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

E. Change in Administration

Robert Weaver, Road Superintendent, died on June 23, 2009. Abner Graham was appointed to fill the position of road superintendent until the next general election.

F. Landfill Closure and Postclosure Care Costs

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

State and federal laws and regulations require White County to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $230,262 reported as landfill closure and postclosure care liability at June 30, 2009, represents the cumulative amount reported to date based on the use of 15 percent of the estimated capacity of the landfill. The county will recognize the remaining estimated costs of closure and postclosure care of $1,304,819 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and

postclosure care in 2009. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Joint Venture

The Upper Cumberland Regional Airport was established as a joint venture between White County, Putnam County, the City of Cookeville, and the City of Sparta. The Upper Cumberland Regional Airport operates the regional airport for the two-county area. The five-member board of the airport is comprised of one member appointed by each of the four participating governments with the fifth member of the board being the chief executive of one of the participating governments. This fifth board position serves a one-year term and rotates among the four participating governments in a prescribed order. Each participant retains a 25 percent ownership in the airport; however, the participant does not retain an equity interest in the airport. During the year ended June 30, 2009, the county contributed $33,000 to the operations of the airport. Complete financial statements for the Upper Cumberland Regional Airport can be obtained from the Upper Cumberland Regional Airport's administrative office at 750 Airport Road, Sparta, Tennessee 38583-8077, or from the County Clerk's Office at the White County Courthouse.

H. Jointly Governed Organization

The Tri-County Railroad Authority was jointly created by White, Coffee, and Warren counties. The Tri-County Railroad Authority's board comprises the county executive/mayor of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity.

I. Retirement Commitments

Employees

Plan Description

Employees of White County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service and

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

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

Funding Policy

White County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 4.54 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for White County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, White County's annual pension cost of $358,874 to TCRS was equal to White 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), and (c) projected 3.5 percent annual increase in the Social Security wage base. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. White County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 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	$358,874	100%	$0
6-30-08	365,392	100	0
6-30-07	351,259	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 92.02 percent funded. The actuarial accrued liability for benefits was $12.54 million, and the actuarial value of assets was $11.54 million, resulting in an unfunded actuarial accrued liability (UAAL) of $1 million. The covered payroll (annual payroll of active employees covered by the plan) was $7 million, and the ratio of the UAAL to the covered payroll was 14.15 percent.

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

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

School Teachers

Plan Description

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

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2009, was 6.42 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2009, 2008, and 2007, were $883,658, $835,736, and $778,022, respectively, equal to the required contributions for each year.

J. Other Postemployment Benefits (OPEB)

Plan Description

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

Annual Financial Report (CAFR). The CAFR is available on the state's website at http://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 employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The White County School Department provides postretirement benefits, in accordance with contract provisions, to certified employees who retire from the School Department. The School Department pays each retiree $1,500 per year until the retiree is eligible for Medicare. This benefit is available to employees who retire after July 1, 1998, with a minimum of 30 years service. During the year examined, 31 retirees met those eligibility requirements, and the School Department contributed $152,205 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
ARC	$ 338,185
Interest on the NPO	7,537
Adjustment to the ARC	(7,336)
Annual OPEB cost	$ 338,386
Amount of contribution	(152,205)
Increase/decrease in NPO	$ 186,181
Net OPEB obligation, 7-1-08	167,490
Net OPEB obligation, 6-30-09	$ 353,671

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	$ 339,935	51 %	$ 167,490
6-30-09	"	338,386	43	353,671

* 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)	$ 4,552,734
Actuarial value of plan assets	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 4,552,734
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	$ 10,363,587
UAAL as a % of covered payroll	44%

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 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.

K. Office of Central Accounting and Budgeting

Office of Director of Finance

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

L. Purchasing Law

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

Required Supplementary Information

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Exhibit F-1

White County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 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	$ 4,592,652	$ 0	$ 0	$ 4,592,652	$ 4,736,300	$ 4,736,300	$ (143,648)
Licenses and Permits	65,363	0	0	65,363	59,000	59,000	6,363
Fines, Forfeitures, and Penalties	137,100	0	0	137,100	131,500	146,795	(9,695)
Charges for Current Services	1,048,676	0	0	1,048,676	1,068,000	1,068,000	(19,324)
Other Local Revenues	165,758	0	0	165,758	160,000	160,000	5,758
Fees Received from County Officials	924,118	0	0	924,118	983,500	983,500	(59,382)
State of Tennessee	896,968	0	0	896,968	1,141,162	1,185,457	(288,489)
Federal Government	66,112	0	0	66,112	60,000	60,000	6,112
Other Governments and Citizens Groups	374,558	0	0	374,558	211,473	224,473	150,085
Total Revenues	$ 8,271,305	$ 0	$ 0	$ 8,271,305	$ 8,550,935	$ 8,623,525	$ (352,220)
Expenditures							
General Government							
County Commission	$ 64,449	$ 0	$ 0	$ 64,449	$ 66,621	$ 66,621	$ 2,172
County Mayor/Executive	135,194	(1,637)	924	134,481	140,372	140,372	5,891
County Attorney	24,682	0	0	24,682	25,000	25,000	318
Election Commission	149,826	0	3,500	153,326	152,966	153,966	640
Register of Deeds	158,074	(9,585)	16,025	164,514	175,793	175,793	11,279
Development	11,250	0	0	11,250	11,250	11,250	0
County Buildings	426,708	(3,522)	10,706	433,892	483,045	483,045	49,153
Other General Administration	58,024	(37,500)	0	20,524	55,000	55,000	34,476
Preservation of Records	103,568	0	1,532	105,100	113,668	113,668	8,568
Finance							
Accounting and Budgeting	200,303	(1,482)	6,007	204,828	225,798	225,798	20,970
Property Assessor's Office	187,688	0	3,950	191,638	203,792	203,792	12,154

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Finance (Cont.)							
Reappraisal Program	$ 28,496	$ 0	$ 0	$ 28,496	$ 37,358	$ 37,358	$ 8,862
County Trustee's Office	153,448	(3,000)	0	150,448	154,296	154,296	3,848
County Clerk's Office	198,322	(807)	568	198,083	210,904	210,904	12,821
Administration of Justice							
Circuit Court	286,245	0	1,930	288,175	309,582	309,582	21,407
General Sessions Court	186,691	0	50	186,741	190,400	190,400	3,659
Drug Court	13,230	0	0	13,230	35,000	35,000	21,770
Chancery Court	130,391	0	624	131,015	143,699	143,699	12,684
Judicial Commissioners	44,515	0	0	44,515	44,757	44,757	242
Other Administration of Justice	17,156	0	0	17,156	19,600	19,600	2,444
Public Safety							
Sheriff's Department	1,333,488	(24,232)	34,267	1,343,523	1,262,211	1,344,856	1,333
Special Patrols	76,901	(50)	150	77,001	93,319	93,319	16,318
Traffic Control	28,000	0	0	28,000	28,077	28,077	77
Jail	1,415,789	(21,307)	13,543	1,408,025	1,476,852	1,409,502	1,477
Juvenile Services	47,825	0	72	47,897	48,558	48,558	661
Fire Prevention and Control	128,368	0	0	128,368	141,605	141,605	13,237
Civil Defense	53,359	0	150	53,509	25,360	68,655	15,146
Rescue Squad	9,000	0	0	9,000	9,000	9,000	0
County Coroner/Medical Examiner	24,192	0	0	24,192	20,000	25,000	808
Other Public Safety	133,798	0	0	133,798	136,950	136,950	3,152
Public Health and Welfare							
Local Health Center	72,801	(1,513)	129	71,417	72,617	72,617	1,200
Rabies and Animal Control	56,771	0	100	56,871	88,836	88,836	31,965

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	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 Health and Welfare (Cont.)							
Ambulance/Emergency Medical Services	$ 1,044,183	$ (249)	$ 31,212	$ 1,075,146	$ 1,095,088	$ 1,095,088	$ 19,942
Crippled Children Services	3,620	0	0	3,620	4,720	4,720	1,100
Other Local Health Services	0	0	0	0	1,250	1,250	1,250
General Welfare Assistance	4,600	0	0	4,600	4,800	4,800	200
Other Local Welfare Services	1,209	0	0	1,209	1,250	1,250	41
Sanitation Education/Information	35,099	0	0	35,099	35,734	35,734	635
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	131,200	0	500	131,700	191,708	191,708	60,008
Libraries	158,045	(2,138)	586	156,493	157,974	157,974	1,481
Parks and Fair Boards	94,983	(22,000)	10,050	83,033	91,000	91,000	7,967
Other Social, Cultural, and Recreational	23,000	0	0	23,000	28,000	28,000	5,000
Agriculture and Natural Resources							
Agriculture Extension Service	72,456	0	0	72,456	88,469	88,469	16,013
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	20,381	0	0	20,381	20,387	20,387	6
Other Operations							
Tourism	6,000	0	0	6,000	6,000	6,000	0
Industrial Development	209,139	0	0	209,139	420,570	440,570	231,431
Housing and Urban Development	0	0	0	0	50,000	50,000	50,000
Airport	33,000	0	0	33,000	33,000	33,000	0
Veterans' Services	35,153	0	0	35,153	38,453	38,453	3,300
Other Charges	255,439	(300)	3,942	259,081	292,244	292,244	33,163
Contributions to Other Agencies	44,357	0	0	44,357	46,498	46,498	2,141
Employee Benefits	12,618	0	0	12,618	30,000	30,000	17,382

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Other Operations (Cont.)							
Miscellaneous	$ 104,146	$ 0	$ 0	$ 104,146	$ 120,000	$ 120,000	$ 15,854
Total Expenditures	$ 8,249,180	$ (129,322)	$ 140,517	$ 8,260,375	$ 8,961,431	$ 9,046,021	$ 785,646
Excess (Deficiency) of Revenues Over Expenditures	$ 22,125	$ 129,322	$ (140,517)	$ 10,930	$ (410,496)	$ (422,496)	$ 433,426
Other Financing Sources (Uses)							
Notes Issued	$ 200,000	$ 0	$ 0	$ 200,000	$ 250,000	$ 250,000	$ (50,000)
Insurance Recovery	40,045	0	0	40,045	0	0	40,045
Transfers In	10,400	0	0	10,400	123,400	110,400	(100,000)
Total Other Financing Sources (Uses)	$ 250,445	$ 0	$ 0	$ 250,445	$ 373,400	$ 360,400	$ (109,955)
Net Change in Fund Balance	$ 272,570	$ 129,322	$ (140,517)	$ 261,375	$ (37,096)	$ (62,096)	$ 323,471
Fund Balance, July 1, 2008	1,251,022	(129,322)	0	1,121,700	1,024,216	1,024,216	97,484
Fund Balance, June 30, 2009	$ 1,523,592	$ 0	$ (140,517)	$ 1,383,075	$ 987,120	$ 962,120	$ 420,955

Exhibit F-2

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 183,516	$ 200,000	$ 200,000	$ (16,484)
Total Revenues	$ 183,516	$ 200,000	$ 200,000	$ (16,484)
Expenditures				
Other Operations				
Miscellaneous	$ 1,826	$ 2,000	$ 2,000	$ 174
Total Expenditures	$ 1,826	$ 2,000	$ 2,000	$ 174
Excess (Deficiency) of Revenues Over Expenditures	$ 181,690	$ 198,000	$ 198,000	$ (16,310)
Other Financing Sources (Uses)				
Transfers Out	$ 0	$ (100,000)	$ (100,000)	$ 100,000
Total Other Financing Sources (Uses)	$ 0	$ (100,000)	$ (100,000)	$ 100,000
Net Change in Fund Balance	$ 181,690	$ 98,000	$ 98,000	$ 83,690
Fund Balance, July 1, 2008	972,035	999,412	999,412	(27,377)
Fund Balance, June 30, 2009	$ 1,153,725	$ 1,097,412	$ 1,097,412	$ 56,313

