
ANNUAL FINANCIAL REPORT HAYWOOD COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2009



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

*DEPARTMENT OF AUDIT
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Comptroller of the Treasury*

*DIVISION OF COUNTY AUDIT
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State Auditors*

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

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HAYWOOD COUNTY, TENNESSEE

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

Scope

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

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements do not include one 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 seven findings and recommendations, which we have reviewed with Haywood County management. Detailed findings and recommendations are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

HAYWOOD COUNTY

- ◆ Haywood County does not have the resources to produce financial statements and notes to the financial statements.

OFFICE OF COUNTY MAYOR

- ◆ The General and Solid Waste Disposal funds required material audit adjustments for proper financial statement presentation.
- ◆ The Solid Waste Disposal Fund had a deficit of \$1,515,655 in unrestricted net assets at June 30, 2009.
- ◆ General Fund appropriations exceeded estimated available funds.

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

- ◆ The Highway Department did not maintain a system to account for materials used on some types of road projects.
-

OFFICE OF REGISTER

- ◆ Duties were not segregated adequately in the office.
-

OTHER FINDING

- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.

INTRODUCTORY SECTION

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Haywood County Officials

June 30, 2009

Officials

Franklin Smith, County Mayor
Greg McCarley, Chief Administrative Highway Officer
Marlon King, Director of Schools
William Howse, Trustee
Dare Simpson, Assessor of Property
Ann Medford, County Clerk
Elma Pirtle, Circuit, General Sessions, and Juvenile Courts Clerk
Judy Hardister, Clerk and Master
Steve Smith, Register
Melvin Bond, Sheriff

Board of County Commissioners

Franklin Smith, County Mayor, Chairman	Allen King
Brad Bishop	Janice King
Becky Booth	Chris Lea
Robert Campbell	Edwin Necaise
Kathy Chapman	Jerry Smith
Wally Eubanks	Larry Stanley
John Gorman, Jr.	Joe Stephens
Robert Green	Robert Thornton
Bob Hooper	Charles Wills
Richard Jameson	Ronald Woods
Leonard Jones, Jr.	

Highway Commission

William Brummett, Jr., Chairman
Milton Booth
Robert English, Jr.
Barney Garrett
Willie Ross

Board of Education

Harold Garrett, Chairman
Allen Currie
Pearlie Hess
Robbie King
Daniel Thornton

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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

February 11, 2010

Haywood County Mayor and
Board of County Commissioners
Haywood 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 Haywood County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Haywood County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Haywood County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Elma Ross Public Library (a nonmajor special revenue fund), which represent 7.3 percent and seven percent, respectively, of the assets and revenues of the aggregate remaining fund information. Furthermore, we did not audit the financial statements of the discretely presented Haywood County Utility District, which represent 18.8 percent and .06 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Elma Ross Public Library and the Haywood County Utility District is based on the reports of the other auditors.

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

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

The financial statements of the Haywood 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 Haywood 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, based on our audit and the reports of other auditors, except for the effects of not including the financial statements of the Haywood County Emergency Communications District, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate discretely presented component units of Haywood County, Tennessee, as of 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, based on our audit and the report of other auditors, 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 Haywood 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 February 11, 2010, on our consideration of Haywood 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., Haywood County has adopted the provisions of Governmental Accounting Standards Board Statement No. 49, Accounting and Financial Reporting for Pollution and Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

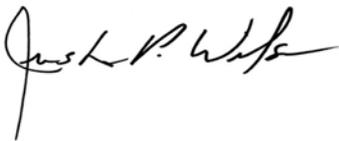
The management of Haywood County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the

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 83 through 89 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 Haywood 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 Haywood 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 Haywood County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