Exhibit F-3

White County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 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	$ 60,020	$ 0	$ 0	$ 60,020	$ 90,000	$ 90,000	$ (29,980)
Other Local Revenues	27,646	0	0	27,646	30,000	30,000	(2,354)
State of Tennessee	2,131,008	0	0	2,131,008	4,067,245	4,067,245	(1,936,237)
Total Revenues	$ 2,218,674	$ 0	$ 0	$ 2,218,674	$ 4,187,245	$ 4,187,245	$ (1,968,571)
Expenditures							
Highways							
Administration	$ 137,518	$ (46)	$ 0	$ 137,472	$ 150,346	$ 150,346	$ 12,874
Highway and Bridge Maintenance	1,365,188	0	228	1,365,416	1,731,607	1,731,607	366,191
Operation and Maintenance of Equipment	178,586	0	0	178,586	220,000	220,000	41,414
Other Charges	100,629	0	0	100,629	114,600	114,600	13,971
Employee Benefits	0	0	0	0	10,000	10,000	10,000
Capital Outlay	821,553	0	0	821,553	2,733,400	2,733,400	1,911,847
Total Expenditures	$ 2,603,474	$ (46)	$ 228	$ 2,603,656	$ 4,959,953	$ 4,959,953	$ 2,356,297
Excess (Deficiency) of Revenues Over Expenditures	$ (384,800)	$ 46	$ (228)	$ (384,982)	$ (772,708)	$ (772,708)	$ 387,726
Other Financing Sources (Uses)							
Notes Issued	$ 400,000	$ 0	$ 0	$ 400,000	$ 400,000	$ 400,000	$ 0
Transfers Out	(10,400)	0	0	(10,400)	(10,400)	(10,400)	0
Total Other Financing Sources (Uses)	$ 389,600	$ 0	$ 0	$ 389,600	$ 389,600	$ 389,600	$ 0
Net Change in Fund Balance	$ 4,800	$ 46	$ (228)	$ 4,618	$ (383,108)	$ (383,108)	$ 387,726
Fund Balance, July 1, 2008	761,556	(46)	0	761,510	846,204	846,204	(84,694)
Fund Balance, June 30, 2009	$ 766,356	$ 0	$ (228)	$ 766,128	$ 463,096	$ 463,096	$ 303,032

Exhibit F-4

White County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented White 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	$ 11,547	$ 12,548	$ 1,001	92.02 %	$ 7,072	14.15 %
6-30-08	7-1-07	11,547	12,548	1,001	92.02	7,072	14.15

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

Exhibit F-5

White County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented White County School Department
June 30, 2009

(Dollar amounts in thousands)

Plan	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)
Local Education Group	6-30-08	7-1-07	$ 0	$ 4,869	$ 4,869	0%	$ 10,015	49%
"	6-30-09	7-1-07	0	4,869	4,869	0	10,015	49

* Data only available for two years.

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

BUDGETARY INFORMATION

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

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

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

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Combining and Individual Fund Financial Statements and Schedules

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Nonmajor Governmental Funds

Special Revenue Funds

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.

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

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

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

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Exhibit G-1

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

	Special Revenue Funds			
	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 0	$ 0	$ 53,731	$ 53,731
Equity in Pooled Cash and Investments	129,084	41,471	0	170,555
Accounts Receivable	0	0	1,360	1,360
Due from Other Funds	0	7,200	0	7,200
Notes Receivable - Long-term	415,616	0	0	415,616
Total Assets	$ 544,700	$ 48,671	$ 55,091	$ 648,462
LIABILITIES AND FUND BALANCES				
Liabilities				
Due to Other Funds	$ 0	$ 264	$ 55,091	$ 55,355
Due to Litigants, Heirs, and Others	0	5,637	0	5,637
Total Liabilities	$ 0	$ 5,901	$ 55,091	$ 60,992
Fund Balances				
Reserved for Encumbrances	$ 0	$ 123	$ 0	$ 123
Reserved for Loan Program	544,700	0	0	544,700
Unreserved	0	42,647	0	42,647
Total Fund Balances	$ 544,700	$ 42,770	$ 0	$ 587,470
Total Liabilities and Fund Balances	$ 544,700	$ 48,671	$ 55,091	$ 648,462

Exhibit G-2

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

	Special Revenue Funds			
	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
Revenues				
Fines, Forfeitures, and Penalties	$ 0	$ 49,552	$ 0	$ 49,552
Charges for Current Services	0	0	3,410	3,410
Other Local Revenues	8,581	275	0	8,856
State of Tennessee	0	4,849	0	4,849
Total Revenues	$ 8,581	$ 54,676	$ 3,410	$ 66,667
Expenditures				
Current:				
General Government	$ 0	$ 0	$ 3,410	$ 3,410
Public Safety	0	62,975	0	62,975
Other Operations	0	333	0	333
Total Expenditures	$ 0	$ 63,308	$ 3,410	$ 66,718
Excess (Deficiency) of Revenues Over Expenditures	$ 8,581	$ (8,632)	$ 0	$ (51)
Net Change in Fund Balances	$ 8,581	$ (8,632)	$ 0	$ (51)
Fund Balance, July 1, 2008	536,119	51,402	0	587,521
Fund Balance, June 30, 2009	$ 544,700	$ 42,770	$ 0	$ 587,470

Exhibit G-3

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Other Local Revenues	$ 8,581	$ 10,000	$ 10,000	$ (1,419)
Total Revenues	$ 8,581	$ 10,000	$ 10,000	$ (1,419)
Total Expenditures	$ 0	$ 0	$ 0	$ 0
Excess (Deficiency) of Revenues Over Expenditures	$ 8,581	$ 10,000	$ 10,000	$ (1,419)
Net Change in Fund Balance	$ 8,581	$ 10,000	$ 10,000	$ (1,419)
Fund Balance, July 1, 2008	536,119	533,989	533,989	2,130
Fund Balance, June 30, 2009	$ 544,700	$ 543,989	$ 543,989	$ 711

Exhibit G-4

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Fines, Forfeitures, and Penalties	$ 49,552	$ 0	$ 49,552	$ 55,000	$ 55,000	$ (5,448)
Other Local Revenues	275	0	275	2,000	2,000	(1,725)
State of Tennessee	4,849	0	4,849	10,000	10,000	(5,151)
Total Revenues	$ 54,676	$ 0	$ 54,676	$ 67,000	$ 67,000	$ (12,324)
Expenditures						
Public Safety						
Drug Enforcement	$ 62,975	$ 123	$ 63,098	$ 66,926	$ 66,926	$ 3,828
Other Operations						
Miscellaneous	333	0	333	1,000	1,000	667
Total Expenditures	$ 63,308	$ 123	$ 63,431	$ 67,926	$ 67,926	$ 4,495
Excess (Deficiency) of Revenues Over Expenditures	$ (8,632)	$ (123)	$ (8,755)	$ (926)	$ (926)	$ (7,829)
Net Change in Fund Balance	$ (8,632)	$ (123)	$ (8,755)	$ (926)	$ (926)	$ (7,829)
Fund Balance, July 1, 2008	51,402	0	51,402	12,537	12,537	38,865
Fund Balance, June 30, 2009	$ 42,770	$ (123)	$ 42,647	$ 11,611	$ 11,611	$ 31,036

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

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,129,480	$ 1,097,000	$ 1,097,000	$ 32,480
Other Local Revenues	443,537	850,000	850,000	(406,463)
State of Tennessee	20,120	12,000	12,000	8,120
Other Governments and Citizens Groups	246,179	50,000	300,000	(53,821)
Total Revenues	$ 1,839,316	$ 2,009,000	$ 2,259,000	$ (419,684)
Expenditures				
Principal on Debt				
General Government	$ 1,150,560	$ 731,950	$ 1,150,700	$ 140
Highways and Streets	283,664	283,664	283,664	0
Education	615,300	583,050	615,300	0
Interest on Debt				
General Government	366,367	460,732	373,429	7,062
Highways and Streets	29,691	25,000	31,800	2,109
Education	307,536	396,618	307,624	88
Other Debt Service				
General Government	96,633	2,000	104,159	7,526
Education	108,563	0	108,563	0
Total Expenditures	$ 2,958,314	$ 2,483,014	$ 2,975,239	$ 16,925
Excess (Deficiency) of Revenues Over Expenditures	$ (1,118,998)	$ (474,014)	$ (716,239)	$ (402,759)
Other Financing Sources (Uses)				
Refunding Debt Issued	$ 13,295,000	$ 0	$ 13,295,000	$ 0
Premiums on Debt Issued	100,722	0	100,722	0
Transfers In	0	250,000	0	0
Payments to Refunded Debt Escrow Agent	(13,210,000)	0	(13,210,000)	0
Total Other Financing Sources (Uses)	$ 185,722	$ 250,000	$ 185,722	$ 0
Net Change in Fund Balance	$ (933,276)	$ (224,014)	$ (530,517)	$ (402,759)
Fund Balance, July 1, 2008	3,086,859	3,071,483	3,071,483	15,376
Fund Balance, June 30, 2009	$ 2,153,583	$ 2,847,469	$ 2,540,966	$ (387,383)

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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.

Community Development - Agency Fund – The Community Development - Agency Fund is used to account for transactions related to pass-through community development grant funds.

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

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Exhibit I-1

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

	Agency Funds		
	Cities - Sales Tax	Constitutional Officers - Agency	Total
ASSETS			
Cash	$ 0	$ 497,823	$ 497,823
Investments	0	1,261,388	1,261,388
Due from Other Governments	270,901	0	270,901
Total Assets	$ 270,901	$ 1,759,211	$ 2,030,112
LIABILITIES			
Due to Other Taxing Units	$ 270,901	$ 0	$ 270,901
Due to Litigants, Heirs, and Others	0	1,759,211	1,759,211
Total Liabilities	$ 270,901	$ 1,759,211	$ 2,030,112

Exhibit I-2

White 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	$ 1,630,212	$ 1,630,212	$ 0
Due from Other Governments	288,820	270,901	288,820	270,901
Total Assets	$ 288,820	$ 1,901,113	$ 1,919,032	$ 270,901
Liabilities				
Due to Other Taxing Units	$ 288,820	$ 1,901,113	$ 1,919,032	$ 270,901
Total Liabilities	$ 288,820	$ 1,901,113	$ 1,919,032	$ 270,901
Community Development - Agency Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 631,445	$ 631,445	$ 0
Total Assets	$ 0	$ 631,445	$ 631,445	$ 0
Liabilities				
Contracts Payable	$ 0	$ 631,445	$ 631,445	$ 0
Total Liabilities	$ 0	$ 631,445	$ 631,445	$ 0
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 402,961	$ 4,613,749	$ 4,518,887	$ 497,823
Investments	1,183,731	77,657	0	1,261,388
Total Assets	$ 1,586,692	$ 4,691,406	$ 4,518,887	$ 1,759,211
Liabilities				
Due to Litigants, Heirs, and Others	$ 1,586,692	$ 4,691,406	$ 4,518,887	$ 1,759,211
Total Liabilities	$ 1,586,692	$ 4,691,406	$ 4,518,887	$ 1,759,211
Totals - All Agency Funds				
Assets				
Cash	$ 402,961	$ 4,613,749	$ 4,518,887	$ 497,823
Equity in Pooled Cash and Investments	0	631,445	631,445	0
Investments	1,183,731	77,657	0	1,261,388
Due from Other Governments	288,820	270,901	288,820	270,901
Total Assets	$ 1,875,512	$ 5,593,752	$ 5,439,152	$ 2,030,112
Liabilities				
Due to Other Taxing Units	$ 288,820	$ 1,901,113	$ 1,919,032	$ 270,901
Contracts Payable	0	631,445	631,445	0
Due to Litigants, Heirs, and Others	1,586,692	4,691,406	4,518,887	1,759,211
Total Liabilities	$ 1,875,512	$ 7,223,964	$ 7,069,364	$ 2,030,112

White County School Department

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

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

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

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

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Exhibit J-1

White County, Tennessee
Statement of Activities
Discretely Presented White County School Department
For the Year Ended June 30, 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: Total Governmental Activities
Governmental Activities:					
Instruction	$ 17,823,522	$ 0	$ 2,235,697	$ 0	$ (15,587,825)
Support Services	7,143,282	7,020	315,254	20,000	(6,801,008)
Operation of Non-Instructional Services	2,190,674	706,391	1,401,205	10,348	(72,730)
Capital Outlay	196,179	0	0	0	(196,179)
Total Governmental Activities	$ 27,353,657	$ 713,411	$ 3,952,156	$ 30,348	$ (22,657,742)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					$ 3,170,125
Local Option Sales Taxes					1,354,222
Other Local Taxes					5,129
Grants and Contributions Not Restricted to Specific Programs					19,431,619
Sale of Equipment					6,924
Miscellaneous					33,379
Total General Revenues					$ 24,001,398
Insurance Recovery					$ 14,613
Change in Net Assets					$ 1,358,269
Net Assets, July 1, 2008					35,003,068
Net Assets, June 30, 2009					$ 36,361,337

Exhibit J-2

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

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS			
Equity in Pooled Cash and Investments	$ 15,102,754	$ 504,036	$ 15,606,790
Due from Other Governments	483,247	195,712	678,959
Due from Other Funds	161,395	0	161,395
Property Taxes Receivable	3,198,601	0	3,198,601
Allowance for Uncollectible Property Taxes	(102,616)	0	(102,616)
Total Assets	$ 18,843,381	$ 699,748	$ 19,543,129
LIABILITIES AND FUND BALANCES			
Liabilities			
Payroll Deductions Payable	$ 345,458	$ 0	$ 345,458
Due to Other Funds	0	161,395	161,395
Deferred Revenue - Current Property Taxes	2,971,205	0	2,971,205
Deferred Revenue - Delinquent Property Taxes	115,715	0	115,715
Other Deferred Revenues	119,353	0	119,353
Total Liabilities	$ 3,551,731	$ 161,395	$ 3,713,126
Fund Balances			
Reserved for Encumbrances	$ 750,676	$ 0	$ 750,676
Reserved for Vocational Projects	500,000	0	500,000
Reserved for Driver Education	21,738	0	21,738
Reserved for Career Ladder - Extended Contract	32,265	0	32,265
Reserved for Career Ladder Program	5,164	0	5,164
Reserved for Basic Education Program	7,070,423	0	7,070,423
Reserved for Title I Grants to Local Education Agencies	0	88,181	88,181
Reserved for Special Education - Grants to States	0	32,280	32,280
Unreserved, Reported In:			
General Fund	6,911,384	0	6,911,384
Special Revenue Funds	0	417,892	417,892
Total Fund Balances	$ 15,291,650	$ 538,353	$ 15,830,003
Total Liabilities and Fund Balances	$ 18,843,381	$ 699,748	$ 19,543,129

Exhibit J-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		$ 15,830,003
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 693,842	
Add: buildings and improvements net of accumulated depreciation	19,431,747	
Add: other capital assets net of accumulated depreciation	694,938	20,820,527
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	$ (170,590)	
Less: other postemployment benefits obligations	(353,671)	(524,261)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		235,068
Net assets of governmental activities (Exhibit A)		$ 36,361,337

Exhibit J-4

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

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
Revenues			
Local Taxes	$ 4,625,318	$ 0	$ 4,625,318
Licenses and Permits	2,827	0	2,827
Charges for Current Services	76,662	627,840	704,502
Other Local Revenues	66,061	12,858	78,919
State of Tennessee	19,430,395	23,280	19,453,675
Federal Government	242,762	3,466,143	3,708,905
Other Governments and Citizens Groups	20,000	0	20,000
Total Revenues	$ 24,464,025	$ 4,130,121	$ 28,594,146
Expenditures			
Current:			
Instruction	$ 14,741,822	$ 2,009,127	$ 16,750,949
Support Services	6,836,699	399,494	7,236,193
Operation of Non-Instructional Services	352,668	1,713,324	2,065,992
Capital Outlay	1,479,995	0	1,479,995
Debt Service:			
Other Debt Service	196,179	0	196,179
Total Expenditures	$ 23,607,363	$ 4,121,945	$ 27,729,308
Excess (Deficiency) of Revenues Over Expenditures	$ 856,662	$ 8,176	$ 864,838
Other Financing Sources (Uses)			
Insurance Recovery	$ 14,613	$ 0	$ 14,613
Transfers In	40,527	0	40,527
Transfers Out	0	(40,527)	(40,527)
Total Other Financing Sources (Uses)	$ 55,140	$ (40,527)	$ 14,613
Net Change in Fund Balances	$ 911,802	$ (32,351)	$ 879,451
Fund Balance, July 1, 2008	14,379,848	570,704	14,950,552
Fund Balance, June 30, 2009	$ 15,291,650	$ 538,353	$ 15,830,003

Exhibit J-5

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

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

Net change in fund balances - total governmental funds (Exhibit J-4)		$ 879,451
(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	$ 1,456,372	
Less: current year depreciation expense	(760,850)	695,522
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2009	$ 235,068	
Less: deferred delinquent property taxes and other deferred June 30, 2008	(255,340)	(20,272)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits obligations	$ (186,181)	
Change in compensated absences payable	(10,251)	(196,432)
Change in net assets of governmental activities (Exhibit B)		$ 1,358,269

Exhibit J-6

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

	Special Revenue Funds		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
ASSETS			
Equity in Pooled Cash and Investments	$ 95,123	$ 408,913	$ 504,036
Due from Other Governments	175,338	20,374	195,712
Total Assets	$ 270,461	$ 429,287	$ 699,748
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to Other Funds	$ 150,000	$ 11,395	$ 161,395
Total Liabilities	$ 150,000	$ 11,395	$ 161,395
Fund Balances			
Reserved for Title I Grants to Local Education Agencies	$ 88,181	$ 0	$ 88,181
Reserved for Special Education - Grants to States	32,280	0	32,280
Unreserved	0	417,892	417,892
Total Fund Balances	$ 120,461	$ 417,892	$ 538,353
Total Liabilities and Fund Balances	$ 270,461	$ 429,287	$ 699,748

Exhibit J-7

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

	Special Revenue Funds		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
Revenues			
Charges for Current Services	$ 0	$ 627,840	$ 627,840
Other Local Revenues	0	12,858	12,858
State of Tennessee	0	23,280	23,280
Federal Government	2,349,998	1,116,145	3,466,143
Total Revenues	$ 2,349,998	$ 1,780,123	$ 4,130,121
Expenditures			
Current:			
Instruction	$ 2,009,127	$ 0	$ 2,009,127
Support Services	399,494	0	399,494
Operation of Non-Instructional Services	0	1,713,324	1,713,324
Total Expenditures	$ 2,408,621	$ 1,713,324	$ 4,121,945
Excess (Deficiency) of Revenues Over Expenditures	$ (58,623)	$ 66,799	$ 8,176
Other Financing Sources (Uses)			
Transfers Out	$ (40,527)	$ 0	$ (40,527)
Total Other Financing Sources (Uses)	$ (40,527)	$ 0	$ (40,527)
Net Change in Fund Balances	$ (99,150)	$ 66,799	$ (32,351)
Fund Balance, July 1, 2008	219,611	351,093	570,704
Fund Balance, June 30, 2009	$ 120,461	$ 417,892	$ 538,353

Exhibit J-8

White County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented White County School Department
General Purpose School Fund
For the Year Ended June 30, 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	$ 4,625,318	$ 0	$ 0	$ 4,625,318	$ 4,623,000	$ 4,623,000	$ 2,318
Licenses and Permits	2,827	0	0	2,827	3,500	3,500	(673)
Charges for Current Services	76,662	0	0	76,662	77,070	77,070	(408)
Other Local Revenues	66,061	0	0	66,061	37,335	37,335	28,726
State of Tennessee	19,430,395	0	0	19,430,395	19,354,560	19,487,355	(56,960)
Federal Government	242,762	0	0	242,762	260,800	260,800	(18,038)
Other Governments and Citizens Groups	20,000	0	0	20,000	0	0	20,000
Total Revenues	$ 24,464,025	$ 0	$ 0	$ 24,464,025	$ 24,356,265	$ 24,489,060	$ (25,035)
Expenditures							
Instruction							
Regular Instruction Program	$ 12,654,018	$ (16,893)	$ 100,238	$ 12,737,363	$ 13,950,805	$ 13,950,805	$ 1,213,442
Special Education Program	1,356,720	0	0	1,356,720	1,415,175	1,415,175	58,455
Vocational Education Program	646,220	0	0	646,220	690,750	690,750	44,530
Adult Education Program	84,864	0	0	84,864	105,700	110,709	25,845
Support Services							
Attendance	67,933	0	0	67,933	74,250	74,250	6,317
Health Services	160,937	0	0	160,937	175,400	175,400	14,463
Other Student Support	563,981	(12,115)	8,800	560,666	664,500	664,500	103,834
Regular Instruction Program	694,481	(186)	0	694,295	719,425	719,425	25,130
Special Education Program	90,510	0	0	90,510	91,635	91,635	1,125
Vocational Education Program	55,306	0	0	55,306	59,050	59,050	3,744
Adult Programs	138,811	0	0	138,811	145,400	145,400	6,589
Other Programs	127,786	0	0	127,786	0	127,786	0

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Board of Education	$ 345,612	$ 0	$ 0	$ 345,612	$ 387,670	$ 400,670	$ 55,058
Director of Schools	128,262	0	0	128,262	134,150	134,150	5,888
Office of the Principal	1,155,341	0	0	1,155,341	1,222,350	1,222,350	67,009
Fiscal Services	98,577	(940)	607	98,244	102,775	102,775	4,531
Operation of Plant	1,888,865	0	5,442	1,894,307	2,143,900	2,143,900	249,593
Maintenance of Plant	349,150	(4,349)	95	344,896	421,045	421,045	76,149
Transportation	971,147	(100)	74,360	1,045,407	1,257,395	1,257,395	211,988
Operation of Non-Instructional Services							
Community Services	85,641	0	0	85,641	93,450	93,450	7,809
Early Childhood Education	267,027	0	0	267,027	288,300	288,300	21,273
Capital Outlay							
Regular Capital Outlay	1,479,995	(1,200,943)	561,134	840,186	320,000	925,500	85,314
Principal on Debt							
Education	0	0	0	0	250,000	0	0
Other Debt Service							
Education	196,179	0	0	196,179	0	250,000	53,821
Total Expenditures	$ 23,607,363	$ (1,235,526)	$ 750,676	$ 23,122,513	$ 24,713,125	$ 25,464,420	$ 2,341,907
Excess (Deficiency) of Revenues Over Expenditures	$ 856,662	$ 1,235,526	$ (750,676)	$ 1,341,512	$ (356,860)	$ (975,360)	$ 2,316,872
Other Financing Sources (Uses)							
Insurance Recovery	$ 14,613	$ 0	$ 0	$ 14,613	$ 0	$ 0	$ 14,613

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Other Financing Sources (Uses) (Cont.)							
Transfers In	$ 40,527	$ 0	$ 0	$ 40,527	$ 75,000	$ 75,000	$ (34,473)
Transfers Out	0	0	0	0	(13,000)	0	0
Total Other Financing Sources (Uses)	$ 55,140	$ 0	$ 0	$ 55,140	$ 62,000	$ 75,000	$ (19,860)
Net Change in Fund Balance	$ 911,802	$ 1,235,526	$ (750,676)	$ 1,396,652	$ (294,860)	$ (900,360)	$ 2,297,012
Fund Balance, July 1, 2008	14,379,848	(1,235,526)	0	13,144,322	12,982,681	12,982,681	161,641
Fund Balance, June 30, 2009	$ 15,291,650	$ 0	$ (750,676)	$ 14,540,974	$ 12,687,821	$ 12,082,321	$ 2,458,653

Exhibit J-9

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Federal Government	$ 2,349,998	$ 2,685,568	$ 2,710,330	$ (360,332)
Total Revenues	$ 2,349,998	$ 2,685,568	$ 2,710,330	$ (360,332)
Expenditures				
Instruction				
Regular Instruction Program	$ 1,297,206	$ 1,449,586	$ 1,481,986	$ 184,780
Special Education Program	596,773	780,120	791,457	194,684
Vocational Education Program	115,148	115,148	115,148	0
Support Services				
Other Student Support	17,625	21,952	21,952	4,327
Regular Instruction Program	137,121	207,763	199,838	62,717
Special Education Program	200,864	235,020	224,423	23,559
Vocational Education Program	7,628	7,629	7,629	1
Transportation	36,256	41,533	39,839	3,583
Total Expenditures	$ 2,408,621	$ 2,858,751	$ 2,882,272	$ 473,651
Excess (Deficiency) of Revenues Over Expenditures	$ (58,623)	$ (173,183)	$ (171,942)	$ 113,319
Other Financing Sources (Uses)				
Transfers Out	$ (40,527)	$ (46,428)	$ (47,669)	$ 7,142
Total Other Financing Sources (Uses)	$ (40,527)	$ (46,428)	$ (47,669)	$ 7,142
Net Change in Fund Balance	$ (99,150)	$ (219,611)	$ (219,611)	$ 120,461
Fund Balance, July 1, 2008	219,611	219,611	219,611	0
Fund Balance, June 30, 2009	$ 120,461	$ 0	$ 0	$ 120,461

Exhibit J-10

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 627,840	$ 702,000	$ 702,000	$ (74,160)
Other Local Revenues	12,858	3,500	3,500	9,358
State of Tennessee	23,280	25,000	25,000	(1,720)
Federal Government	1,116,145	1,075,000	1,075,000	41,145
Total Revenues	$ 1,780,123	$ 1,805,500	$ 1,805,500	$ (25,377)
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 1,713,324	$ 1,881,337	$ 1,881,337	$ 168,013
Total Expenditures	$ 1,713,324	$ 1,881,337	$ 1,881,337	$ 168,013
Excess (Deficiency) of Revenues Over Expenditures	$ 66,799	$ (75,837)	$ (75,837)	$ 142,636
Net Change in Fund Balance	$ 66,799	$ (75,837)	$ (75,837)	$ 142,636
Fund Balance, July 1, 2008	351,093	351,081	351,081	12
Fund Balance, June 30, 2009	$ 417,892	$ 275,244	$ 275,244	$ 142,648