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BASIC FINANCIAL STATEMENTS

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Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Haywood	Haywood
				School Department	County Utility District
<u>ASSETS</u>					
Cash	\$ 229,256	\$ 0	\$ 229,256	\$ 0	\$ 160,077
Equity in Pooled Cash and Investments	14,422,938	263,101	14,686,039	3,457,690	0
Accounts Receivable	865,174	214,941	1,080,115	63,034	15,068
Allowance for Uncollectibles	(316,503)	(61,248)	(377,751)	0	0
Due from Other Governments	477,600	27,150	504,750	418,868	0
Due from Primary Government	0	0	0	54,477	0
Prepaid Items	3,028	0	3,028	0	0
Property Taxes Receivable	5,029,406	0	5,029,406	3,625,594	0
Allowance for Uncollectible Property Taxes	(188,830)	0	(188,830)	(136,123)	0
Deferred Charges - Debt Issuance Costs	256,032	0	256,032	0	0
Capital Assets:					
Assets Not Depreciated:					
Land	2,487,961	235,000	2,722,961	170,993	0
Construction in Progress	2,056,027	0	2,056,027	0	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	2,773,959	132,988	2,906,947	8,144,901	3,963,470
Infrastructure	9,298,226	0	9,298,226	0	0
Other Capital Assets	2,412,325	206,800	2,619,125	2,045,687	0
Total Assets	<u>\$ 39,806,599</u>	<u>\$ 1,018,732</u>	<u>\$ 40,825,331</u>	<u>\$ 17,845,121</u>	<u>\$ 4,138,615</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 124,226	\$ 40,907	\$ 165,133	\$ 27,333	\$ 7,829
Payroll Deductions Payable	40,648	1,317	41,965	545,135	0
Contracts Payable	191,107	0	191,107	0	0
Retainage Payable	17,696	0	17,696	0	0
Customer Meter Deposits	0	0	0	0	14,025
Accrued Interest Payable	41,388	0	41,388	0	10,034
Due to Component Unit	54,477	0	54,477	0	0
Due to State of Tennessee	1,092	27	1,119	0	0
Deferred Revenue - Current Property Taxes	4,495,893	0	4,495,893	3,202,664	0
Other Deferred Revenue	0	119,487	119,487	0	0
Noncurrent Liabilities:					
Due Within One Year	690,163	37,721	727,884	0	8,529
Due in More Than One Year	13,130,928	1,760,140	14,891,068	292,073	484,317
Total Liabilities	<u>\$ 18,787,618</u>	<u>\$ 1,959,599</u>	<u>\$ 20,747,217</u>	<u>\$ 4,067,205</u>	<u>\$ 524,734</u>

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Haywood County School Department	Haywood County Utility District
<u>NET ASSETS</u>					
Invested in Capital Assets, Net of Related	\$ 11,727,280	\$ 0	\$ 11,727,280	\$ 10,361,581	\$ 3,470,624
Invested in Capital Assets	0	574,788	574,788	0	0
Restricted for:					
Solid Waste/Sanitation	265,780	0	265,780	0	0
Public Library	155,561	0	155,561	0	0
Drug Control	26,265	0	26,265	0	0
Constitutional Officers - Fees	75,815	0	75,815	0	0
Highway/Public Works	2,284,007	0	2,284,007	0	0
School Federal Projects	0	0	0	75,251	0
Central Cafeteria	0	0	0	378,816	0
Debt Service	3,056,964	0	3,056,964	0	0
Capital Projects	6,542,706	0	6,542,706	5,218	0
Other Purposes	30,567	0	30,567	11,974	0
Alcohol and Drug Treatment	16,831	0	16,831	0	0
Courtroom Security	18,798	0	18,798	0	0
Automation Purposes	210,004	0	210,004	0	0
Unrestricted	(3,391,597)	(1,515,655)	(4,907,252)	2,945,076	143,257
Total Net Assets	<u>\$ 21,018,981</u>	<u>\$ (940,867)</u>	<u>\$ 20,078,114</u>	<u>\$ 13,777,916</u>	<u>\$ 3,613,881</u>