MISCELLANEOUS SCHEDULES

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Exhibit K-1

White County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2009

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-09
NOTES PAYABLE									
Payable through General Debt Service Fund									
Vehicles/Ambulances/Computers/Roads	$ 800,000	3.49 %	11-29-04	6-30-09	$ 400,000	$ 0	$ 400,000	$ 0	$ 0
Road Improvements/Landfill Truck	400,000	4.31	9-21-06	9-21-09	266,666	0	133,334	0	133,332
Patrol Cars/Ambulances/Road Improvements	700,000	3.95	8-30-07	8-30-10	700,000	0	233,333	0	466,667
Industrial Development Land	1,000,000	4.15	6-11-08	6-1-15	1,000,000	0	142,857	0	857,143
Public Safety Vehicles/Road Improvements	600,000	3.84	8-28-08	8-28-11	0	600,000	0	0	600,000
Total Notes Payable					$ 2,366,666	$ 600,000	$ 909,524	$ 0	$ 2,057,142
OTHER LOANS PAYABLE									
Payable through General Debt Service Fund									
Sevier County Public Building Authority Loan Agreement:									
School Building Project	7,000,000	Variable	8-1-1996	9-17-08	$ 3,810,000	$ 0	$ 0	$ 3,810,000	$ 0
School/Judicial Complex Building Project Series IV-A-3	9,000,000	5.72	12-9-1999	12-2-08	8,125,000	0	0	8,125,000	0
Blount County Public Building Authority Loan Agreement:									
School/Judicial Complex Building Project Series A-9-C	1,275,000	Variable	6-29-04	9-17-08	1,275,000	0	0	1,275,000	0
Total Other Loans Payable					$ 13,210,000	$ 0	$ 0	$ 13,210,000	$ 0
BONDS PAYABLE									
Payable through General Debt Service Fund									
Library	1,000,000	4 to 4.4	6-15-05	6-15-25	$ 920,000	$ 0	$ 40,000	$ 0	$ 880,000
School Refunding, Series 2008	5,120,000	3.85	9-17-08	6-1-20	0	5,120,000	405,000	0	4,715,000
School/Judicial Complex Refunding, Series 2008A	8,125,000	4.24	12-2-08	6-1-20	0	8,175,000	695,000	0	7,480,000
Total Bonds Payable					$ 920,000	$ 13,295,000	$ 1,140,000	$ 0	$ 13,075,000

Exhibit K-2

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

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2010	$ 709,522	$ 77,216	$ 786,738
2011	576,191	48,644	624,835
2012	342,857	27,554	370,411
2013	142,857	17,786	160,643
2014	142,857	11,857	154,714
2015	142,858	5,928	148,786
Total	$ 2,057,142	$ 188,985	$ 2,246,127

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2010	$ 955,000	$ 518,360	$ 1,473,360
2011	990,000	483,760	1,473,760
2012	1,030,000	447,860	1,477,860
2013	1,065,000	409,548	1,474,548
2014	1,095,000	370,898	1,465,898
2015	1,145,000	329,123	1,474,123
2016	1,190,000	283,323	1,473,323
2017	1,240,000	235,724	1,475,724
2018	1,290,000	185,027	1,475,027
2019	1,340,000	131,388	1,471,388
2020	1,400,000	74,640	1,474,640
2021	60,000	14,520	74,520
2022	65,000	11,970	76,970
2023	65,000	9,175	74,175
2024	70,000	6,380	76,380
2025	75,000	3,300	78,300
Total	$ 13,075,000	$ 3,514,996	$ 16,589,996

Exhibit K-3

White County, Tennessee
Schedule of Investments
June 30, 2009

Fund/Type	Amount
Constitutional Officers - Agency	
Wachovia Bank Deposit Account	$ 60,627
Wachovia Fixed Income Securities	443,932
Wachovia Open End Mutual Funds	756,829
Total	$ 1,261,388

Exhibit K-4

White County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2009

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-09
Industrial/Economic Development Fund						
Industrial Development	Norcom, Inc.	$ 27,552	11-07	11-14	5%	$ 22,134
Industrial Development	Norcom, Inc., II	30,000	2-03	2-10	5	3,738
Industrial Development	Casual Apparel	80,288	10-03	9-10	2	36,056
Industrial Development	Bell Fashions	82,397	1-04	11-09	2	5,166
Industrial Development	TLT, Inc.	37,500	11-03	11-10	2	7,552
Industrial Development	K & V Automotive	80,000	5-04	5-11	2	39,491
Industrial Development	Dunn & Bybee	90,000	11-04	11-12	3	34,330
Industrial Development	Casual Apparel	25,000	10-06	10-13	5	18,097
Industrial Development	Jackson Kayak	250,000	12-08	12-15	2	233,279
Industrial Development	CLS Molding	15,950	5-09	5-16	2	15,773
Total						$ 415,616

Exhibit K-5

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

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
Highway/Public Works	General	Finance Department services	$ 10,400
Total Transfers Primary Government			$ 10,400
DISCRETELY PRESENTED WHITE COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	$ 40,527
Total Transfers Discretely Presented White County School Department			$ 40,527

Exhibit K-6

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	$ 71,322	$ 50,000	Auto Owners Insurance Company
Road Superintendent:				
Robert Weaver (7-1-08 through 6-23-09)	Section 8-24-102, TCA	67,927	100,000	RLI Insurance Company
Abner Graham (6-24-09 through 6-30-09)	County Commission	0 (1)	100,000	"
Director of Schools	State Board of Education and White County Board of Education	91,785 (2)	50,000	Auto Owners Insurance Company
Trustee	Section 8-24-102, TCA	61,751	832,000	"
Assessor of Property	Section 8-24-102, TCA	61,751	10,000	"
Finance Director	County Commission	61,751	50,000	"
County Clerk	Section 8-24-102, TCA	61,751	50,000	RLI Insurance Company
Circuit Court Clerk	Section 8-24-102, TCA	61,751	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	61,751 (3)	75,000	Auto Owners Insurance Company
Register	Section 8-24-102, TCA	61,751	25,000	RLI Insurance Company
Sheriff	Section 8-24-102, TCA	67,927 (4)	50,000	"
Employee Dishonesty Bond Coverage:				
General County and Highway Employees			150,000	Tennessee Risk Management Trust
School Department Employees			150,000	"

(1) Mr. Graham did not receive compensation as acting road superintendent until July 2009.
(2) Includes chief executive officer training supplement of $1,000.
(3) Does not include special commissioner fees of $990.
(4) Does not include a law enforcement training supplement of $600.

Exhibit K-7

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

		Special Revenue Funds					Debt Service Fund	
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Local Taxes								
County Property Taxes								
Current Property Tax	$ 3,675,384	$ 0	$ 0	$ 0	$ 0	$ 0	$ 277,398	$ 3,952,782
Trustee's Collections - Prior Year	163,533	0	0	0	0	0	12,342	175,875
Circuit/Clerk & Master Collections - Prior Years	105,785	0	0	0	0	0	8,205	113,990
Interest and Penalty	31,915	0	0	0	0	0	2,400	34,315
Payments in-Lieu-of Taxes - Other	9,698	0	0	0	0	0	0	9,698
County Local Option Taxes								
Local Option Sales Tax	91,756	0	183,516	0	0	0	814,868	1,090,140
Hotel/Motel Tax	7,154	0	0	0	0	0	7,154	14,308
Litigation Tax - General	61,817	0	0	0	0	0	0	61,817
Litigation Tax - Special Purpose	49,250	0	0	0	0	0	0	49,250
Litigation Tax - Jail, Workhouse, or Courthouse	25,359	0	0	0	0	0	0	25,359
Business Tax	127,360	0	0	0	0	0	0	127,360
Mineral Severance Tax	0	0	0	0	0	60,020	0	60,020
Statutory Local Taxes								
Bank Excise Tax	94,241	0	0	0	0	0	7,113	101,354
Wholesale Beer Tax	149,400	0	0	0	0	0	0	149,400
Total Local Taxes	$ 4,592,652	$ 0	$ 183,516	$ 0	$ 0	$ 60,020	$ 1,129,480	$ 5,965,668
Licenses and Permits								
Licenses								
Cable TV Franchise	$ 61,563	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 61,563
Permits								
Beer Permits	3,800	0	0	0	0	0	0	3,800
Total Licenses and Permits	$ 65,363	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 65,363
Fines, Forfeitures, and Penalties								
Circuit Court								
Fines	$ 14,376	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 14,376
Officers Costs	5,834	0	0	0	0	0	0	5,834
Drug Control Fines	209	0	0	0	0	0	0	209

(Continued)

Exhibit K-7

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

		Special Revenue Funds					Debt Service Fund	
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Fines, Forfeitures, and Penalties (Cont.)								
Circuit Court (Cont.)								
Drug Court Fees	$ 1,114	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,114
DUI Treatment Fines	2,349	0	0	0	0	0	0	2,349
Data Entry Fee - Circuit Court	481	0	0	0	0	0	0	481
Courtroom Security Fee	1,527	0	0	0	0	0	0	1,527
General Sessions Court								
Fines	19,679	0	0	0	0	0	0	19,679
Officers Costs	41,848	0	0	0	0	0	0	41,848
Game and Fish Fines	1,922	0	0	0	0	0	0	1,922
Drug Control Fines	285	0	0	0	0	0	0	285
Drug Court Fees	2,034	0	0	0	0	0	0	2,034
DUI Treatment Fines	1,931	0	0	0	0	0	0	1,931
Data Entry Fee - General Sessions Court	7,456	0	0	0	0	0	0	7,456
Courtroom Security Fee	1,366	0	0	0	0	0	0	1,366
Chancery Court								
Officers Costs	1,038	0	0	0	0	0	0	1,038
Data Entry Fee - Chancery Court	1,286	0	0	0	0	0	0	1,286
Other Courts - In-county								
Drug Control Fines	0	0	0	18,869	0	0	0	18,869
Jail Fees	16,587	0	0	0	0	0	0	16,587
Other Fines, Forfeitures, and Penalties								
Proceeds from Confiscated Property	15,778	0	0	30,683	0	0	0	46,461
Total Fines, Forfeitures, and Penalties	$ 137,100	$ 0	$ 0	$ 49,552	$ 0	$ 0	$ 0	$ 186,652
Charges for Current Services								
General Service Charges								
Past Due Collections - Ambulance	$ 1,031,100	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,031,100
Fees								
Constitutional Officers' Fees and Commissions	0	0	0	0	3,410	0	0	3,410
Data Processing Fee - Register	9,512	0	0	0	0	0	0	9,512
Data Processing Fee - Sheriff	4,142	0	0	0	0	0	0	4,142

(Continued)

Exhibit K-7

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

	General	Special Revenue Funds: Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	Debt Service Fund: General Debt Service	Total
Charges for Current Services (Cont.)								
Fees (Cont.)								
Sexual Offender Registration Fees - Sheriff	$ 2,750	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,750
Data Processing Fee - County Clerk	1,172	0	0	0	0	0	0	1,172
Total Charges for Current Services	$ 1,048,676	$ 0	$ 0	$ 0	$ 3,410	$ 0	$ 0	$ 1,052,086
Other Local Revenues								
Recurring Items								
Investment Income	$ 0	$ 7,081	$ 0	$ 0	$ 0	$ 0	$ 433,184	$ 440,265
Lease/Rentals	3,100	0	0	0	0	0	0	3,100
Commissary Sales	14,107	0	0	0	0	0	0	14,107
Sale of Maps	70,000	0	0	0	0	0	0	70,000
Miscellaneous Refunds	76,471	0	0	0	0	27,646	10,353	114,470
Nonrecurring Items								
Sale of Property	0	1,500	0	0	0	0	0	1,500
Damages Recovered from Individuals	300	0	0	0	0	0	0	300
Contributions and Gifts	1,780	0	0	275	0	0	0	2,055
Total Other Local Revenues	$ 165,758	$ 8,581	$ 0	$ 275	$ 0	$ 27,646	$ 443,537	$ 645,797
Fees Received from County Officials								
Fees in-Lieu-of Salary								
County Clerk	$ 196,948	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 196,948
Circuit Court Clerk	69,121	0	0	0	0	0	0	69,121
General Sessions Court Clerk	185,876	0	0	0	0	0	0	185,876
Clerk and Master	78,744	0	0	0	0	0	0	78,744
Register	102,721	0	0	0	0	0	0	102,721
Trustee	290,708	0	0	0	0	0	0	290,708
Total Fees Received from County Officials	$ 924,118	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 924,118
State of Tennessee								
General Government Grants								
Juvenile Services Program	$ 9,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 9,000

(Continued)

Exhibit K-7

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

		Special Revenue Funds					Debt Service Fund	
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
State of Tennessee (Cont.)								
Public Safety Grants								
Drug Control Grants	$ 12,598	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 12,598
Health and Welfare Grants								
Other Health and Welfare Grants	5,632	0	0	0	0	0	0	5,632
Public Works Grants								
Bridge Program	0	0	0	0	0	385,689	0	385,689
State Aid Program	0	0	0	0	0	166,604	0	166,604
Litter Program	31,143	0	0	0	0	0	0	31,143
Other State Revenues								
Flood Control	1,697	0	0	0	0	0	0	1,697
Income Tax	55,077	0	0	0	0	0	0	55,077
Beer Tax	18,701	0	0	0	0	0	0	18,701
Alcoholic Beverage Tax	42,092	0	0	0	0	0	0	42,092
State Revenue Sharing - T.V.A.	266,589	0	0	0	0	0	20,120	286,709
Contracted Prisoner Boarding	420,875	0	0	0	0	0	0	420,875
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,557,781	0	1,557,781
Petroleum Special Tax	0	0	0	0	0	20,934	0	20,934
Reappraisal Program Reimbursement	14,282	0	0	0	0	0	0	14,282
Registrar's Salary Supplement	10,817	0	0	0	0	0	0	10,817
Other State Revenues	8,465	0	0	4,849	0	0	0	13,314
Total State of Tennessee	$ 896,968	$ 0	$ 0	$ 4,849	$ 0	$ 2,131,008	$ 20,120	$ 3,052,945
Federal Government								
Federal Through State								
Homeland Security Grants	$ 39,617	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 39,617
Law Enforcement Grants	24,450	0	0	0	0	0	0	24,450
Other Federal through State	2,045	0	0	0	0	0	0	2,045
Total Federal Government	$ 66,112	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 66,112

(Continued)

Exhibit K-7

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

		Special Revenue Funds					Debt Service Fund	
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Other Governments and Citizens Groups								
Other Governments								
Contributions	$ 15,769	$ 0	$ 0	$ 0	$ 0	$ 0	$ 246,179	$ 261,948
Contracted Services	225,209	0	0	0	0	0	0	225,209
Citizens Groups								
Donations	38,829	0	0	0	0	0	0	38,829
Other								
Other	94,751	0	0	0	0	0	0	94,751
Total Other Governments and Citizens Groups	$ 374,558	$ 0	$ 0	$ 0	$ 0	$ 0	$ 246,179	$ 620,737
Total	$ 8,271,305	$ 8,581	$ 183,516	$ 54,676	$ 3,410	$ 2,218,674	$ 1,839,316	$ 12,579,478

Exhibit K-8

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
Local Taxes				
County Property Taxes				
Current Property Tax	$ 2,947,356	$ 0	$ 0	$ 2,947,356
Trustee's Collections - Prior Year	131,135	0	0	131,135
Circuit/Clerk & Master Collections - Prior Years	82,047	0	0	82,047
Interest and Penalty	25,505	0	0	25,505
County Local Option Taxes				
Local Option Sales Tax	1,358,349	0	0	1,358,349
Statutory Local Taxes				
Bank Excise Tax	75,570	0	0	75,570
Interstate Telecommunications Tax	5,356	0	0	5,356
Total Local Taxes	$ 4,625,318	$ 0	$ 0	$ 4,625,318
Licenses and Permits				
Licenses				
Marriage Licenses	$ 2,176	$ 0	$ 0	$ 2,176
Permits				
Other Permits	651	0	0	651
Total Licenses and Permits	$ 2,827	$ 0	$ 0	$ 2,827
Charges for Current Services				
Education Charges				
Lunch Payments - Children	$ 0	$ 0	$ 352,911	$ 352,911
Lunch Payments - Adults	0	0	55,728	55,728
Income from Breakfast	0	0	34,509	34,509
A la carte Sales	0	0	184,692	184,692
Receipts from Individual Schools	45,610	0	0	45,610
Community Service Fees - Children	500	0	0	500
Community Service Fees - Adults	935	0	0	935
TBI Criminal Background Fees	3,420	0	0	3,420
Other Charges for Services				
Other Charges for Services	26,197	0	0	26,197
Total Charges for Current Services	$ 76,662	$ 0	$ 627,840	$ 704,502
Other Local Revenues				
Recurring Items				
Investment Income	$ 0	$ 0	$ 5,309	$ 5,309
Lease/Rentals	3,600	0	0	3,600
Miscellaneous Refunds	25,769	0	7,549	33,318
Nonrecurring Items				
Sale of Equipment	6,924	0	0	6,924
Damages Recovered from Individuals	61	0	0	61
Contributions and Gifts	19,359	0	0	19,359
Other Local Revenues				
Other Local Revenues	10,348	0	0	10,348
Total Other Local Revenues	$ 66,061	$ 0	$ 12,858	$ 78,919
State of Tennessee				
General Government Grants				
On-Behalf Contributions for OPEB	$ 127,786	$ 0	$ 0	$ 127,786

(Continued)

Exhibit K-8

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
State of Tennessee (Cont.)				
State Education Funds				
Basic Education Program	$ 18,133,821	$ 0	$ 0	$ 18,133,821
Early Childhood Education	261,780	0	0	261,780
School Food Service	0	0	23,280	23,280
Driver Education	1,315	0	0	1,315
Other State Education Funds	140,976	0	0	140,976
Career Ladder Program	215,562	0	0	215,562
Career Ladder - Extended Contract	136,600	0	0	136,600
Other State Revenues				
State Revenue Sharing - T.V.A.	213,774	0	0	213,774
Other State Grants	198,781	0	0	198,781
Total State of Tennessee	$ 19,430,395	$ 0	$ 23,280	$ 19,453,675
Federal Government				
Federal Through State				
USDA School Lunch Program	$ 0	$ 0	$ 890,747	$ 890,747
Breakfast	0	0	191,920	191,920
USDA - Other	0	0	33,478	33,478
Adult Education State Grant Program	106,191	0	0	106,191
Vocational Education - Basic Grants to States	0	127,277	0	127,277
Title I Grants to Local Education Agencies	0	858,482	0	858,482
Special Education - Grants to States	0	703,400	0	703,400
Special Education Preschool Grants	0	19,974	0	19,974
Safe and Drug-Free Schools - State Grants	0	14,654	0	14,654
Rural Education	0	105,658	0	105,658
Eisenhower Professional Development State Grants	0	227,624	0	227,624
Job Training Partnership Act	17,000	0	0	17,000
Other Federal through State	60,500	292,929	0	353,429
Direct Federal Revenue				
ROTC Reimbursement	59,071	0	0	59,071
Total Federal Government	$ 242,762	$ 2,349,998	$ 1,116,145	$ 3,708,905
Other Governments and Citizens Groups				
Other Governments				
Contributions	$ 20,000	$ 0	$ 0	$ 20,000
Total Other Governments and Citizens Groups	$ 20,000	$ 0	$ 0	$ 20,000
Total	$ 24,464,025	$ 2,349,998	$ 1,780,123	$ 28,594,146

Exhibit K-9

White 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	$ 42,000	
Other Per Diem and Fees	1,250	
Social Security	2,682	
State Retirement	57	
Employer Medicare	627	
Advertising	2,154	
Audit Services	6,931	
Dues and Memberships	3,250	
Travel	1,407	
Other Supplies and Materials	4,091	
Total County Commission		$ 64,449
County Mayor/Executive		
County Official/Administrative Officer	$ 71,322	
Assistant(s)	31,239	
Social Security	6,318	
State Retirement	4,656	
Employer Medicare	1,478	
Communication	3,116	
Dues and Memberships	1,250	
Maintenance Agreements	2,958	
Postal Charges	872	
Travel	5,650	
Office Supplies	3,262	
Office Equipment	3,073	
Total County Mayor/Executive		135,194
County Attorney		
County Official/Administrative Officer	$ 22,000	
Social Security	1,364	
State Retirement	999	
Employer Medicare	319	
Total County Attorney		24,682
Election Commission		
County Official/Administrative Officer	$ 55,576	
Deputy(ies)	21,136	
Election Commission	110	
Election Workers	32,198	
Social Security	4,819	

(Continued)

Exhibit K-9

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

General Fund (Cont.)				
General Government (Cont.)				
Election Commission (Cont.)				
State Retirement	$	3,568		
Medical Insurance		1,200		
Employer Medicare		1,127		
Communication		1,129		
Legal Notices, Recording, and Court Costs		4,559		
Maintenance and Repair Services - Office Equipment		1,159		
Postal Charges		1,487		
Rentals		40		
Travel		1,672		
Office Supplies		1,874		
Other Supplies and Materials		2,826		
Data Processing Equipment		15,346		
Total Election Commission			$	149,826
Register of Deeds				
County Official/Administrative Officer	$	61,751		
Assistant(s)		56,576		
Social Security		7,336		
State Retirement		5,177		
Employer Medicare		1,716		
Communication		1,018		
Dues and Memberships		541		
Maintenance and Repair Services - Office Equipment		15,143		
Postal Charges		2,193		
Travel		2,008		
Office Supplies		4,615		
Total Register of Deeds				158,074
Development				
Other Contracted Services	$	11,250		
Total Development				11,250
County Buildings				
Other Salaries and Wages	$	53,256		
Social Security		3,229		
State Retirement		2,181		
Employer Medicare		748		
Maintenance and Repair Services - Buildings		63,222		
Maintenance and Repair Services - Equipment		19,707		
Rentals		8,200		

(Continued)

Exhibit K-9

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Utilities	$ 84,717	
Other Supplies and Materials	25,192	
Building and Contents Insurance	127,136	
Workers' Compensation Insurance	39,120	
Total County Buildings		$ 426,708
Other General Administration		
Building Improvements	$ 58,024	
Total Other General Administration		58,024
Preservation of Records		
Other Salaries and Wages	$ 27,789	
Social Security	1,723	
State Retirement	790	
Employer Medicare	403	
Communication	2,136	
Other Supplies and Materials	13,376	
Other Charges	57,351	
Total Preservation of Records		103,568
Finance		
Accounting and Budgeting		
County Official/Administrative Officer	$ 61,751	
Assistant(s)	80,581	
Social Security	8,825	
State Retirement	6,404	
Employer Medicare	2,064	
Accounting Services	1,152	
Advertising	1,832	
Communication	2,786	
Postal Charges	9,271	
Travel	1,984	
Other Contracted Services	1,795	
Office Supplies	10,508	
Data Processing Equipment	9,760	
Office Equipment	1,590	
Total Accounting and Budgeting		200,303
Property Assessor's Office		
County Official/Administrative Officer	$ 61,751	

(Continued)

Exhibit K-9

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

General Fund (Cont.)		
Finance (Cont.)		
Property Assessor's Office (Cont.)		
Assistant(s)	$ 81,397	
Board and Committee Members Fees	1,222	
Social Security	9,010	
State Retirement	6,135	
Employer Medicare	2,107	
Communication	2,216	
Data Processing Services	2,798	
Dues and Memberships	1,071	
Postal Charges	1,024	
Travel	1,172	
Other Contracted Services	15,519	
Office Supplies	1,613	
Premiums on Corporate Surety Bonds	92	
Office Equipment	561	
Total Property Assessor's Office		$ 187,688
Reappraisal Program		
Secretary(ies)	$ 20,613	
Social Security	1,110	
Employer Medicare	260	
Data Processing Services	3,852	
Other Contracted Services	2,505	
Office Supplies	156	
Total Reappraisal Program		28,496
County Trustee's Office		
County Official/Administrative Officer	$ 61,751	
Assistant(s)	52,939	
Part-time Personnel	2,000	
Overtime Pay	1,462	
Social Security	7,292	
State Retirement	5,251	
Employer Medicare	1,705	
Advertising	237	
Communication	1,192	
Dues and Memberships	786	
Postal Charges	6,472	
Travel	1,013	
Office Supplies	1,997	
Data Processing Equipment	8,351	

(Continued)

Exhibit K-9

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

General Fund (Cont.)		
Finance (Cont.)		
County Trustee's Office (Cont.)		
Office Equipment	$ 1,000	
Total County Trustee's Office		$ 153,448
County Clerk's Office		
County Official/Administrative Officer	$ 61,751	
Assistant(s)	104,952	
Social Security	10,336	
State Retirement	7,270	
Employer Medicare	2,417	
Communication	2,556	
Dues and Memberships	426	
Postal Charges	1,600	
Office Supplies	2,761	
Data Processing Equipment	4,253	
Total County Clerk's Office		198,322
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 61,751	
Assistant(s)	155,568	
Social Security	13,288	
State Retirement	9,866	
Medical Insurance	3,600	
Employer Medicare	3,108	
Communication	3,803	
Dues and Memberships	661	
Maintenance and Repair Services - Office Equipment	4,046	
Postal Charges	6,860	
Travel	282	
Office Supplies	11,182	
In Service/Staff Development	643	
Data Processing Equipment	10,746	
Office Equipment	841	
Total Circuit Court		286,245
General Sessions Court		
Judge(s)	$ 132,322	
Secretary(ies)	31,239	
Social Security	8,373	
State Retirement	7,426	

(Continued)

Exhibit K-9

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
General Sessions Court (Cont.)		
Employer Medicare	$ 2,372	
Communication	1,843	
Dues and Memberships	160	
Travel	1,691	
Office Supplies	1,265	
Total General Sessions Court		$ 186,691
Drug Court		
Contracts with Government Agencies	$ 12,625	
Other Supplies and Materials	605	
Total Drug Court		13,230
Chancery Court		
County Official/Administrative Officer	$ 61,751	
Assistant(s)	40,989	
Social Security	6,369	
State Retirement	4,110	
Employer Medicare	1,489	
Communication	747	
Dues and Memberships	561	
Postal Charges	3,619	
Travel	300	
Office Supplies	4,143	
Data Processing Equipment	3,721	
Office Equipment	2,592	
Total Chancery Court		130,391
Judicial Commissioners		
County Official/Administrative Officer	$ 39,695	
Social Security	2,502	
Employer Medicare	592	
Other Supplies and Materials	1,726	
Total Judicial Commissioners		44,515
Other Administration of Justice		
Other Salaries and Wages	$ 1,108	
Jury and Witness Fees	16,048	
Total Other Administration of Justice		17,156

(Continued)

Exhibit K-9

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

General Fund (Cont.)		
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 67,927	
Deputy(ies)	795,457	
Secretary(ies)	27,820	
Other Salaries and Wages	16,593	
Social Security	58,538	
State Retirement	35,711	
Medical Insurance	5,805	
Employer Medicare	13,690	
Communication	23,399	
Dues and Memberships	3,080	
Maintenance and Repair Services - Vehicles	10,905	
Travel	904	
Other Contracted Services	5,306	
Gasoline	76,827	
Uniforms	11,998	
Other Supplies and Materials	28,192	
In Service/Staff Development	5,677	
Other Charges	174	
Data Processing Equipment	19,915	
Law Enforcement Equipment	58,928	
Motor Vehicles	66,642	
Total Sheriff's Department		$ 1,333,488
Special Patrols		
Other Salaries and Wages	$ 61,522	
Social Security	3,602	
State Retirement	1,840	
Medical Insurance	1,200	
Employer Medicare	842	
Communication	806	
Office Supplies	145	
Other Supplies and Materials	4,247	
Other Charges	2,697	
Total Special Patrols		76,901
Traffic Control		
Overtime Pay	$ 6,600	
Social Security	409	
State Retirement	300	
Employer Medicare	96	

(Continued)

Exhibit K-9

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

General Fund (Cont.)		
Public Safety (Cont.)		
Traffic Control (Cont.)		
Law Enforcement Equipment	$ 20,595	
Total Traffic Control		$ 28,000
Jail		
Supervisor/Director	$ 35,488	
Guards	654,778	
Clerical Personnel	27,847	
Cafeteria Personnel	23,400	
Other Salaries and Wages	41,708	
Social Security	47,311	
State Retirement	26,260	
Employer Medicare	11,065	
Contracts with Other Public Agencies	600	
Maintenance Agreements	13,556	
Medical and Dental Services	197,142	
Food Supplies	141,686	
Uniforms	11,052	
Utilities	156,085	
Other Supplies and Materials	22,939	
In Service/Staff Development	1,400	
Law Enforcement Equipment	3,472	
Total Jail		1,415,789
Juvenile Services		
Other Salaries and Wages	$ 40,338	
Social Security	2,501	
State Retirement	1,831	
Employer Medicare	585	
Communication	441	
Travel	1,929	
Office Supplies	200	
Total Juvenile Services		47,825
Fire Prevention and Control		
Contracts with Government Agencies	$ 15,000	
Contributions	108,368	
Other Supplies and Materials	5,000	
Total Fire Prevention and Control		128,368

(Continued)

Exhibit K-9

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

General Fund (Cont.)		
Public Safety (Cont.)		
Civil Defense		
Contracts with Private Agencies	$ 3,796	
Sand	400	
Other Supplies and Materials	2,063	
Workers' Compensation Insurance	813	
In Service/Staff Development	825	
Other Equipment	5,005	
Other Capital Outlay	40,457	
Total Civil Defense		$ 53,359
Rescue Squad		
Contributions	$ 9,000	
Total Rescue Squad		9,000
County Coroner/Medical Examiner		
Medical Personnel	$ 24,192	
Total County Coroner/Medical Examiner		24,192
Other Public Safety		
Contracts with Other Public Agencies	$ 125,000	
Road Signs	8,798	
Total Other Public Safety		133,798
Public Health and Welfare		
Local Health Center		
Other Salaries and Wages	$ 3,380	
Social Security	210	
Employer Medicare	49	
Communication	2,361	
Contracts with Government Agencies	39,080	
Maintenance and Repair Services - Buildings	10,226	
Travel	1,277	
Instructional Supplies and Materials	1,513	
Utilities	9,863	
Other Supplies and Materials	1,438	
Other Charges	3,404	
Total Local Health Center		72,801
Rabies and Animal Control		
Other Salaries and Wages	$ 18,200	
Social Security	1,128	

(Continued)

Exhibit K-9

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Rabies and Animal Control (Cont.)		
Employer Medicare	$ 264	
Communication	878	
Other Contracted Services	859	
Gasoline	211	
Other Supplies and Materials	13,891	
Other Construction	21,340	
Total Rabies and Animal Control		$ 56,771
Ambulance/Emergency Medical Services		
County Official/Administrative Officer	$ 48,801	
Paraprofessionals	498,831	
Part-time Personnel	47,666	
Overtime Pay	77,399	
Other Salaries and Wages	24,198	
Social Security	43,014	
State Retirement	29,533	
Medical Insurance	2,884	
Employer Medicare	10,060	
Communication	5,441	
Dues and Memberships	350	
Laundry Service	4,003	
Maintenance and Repair Services - Buildings	4,981	
Maintenance and Repair Services - Vehicles	19,987	
Postal Charges	210	
Other Contracted Services	9,248	
Diesel Fuel	43,522	
Drugs and Medical Supplies	43,009	
Office Supplies	3,979	
Uniforms	6,323	
Utilities	6,502	
In Service/Staff Development	9,981	
Motor Vehicles	96,455	
Other Equipment	7,806	
Total Ambulance/Emergency Medical Services		1,044,183
Crippled Children Services		
Contracts with Government Agencies	$ 3,495	
Contributions	125	
Total Crippled Children Services		3,620

(Continued)

Exhibit K-9

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
General Welfare Assistance		
Pauper Burials	$ 4,600	
Total General Welfare Assistance		$ 4,600
Other Local Welfare Services		
Other Charges	$ 1,209	
Total Other Local Welfare Services		1,209
Sanitation Education/Information		
Other Salaries and Wages	$ 25,015	
Social Security	1,534	
State Retirement	28	
Employer Medicare	359	
Rentals	513	
Kindergarten Textbooks	7,650	
Total Sanitation Education/Information		35,099
Social, Cultural, and Recreational Services		
Senior Citizens Assistance		
County Official/Administrative Officer	$ 34,922	
Other Salaries and Wages	56,727	
Social Security	5,682	
State Retirement	3,368	
Employer Medicare	1,329	
Communication	3,335	
Maintenance and Repair Services - Buildings	1,777	
Postal Charges	514	
Other Contracted Services	2,485	
Office Supplies	308	
Utilities	18,516	
Building and Contents Insurance	2,087	
Other Charges	150	
Total Senior Citizens Assistance		131,200
Libraries		
Librarians	$ 39,607	
Clerical Personnel	53,804	
Social Security	5,756	
State Retirement	3,132	
Medical Insurance	1,200	
Employer Medicare	1,346	

(Continued)

Exhibit K-9

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

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Libraries (Cont.)		
Communication	$ 7,693	
Janitorial Services	4,230	
Maintenance Agreements	5,687	
Printing, Stationery, and Forms	333	
Library Books/Media	9,177	
Office Supplies	2,239	
Periodicals	120	
Utilities	21,691	
Other Supplies and Materials	727	
In Service/Staff Development	703	
Data Processing Equipment	600	
Total Libraries		$ 158,045
Parks and Fair Boards		
Contributions	$ 5,000	
Other Contracted Services	36,685	
Other Supplies and Materials	664	
Other Construction	52,634	
Total Parks and Fair Boards		94,983
Other Social, Cultural, and Recreational		
Contributions	$ 23,000	
Total Other Social, Cultural, and Recreational		23,000
Agriculture and Natural Resources		
Agriculture Extension Service		
Salary Supplements	$ 48,583	
Other Fringe Benefits	10,111	
Communication	2,698	
Contributions	2,500	
Utilities	3,887	
Data Processing Equipment	3,706	
Office Equipment	971	
Total Agriculture Extension Service		72,456
Forest Service		
Other Contracted Services	$ 2,000	
Total Forest Service		2,000

(Continued)

Exhibit K-9

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

General Fund (Cont.)		
Agriculture and Natural Resources (Cont.)		
Soil Conservation		
Secretary(ies)	$ 17,721	
Social Security	1,099	
State Retirement	804	
Employer Medicare	257	
Contributions	500	
Total Soil Conservation		$ 20,381
Other Operations		
Tourism		
Other Charges	$ 6,000	
Total Tourism		6,000
Industrial Development		
Contributions	$ 30,000	
Other Supplies and Materials	981	
Other Charges	10,091	
Other Construction	168,067	
Total Industrial Development		209,139
Airport		
Contributions	$ 5,000	
Maintenance Agreements	28,000	
Total Airport		33,000
Veterans' Services		
Supervisor/Director	$ 24,341	
Other Salaries and Wages	5,368	
Social Security	1,842	
State Retirement	1,349	
Employer Medicare	431	
Communication	903	
Postal Charges	252	
Travel	347	
Office Supplies	320	
Total Veterans' Services		35,153
Other Charges		
Supervisor/Director	$ 40,546	
Clerical Personnel	22,205	
Other Salaries and Wages	55,807	

(Continued)

Exhibit K-9

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

General Fund (Cont.)			
Other Operations (Cont.)			
Other Charges (Cont.)			
Social Security	$ 7,264		
State Retirement	5,383		
Medical Insurance	2,354		
Employer Medicare	1,699		
Communication	1,470		
Other Contracted Services	3,477		
Equipment Parts - Heavy	57,176		
Garage Supplies	9,181		
Lubricants	10,399		
Office Supplies	586		
Small Tools	452		
Tires and Tubes	16,739		
Utilities	20,075		
Other Equipment	626		
Total Other Charges		$ 255,439	
Contributions to Other Agencies			
Contracts with Parents	$ 3,236		
Contracts with Public Carriers	12,420		
Contracts with Vehicle Owners	1,000		
Contributions	20,907		
Other Contracted Services	6,794		
Total Contributions to Other Agencies		44,357	
Employee Benefits			
Unemployment Compensation	$ 12,618		
Total Employee Benefits		12,618	
Miscellaneous			
Trustee's Commission	$ 104,146		
Total Miscellaneous		104,146	
Total General Fund			$ 8,249,180
Local Purpose Tax Fund			
Other Operations			
Miscellaneous			
Trustee's Commission	$ 1,826		
Total Miscellaneous		$ 1,826	
Total Local Purpose Tax Fund			1,826

(Continued)

Exhibit K-9

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

Drug Control Fund			
Public Safety			
Drug Enforcement			
Deputy(ies)	$ 29,919		
Overtime Pay	385		
Social Security	1,879		
State Retirement	1,376		
Employer Medicare	439		
Confidential Drug Enforcement Payments	3,450		
Other Supplies and Materials	11,790		
Law Enforcement Equipment	13,737		
Total Drug Enforcement		$ 62,975	
Other Operations			
Miscellaneous			
Trustee's Commission	$ 333		
Total Miscellaneous		333	
Total Drug Control Fund			$ 63,308
Constitutional Officers - Fees Fund			
General Government			
Other General Administration			
Constitutional Officers' Operating Expenses	$ 3,410		
Total Other General Administration		$ 3,410	
Total Constitutional Officers - Fees Fund			3,410
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 67,927		
Accountants/Bookkeepers	26,932		
Secretary(ies)	23,171		
Other Salaries and Wages	517		
Social Security	7,320		
State Retirement	5,382		
Employer Medicare	1,712		
Dues and Memberships	2,595		
Postal Charges	23		
Office Supplies	487		
Other Charges	1,452		
Total Administration		$ 137,518	

(Continued)

Exhibit K-9

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Highway and Bridge Maintenance		
Foremen	$ 45,701	
Equipment Operators - Heavy	194,420	
Equipment Operators - Light	190,584	
Truck Drivers	52,342	
Laborers	34,029	
Other Salaries and Wages	6,311	
Social Security	31,961	
State Retirement	22,862	
Medical Insurance	13,317	
Employer Medicare	7,475	
Other Contracted Services	4,745	
Asphalt - Hot Mix	700,170	
Asphalt - Liquid	31,637	
General Construction Materials	1,024	
Pipe - Metal	2,244	
Road Signs	2,632	
Salt	4,900	
Gravel and Chert	18,834	
Total Highway and Bridge Maintenance		$ 1,365,188
Operation and Maintenance of Equipment		
Maintenance and Repair Services - Equipment	$ 55,668	
Maintenance and Repair Services - Vehicles	31,284	
Diesel Fuel	59,525	
Gasoline	32,109	
Total Operation and Maintenance of Equipment		178,586
Other Charges		
Communication	$ 3,422	
Electricity	3,710	
Water and Sewer	148	
Trustee's Commission	16,349	
Vehicle and Equipment Insurance	40,000	
Workers' Compensation Insurance	37,000	
Total Other Charges		100,629
Capital Outlay		
Bridge Construction	$ 470,818	
Communication Equipment	900	
Highway Equipment	137,568	

(Continued)

Exhibit K-9

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Capital Outlay (Cont.)			
State Aid Projects	$ 212,267		
Total Capital Outlay		$ 821,553	
Total Highway/Public Works Fund			$ 2,603,474
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 524,700		
Principal on Notes	625,860		
Total General Government		$ 1,150,560	
Highways and Streets			
Principal on Notes	$ 283,664		
Total Highways and Streets		283,664	
Education			
Principal on Bonds	$ 615,300		
Total Education		615,300	
Interest on Debt			
General Government			
Interest on Bonds	$ 159,988		
Interest on Notes	62,614		
Interest on Other Loans	143,765		
Total General Government		366,367	
Highways and Streets			
Interest on Notes	$ 29,691		
Total Highways and Streets		29,691	
Education			
Interest on Bonds	$ 176,252		
Interest on Other Loans	131,284		
Total Education		307,536	
Other Debt Service			
General Government			
Trustee's Commission	$ 18,933		
Underwriter's Discount	57,547		

(Continued)

Exhibit K-9

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

General Debt Service Fund (Cont.)			
Other Debt Service (Cont.)			
General Government (Cont.)			
Other Debt Issuance Charges	$ 19,612		
Other Debt Service	541		
Total General Government		$ 96,633	
Education			
Underwriter's Discount	$ 75,403		
Other Debt Issuance Charges	33,160		
Total Education		108,563	
Total General Debt Service Fund			$ 2,958,314
Total Governmental Funds - Primary Government			$ 13,879,512

Exhibit K-10

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

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 8,608,160	
Career Ladder Program	120,060	
Career Ladder Extended Contracts	100,630	
Homebound Teachers	11,665	
Educational Assistants	524,423	
Certified Substitute Teachers	64,440	
Non-certified Substitute Teachers	120,000	
Social Security	562,112	
State Retirement	590,790	
Medical Insurance	1,131,382	
Unemployment Compensation	40,786	
Employer Medicare	131,619	
Maintenance and Repair Services - Equipment	11,434	
Instructional Supplies and Materials	310,902	
Textbooks	157,182	
Other Supplies and Materials	73	
Fee Waivers	6,729	
Other Charges	44,469	
Regular Instruction Equipment	117,162	
Total Regular Instruction Program		$ 12,654,018
Special Education Program		
Teachers	$ 976,622	
Career Ladder Program	26,000	
Homebound Teachers	35,240	
Educational Assistants	23,932	
Other Salaries and Wages	26,193	
Certified Substitute Teachers	130	
Non-certified Substitute Teachers	358	
Social Security	64,618	
State Retirement	68,221	
Medical Insurance	115,093	
Employer Medicare	15,315	
Instructional Supplies and Materials	4,998	
Total Special Education Program		1,356,720
Vocational Education Program		
Teachers	$ 485,475	
Career Ladder Program	5,750	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)				
Instruction (Cont.)				
Vocational Education Program (Cont.)				
Non-certified Substitute Teachers	$	1,160		
Social Security		29,403		
State Retirement		31,542		
Medical Insurance		67,122		
Employer Medicare		6,876		
Maintenance and Repair Services - Equipment		3,000		
Travel		392		
Instructional Supplies and Materials		15,500		
Total Vocational Education Program			$	646,220
Adult Education Program				
Teachers	$	45,364		
Other Salaries and Wages		9,614		
Social Security		1,880		
State Retirement		1,147		
Employer Medicare		797		
Instructional Supplies and Materials		24,938		
Other Supplies and Materials		1,124		
Total Adult Education Program				84,864
Support Services				
Attendance				
Supervisor/Director	$	54,030		
Career Ladder Program		1,000		
Social Security		3,389		
State Retirement		3,525		
Medical Insurance		5,126		
Employer Medicare		793		
Travel		70		
Total Attendance				67,933
Health Services				
Medical Personnel	$	69,010		
Other Salaries and Wages		37,529		
Social Security		6,336		
State Retirement		6,134		
Medical Insurance		13,229		
Employer Medicare		1,482		
Travel		1,500		

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Health Services (Cont.)				
Drugs and Medical Supplies	$	1,622		
Other Supplies and Materials		23,176		
Other Charges		82		
Health Equipment		837		
Total Health Services			$	160,937
Other Student Support				
Career Ladder Program	$	6,000		
Guidance Personnel		375,832		
Social Security		22,976		
State Retirement		24,514		
Medical Insurance		36,942		
Employer Medicare		5,373		
Evaluation and Testing		40,308		
Other Contracted Services		52,036		
Total Other Student Support				563,981
Regular Instruction Program				
Supervisor/Director	$	128,470		
Career Ladder Program		12,000		
Career Ladder Extended Contracts		10,080		
Librarians		300,980		
Instructional Computer Personnel		57,725		
Educational Assistants		12,080		
Social Security		32,010		
State Retirement		33,242		
Medical Insurance		37,077		
Employer Medicare		7,486		
Travel		4,785		
Library Books/Media		51,043		
In Service/Staff Development		5,710		
Other Charges		1,793		
Total Regular Instruction Program				694,481
Special Education Program				
Supervisor/Director	$	60,799		
Career Ladder Program		1,000		
Clerical Personnel		9,842		
Social Security		4,177		

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Special Education Program (Cont.)				
State Retirement	$	4,405		
Medical Insurance		8,316		
Employer Medicare		977		
Travel		994		
Total Special Education Program			$	90,510
Vocational Education Program				
Supervisor/Director	$	25,335		
Secretary(ies)		17,895		
Social Security		2,677		
State Retirement		2,400		
Medical Insurance		2,459		
Employer Medicare		626		
Travel		4		
In Service/Staff Development		3,910		
Total Vocational Education Program				55,306
Adult Programs				
Supervisor/Director	$	92,921		
Career Ladder Program		2,000		
Clerical Personnel		3,000		
Social Security		5,726		
State Retirement		6,223		
Medical Insurance		13,959		
Employer Medicare		1,339		
Travel		1,175		
Other Contracted Services		10,950		
Other Supplies and Materials		996		
In Service/Staff Development		522		
Total Adult Programs				138,811
Other Programs				
On-Behalf Payments to OPEB	$	127,786		
Total Other Programs				127,786
Board of Education				
Board and Committee Members Fees	$	11,275		
In-Service Training		10,599		
Social Security		699		

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Board of Education (Cont.)				
Medical Insurance	$	46,000		
Employer Medicare		164		
Audit Services		5,500		
Contributions		13,000		
Dues and Memberships		8,672		
Liability Insurance		31,587		
Premiums on Corporate Surety Bonds		1,764		
Trustee's Commission		122,072		
Workers' Compensation Insurance		90,800		
Criminal Investigation of Applicants - TBI		3,480		
Total Board of Education			$	345,612
Director of Schools				
County Official/Administrative Officer	$	90,785		
Career Ladder Program		1,000		
Social Security		5,691		
State Retirement		5,879		
Medical Insurance		12,639		
Employer Medicare		1,331		
Communication		5,075		
Dues and Memberships		2,500		
Postal Charges		2,996		
Travel		366		
Total Director of Schools				128,262
Office of the Principal				
Principals	$	467,685		
Career Ladder Program		16,000		
Accountants/Bookkeepers		41,159		
Career Ladder Extended Contracts		14,480		
Assistant Principals		247,260		
Secretary(ies)		142,803		
Other Salaries and Wages		14,002		
Social Security		57,414		
State Retirement		56,295		
Medical Insurance		70,886		
Employer Medicare		13,427		
Communication		12,680		
Dues and Memberships		1,250		
Total Office of the Principal				1,155,341

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Fiscal Services				
Supervisor/Director	$	36,362		
Secretary(ies)		21,474		
Clerical Personnel		21,474		
Social Security		4,905		
State Retirement		3,601		
Medical Insurance		2,400		
Employer Medicare		1,147		
Maintenance and Repair Services - Equipment		2,104		
Office Supplies		4,494		
In Service/Staff Development		616		
Total Fiscal Services			$	98,577
Operation of Plant				
Custodial Personnel	$	653,058		
Other Salaries and Wages		1,618		
Social Security		37,973		
State Retirement		26,604		
Medical Insurance		20,691		
Employer Medicare		8,881		
Other Contracted Services		5,252		
Electricity		674,760		
Natural Gas		238,794		
Water and Sewer		42,960		
Other Supplies and Materials		77,527		
Boiler Insurance		5,184		
Building and Contents Insurance		95,563		
Total Operation of Plant				1,888,865
Maintenance of Plant				
Supervisor/Director	$	23,538		
Maintenance Personnel		112,560		
Social Security		8,345		
State Retirement		4,767		
Medical Insurance		1,500		
Employer Medicare		1,952		
Other Contracted Services		13,550		
Other Supplies and Materials		136,141		
Other Charges		4,925		
Maintenance Equipment		41,872		
Total Maintenance of Plant				349,150

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Transportation				
Supervisor/Director	$	37,090		
Mechanic(s)		75,338		
Bus Drivers		414,704		
Other Salaries and Wages		20,188		
Social Security		33,686		
State Retirement		24,180		
Medical Insurance		6,818		
Employer Medicare		7,878		
Communication		2,198		
Medical and Dental Services		2,802		
Other Contracted Services		115		
Diesel Fuel		123,324		
Garage Supplies		3,866		
Gasoline		23,915		
Lubricants		5,946		
Tires and Tubes		14,922		
Vehicle Parts		57,302		
Vehicle and Equipment Insurance		29,156		
In Service/Staff Development		720		
Transportation Equipment		86,999		
Total Transportation			$	971,147
Operation of Non-Instructional Services				
Community Services				
Supervisor/Director	$	36,235		
Educational Assistants		24,000		
Social Security		3,550		
State Retirement		2,527		
Medical Insurance		8,823		
Employer Medicare		830		
Travel		874		
Other Supplies and Materials		7,033		
Other Charges		1,769		
Total Community Services				85,641
Early Childhood Education				
Teachers	$	146,188		
Educational Assistants		38,434		
Social Security		10,834		

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Early Childhood Education (Cont.)			
State Retirement	$ 11,025		
Medical Insurance	22,268		
Employer Medicare	2,534		
Instructional Supplies and Materials	28,838		
Other Supplies and Materials	6,906		
Total Early Childhood Education		$ 267,027	
Capital Outlay			
Regular Capital Outlay			
Other Contracted Services	$ 13,745		
Building Construction	1,267,328		
Building Improvements	198,922		
Total Regular Capital Outlay		1,479,995	
Other Debt Service			
Education			
Debt Service Contribution to Primary Government	$ 196,179		
Total Education		196,179	
Total General Purpose School Fund			$ 23,607,363
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 798,180		
Educational Assistants	122,388		
Other Salaries and Wages	6,400		
Social Security	55,946		
State Retirement	57,016		
Medical Insurance	107,483		
Employer Medicare	13,085		
Instructional Supplies and Materials	131,817		
Other Supplies and Materials	1,230		
Other Charges	2,569		
Regular Instruction Equipment	1,092		
Total Regular Instruction Program		$ 1,297,206	
Special Education Program			
Teachers	$ 86,850		

(Continued)

Exhibit K-10

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

School Federal Projects Fund (Cont.)				
Instruction (Cont.)				
Special Education Program (Cont.)				
Educational Assistants	$	303,129		
Speech Pathologist		40,145		
Other Salaries and Wages		3,421		
Social Security		26,703		
State Retirement		21,829		
Medical Insurance		14,859		
Employer Medicare		6,226		
Other Contracted Services		78,878		
Instructional Supplies and Materials		14,733		
Total Special Education Program			$	596,773
Vocational Education Program				
Teachers	$	31,760		
Social Security		1,707		
State Retirement		2,039		
Medical Insurance		8,301		
Employer Medicare		400		
Instructional Supplies and Materials		5,204		
Other Supplies and Materials		15,500		
Vocational Instruction Equipment		50,237		
Total Vocational Education Program				115,148
Support Services				
Other Student Support				
Travel	$	900		
Other Contracted Services		5,861		
In Service/Staff Development		3,600		
Other Charges		7,264		
Total Other Student Support				17,625
Regular Instruction Program				
Supervisor/Director	$	40,408		
Clerical Personnel		9,842		
Other Salaries and Wages		50,233		
Social Security		6,053		
State Retirement		5,924		
Medical Insurance		7,235		
Employer Medicare		1,416		
Travel		678		

(Continued)

Exhibit K-10

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Regular Instruction Program (Cont.)			
Other Supplies and Materials	$ 2,899		
In Service/Staff Development	5,999		
Other Equipment	6,434		
Total Regular Instruction Program		$ 137,121	
Special Education Program			
Psychological Personnel	$ 135,070		
Assessment Personnel	12,452		
Social Security	8,470		
State Retirement	9,237		
Medical Insurance	26,700		
Employer Medicare	1,981		
Maintenance and Repair Services - Equipment	3,422		
Travel	3,032		
In Service/Staff Development	500		
Total Special Education Program		200,864	
Vocational Education Program			
Travel	$ 200		
In Service/Staff Development	7,428		
Total Vocational Education Program		7,628	
Transportation			
Bus Drivers	$ 28,944		
Social Security	1,789		
State Retirement	1,379		
Medical Insurance	143		
Employer Medicare	441		
Contracts with Parents	3,560		
Total Transportation		36,256	
Total School Federal Projects Fund			$ 2,408,621
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 38,078		
Clerical Personnel	19,684		
Cafeteria Personnel	582,201		

(Continued)

Exhibit K-10

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

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Other Salaries and Wages	$ 16,501		
Social Security	39,809		
State Retirement	25,030		
Medical Insurance	14,000		
Unemployment Compensation	1,084		
Employer Medicare	9,310		
Maintenance and Repair Services - Equipment	19,100		
Travel	485		
Food Preparation Supplies	76,959		
Food Supplies	741,785		
Other Supplies and Materials	85,000		
In Service/Staff Development	792		
Other Charges	18,506		
Food Service Equipment	25,000		
Total Food Service		$ 1,713,324	
Total Central Cafeteria Fund			$ 1,713,324
Total Governmental Funds - White County School Department			$ 27,729,308

Exhibit K-11

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

	Business-type Activities - Enterprise Fund Solid Waste Disposal Fund
Revenues	
Operating Revenues	
Charges for Current Services	
Solid Waste Disposal Fees	$ 1,073,926
Other Local Revenues	
Sale of Recycled Materials	25,960
Miscellaneous Refunds	109
Total Operating Revenues	$ 1,099,995
Nonoperating Revenues	
Other Local Revenues	
Other State Grants	$ 19,077
Total Nonoperating Revenues	$ 19,077
Total Revenues	$ 1,119,072
Expenses	
Operating Expenses	
Public Health and Welfare	
Landfill Operation and Maintenance	
Supervisor/Director	$ 43,786
Other Salaries and Wages	310,500
Social Security	21,463
State Retirement	9,322
Medical Insurance	6,232
Employer Medicare	5,020
Other Fringe Benefits	2,699
Communciation	7,693
Maintenance and Repair Service - Equipment	39,225
Travel	887
Permits	55,639
Other Contracted Services	35,335
Diesel Fuel	102,466
Gasoline	20,964
Lubricants	6,186
Office Supplies	953
Utilities	21,806
Other Supplies and Materials	24,053
Building and Contents Insurance	20,000
Trustee's Commission	10,747
Workers' Compensation Insurance	17,000
Depreciation	121,490
Other Charges	898
Site Development	12,156
Other Equipment	18,024
Total Operating Expenses	$ 914,544

Exhibit K-12

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

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 1,630,212
Cash Disbursements	
Remittance of Revenues Collected	$ 1,613,910
Trustee's Commission	16,302
Total Cash Disbursements	$ 1,630,212
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2008	0
Cash Balance, June 30, 2009	$ 0

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

December 7, 2009

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of White County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise White County's basic financial statements and have issued our report thereon dated December 7, 2009. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the White County Emergency Communications District, a discretely presented component unit, 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 White County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of White County's internal control over financial reporting.

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

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

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

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

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

Compliance and Other Matters

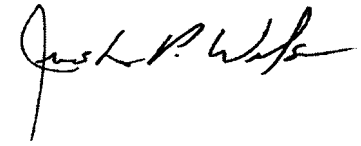
As part of obtaining reasonable assurance about whether White County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

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

White County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit White County's response and, accordingly, we express no opinion on it.

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

Very truly yours,



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

December 7, 2009

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

To the County Mayor and Board of County Commissioners:

Compliance

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

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

basis, evidence about White County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of White County's compliance with those requirements.

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

Internal Control Over Compliance

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

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

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

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

Schedule of Expenditures of Federal Awards

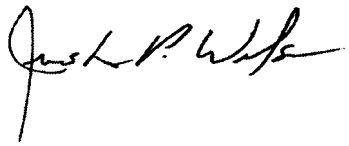
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of White County as of and for the year ended June 30, 2009, and have issued our report thereon dated December 7, 2009. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the White County Emergency Communications District, which were

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

White County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit White County's response and, accordingly, we express no opinion on it.

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

Yours very truly,



Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Passed-through Entity Identifying Number	Expenditures	
U.S. Department of Agriculture:				
Passed-through State Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	$ 191,920	
National School Lunch Program	10.555	N/A	924,225	(3)
Passed-through State Department of Agriculture:				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	123,439	(3)
Total U.S. Department of Agriculture			$ 1,239,584	
U.S. Department of Housing and Urban Development:				
Passed-through State Department of Economic and Community Development:				
Community Development Block Grant - State's Program	14.228	GG-07-23235-00	$ 373,061	
U.S. Department of Labor:				
Passed-through Upper Cumberland Human Resource Agency:				
WIA Youth Activities	17.259	(2)	$ 17,000	
U.S. Department of Transportation:				
Passed-through State Department of Transporation:				
Alcohol Open Container Requirements	20.607	(4)	$ 24,450	
Institute of Museum and Library Services:				
Passed-through Tennessee Secretary of State:				
Grants to States	45.310	Z-09-217875-00	$ 1,045	
U.S. Department of Education:				
Passed-through State Department of Labor and Workforce Development:				
Adult Education - State Grant Program	84.002	(5)	$ 106,191	
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	832,968	
Special Education Cluster:				
Special Education - Grants to States	84.027	N/A	824,936	
Special Education - Preschool Grants	84.173	N/A	23,102	
Career and Technical Education - Basic Grants to States	84.048	N/A	127,277	
Safe and Drug-Free Schools and Communities - State Grants	84.186	N/A	14,654	
Even Start - State Education Agencies	84.213	(2)	60,500	
Twenty-first Century Community Learning Centers	84.287	(2)	292,929	
Education Technology State Grants	84.318	(2)	8,633	
Rural Education	84.358	(2)	105,658	
Improving Teacher Quality State Grants	84.367	(2)	218,991	
Total U.S. Department of Education			$ 2,615,839	
Election Assistance Commission:				
Passed-through Tennessee Secretary of State:				
Help America Vote Act Requirements Payment	90.401	Z-09-217241-00	$ 1,000	
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Homeland Security Grant Program	97.067	GG-08-24607-00	$ 39,617	
Total Expenditures of Federal Awards			$ 4,311,596	

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
State Grants			
Adult Education - State Department of Labor and Workforce Development	N/A	(6)	$ 40,406
Coordinated School Health Improvement Act of 2000 - State Department of Education	N/A	(2)	97,065
Drug Grant Programs - State Department of Finance and Administration	N/A	Z-05-025515-00	12,598
Family Resource - State Department of Education	N/A	(2)	33,300
FastTrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	GG-09-26144-00	258,384
High Schools That Work - State Department of Education	N/A	(2)	4,410
Juvenile Justice - State Commission on Children and Youth	N/A	Z-09-022917-00	9,000
Litter Grant - State Department of Transportation		(7)	31,143
Rural Local Health Services - State Department of Health	N/A	(8)	5,632
Safe Schools Act - State Department of Education	N/A	(2)	23,600
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	14,282
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(2)	261,780
Used Oil Grant - State Department of Environment and Conservation	N/A	Z-05-024487-00	8,716
Waste Tire Grant - State Department of Environment and Conservation	N/A	(9)	10,361
Total State Grants			$ 810,677

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

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Total for CFDA No. 10.555 is $1,047,664.
(4) Z-08-024043-00: $9,846; Z-09-214696-00: $14,604.
(5) Z-08-020842-00: $21,435; Z-09-213522-00: $84,756.
(6) Z-08-0208420-00: $7,145; Z-09-213522-00: $28,252; Z-09-217292-00: $5,009.
(7) Z-08-021058-00: $2,954; Z-09-212811-00: $28,189.
(8) Z-08-020395-00: $1,152; Z-09-213775-00: $4,480.
(9) Z-08-020279-00: $1,957; Z-08-213013-02: $8,404.

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White 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 is a finding from the Annual Financial Report for White County, Tennessee, for the year ended June 30, 2008, which has not been corrected.

OTHER FINDING

Finding Number	Page Number	Subject
08.05	184	Duties were not segregated adequately in the Offices of County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff

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WHITE 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, the business-type activities, each major fund, and the aggregate remaining fund information is unqualified.

2. The audit of the financial statements of White County disclosed significant deficiencies in internal control; however, none of these deficiencies was considered to be a material weakness.

3. The audit disclosed one instance of noncompliance that is material to the financial statements of White County.

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

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

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

7. The Child Nutrition Cluster: the School Breakfast Program and the National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Community Development Block Grant – State's Program (CFDA No. 14.228), the Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the Special Education Cluster: the Special Education – Grants to States and the Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.

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

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

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF FINANCE DIRECTOR

FINDING 09.01 **A REVENUE ANTICIPATION NOTE WAS NOT RETIRED IN COMPLIANCE WITH STATE STATUTES**
(Material Noncompliance Under Government Auditing Standards)

On May 28, 2009, the School Federal Projects Fund borrowed $150,000 from the General Purpose School Fund to provide cash for operating expenses. This note was not retired by June 30, 2009. Section 9-21-801, Tennessee Code Annotated, provides that revenue anticipation notes shall mature not later than the close of the fiscal year issued. This note has been reflected in the financial statements of this report as a due from other funds in the General Purpose School Fund and as a due to other funds in the School Federal Projects Fund.

RECOMMENDATION

All revenue anticipation notes should be retired prior to the end of the fiscal year issued as required by state statute.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

The Board of Education filed all necessary requests to the federal government to obtain reimbursement of funds expended. That reimbursement did not arrive until after July 1, 2009. The loan was repaid immediately upon receipt of funds requested.

FINDING 09.02 **THE SOLID WASTE 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.

FINDING 09.03 **THE SOLID WASTE DEPARTMENT'S SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The following internal control deficiencies relating to the office's software were identified:

A. Users of the application could alter previously issued receipts. If proper edit procedures are followed within the software, these alterations are recorded in an audit log. However, the software would allow users to circumvent these edit procedures, which would not leave an audit trail of the alterations. Since the vendor did not design the system with adequate controls, inappropriate system activity could occur.

B. Management did not review the audit log that displayed changes made by users because they were not aware of its importance. Since this log provided the only audit trail of these changes, it should be reviewed daily for inappropriate activity. Procedures for reviewing this log are currently in place.

Sound business practices dictate that proper application controls be implemented.

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the application that would provide an audit trail for any changes to receipts. These controls would help to ensure the reliability and integrity of the information maintained by the system.

OTHER FINDING AND RECOMMENDATION

FINDING 09.04 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER, AND SHERIFF**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among officials and employees in the Offices of County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of

unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards.

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

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