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets											
	Program Revenues					Primary Government					Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Haywood County School Department	Haywood County Utility District			
										Haywood County School Department	Haywood County Utility District	
Primary Government:												
Governmental Activities:												
General Government	\$ 985,252	\$ 281,860	\$ 15,912	\$ 1,950	\$ (685,530)	\$ 0	\$ (685,530)	\$ 0	\$ 0	\$ 0	\$ 0	
Finance	924,537	494,971	7,231	0	(422,335)	0	(422,335)	0	0	0	0	
Administration of Justice	1,013,805	663,836	9,300	0	(340,669)	0	(340,669)	0	0	0	0	
Public Safety	3,905,663	232,087	97,034	0	(3,576,542)	0	(3,576,542)	0	0	0	0	
Public Health and Welfare	1,781,863	1,254,824	143,570	55,500	(327,969)	0	(327,969)	0	0	0	0	
Social, Cultural, and Recreational Services	1,044,539	33,809	128,819	0	(881,911)	0	(881,911)	0	0	0	0	
Agriculture and Natural Resources	308,536	0	0	0	(308,536)	0	(308,536)	0	0	0	0	
Other Operations	1,344,978	9,736	0	0	(1,335,242)	0	(1,335,242)	0	0	0	0	
Highways/Public Works	3,858,935	290,485	1,698,899	19,898	(1,849,653)	0	(1,849,653)	0	0	0	0	
Interest on Long-term Debt	469,981	0	97,304	0	(372,677)	0	(372,677)	0	0	0	0	
Other Debt Service	18,499	0	3,449	0	(15,050)	0	(15,050)	0	0	0	0	
Total Governmental Activities	\$ 15,656,588	\$ 3,261,608	\$ 2,201,518	\$ 77,348	\$ (10,116,114)	\$ 0	\$ (10,116,114)	\$ 0	\$ 0	\$ 0	\$ 0	
Business-type Activities:												
Solid Waste Disposal	\$ 896,689	\$ 491,270	\$ 69,487	\$ 0	\$ 0	\$ (335,932)	\$ (335,932)	\$ 0	\$ 0	\$ 0	\$ 0	
Total Primary Government	\$ 16,553,277	\$ 3,752,878	\$ 2,271,005	\$ 77,348	\$ (10,116,114)	\$ (335,932)	\$ (10,452,046)	\$ 0	\$ 0	\$ 0	\$ 0	
Component Units:												
Haywood County School Department	\$ 26,774,505	\$ 349,117	\$ 4,329,417	\$ 0	\$ 0	\$ 0	\$ (22,095,971)	\$ 0	\$ 0	\$ (68,419)	\$ 0	
Haywood County Utility District	239,168	169,735	1,014	0	0	0	0	0	0	0	(68,419)	
Total Component Units	\$ 27,013,673	\$ 518,852	\$ 4,330,431	\$ 0	\$ 0	\$ 0	\$ (22,095,971)	\$ 0	\$ 0	\$ (68,419)	\$ 0	

(Continued)

Exhibit B

Haywood County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units	
				Governmental Activities	Business-type Activities	Haywood County School Department	Haywood County Utility District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 4,447,126	\$ 0	\$ 4,447,126	\$ 0
Property Taxes Levied for Debt Service				5,194	0	5,194	0
Local Option Sales Taxes				171,333	0	171,333	0
Hotel/Motel Tax				47,108	0	47,108	0
Litigation Tax				440,662	0	440,662	0
Wheel Tax				555,287	0	555,287	0
Business Tax				87,643	0	87,643	0
Wholesale Beer Tax				52,657	105,313	157,970	0
Other Local Taxes				2,335	0	2,335	0
Grants and Contributions Not Restricted to Specific Programs				2,410,522	0	2,410,522	0
Unrestricted Investment Income				467,623	0	467,623	0
Miscellaneous				95,126	20,135	115,261	0
Total General Revenues				\$ 8,782,616	\$ 125,448	\$ 8,908,064	\$ 0
Transfers				\$ (120,000)	\$ 120,000	\$ 0	\$ 0
Change in Net Assets				\$ (1,453,498)	\$ (90,484)	\$ (1,543,982)	\$ (68,419)
Net Assets, July 1, 2008				22,472,479	(850,383)	21,622,096	13,513,409
Net Assets, June 30, 2009				\$ 21,018,981	\$ (940,867)	\$ 20,078,114	\$ 13,777,916
							\$ 3,613,881

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

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds	Nonmajor Funds		
						Other Governmental Funds	Total Governmental Funds	
<u>ASSETS</u>								
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 229,256	\$ 229,256	
Equity in Pooled Cash and Investments	2,314,784	1,965,685	3,082,758	6,685,850	373,861	14,422,938	14,422,938	
Accounts Receivable	857,197	6,947	42	0	988	865,174	865,174	
Allowance for Uncollectibles	(316,503)	0	0	0	0	(316,503)	(316,503)	
Due from Other Governments	150,180	308,194	0	0	3,834	462,208	462,208	
Due from Other Funds	15,783	622	0	0	0	16,405	16,405	
Property Taxes Receivable	4,397,371	465,787	166,248	0	0	5,029,406	5,029,406	
Allowance for Uncollectible Property Taxes	(165,100)	(17,488)	(6,242)	0	0	(188,830)	(188,830)	
Prepaid Items	0	0	0	0	3,028	3,028	3,028	
Total Assets	\$ 7,253,712	\$ 2,729,747	\$ 3,242,806	\$ 6,685,850	\$ 610,967	\$ 20,523,082	\$ 20,523,082	
<u>LIABILITIES AND FUND BALANCES</u>								
<u>Liabilities</u>								
Accounts Payable	\$ 95,716	\$ 8,932	\$ 0	\$ 16,981	\$ 2,597	\$ 124,226	\$ 124,226	
Payroll Deductions Payable	38,817	0	0	1,017	814	40,648	40,648	
Contracts Payable	0	0	0	191,107	0	191,107	191,107	
Retainage Payable	0	0	0	17,696	0	17,696	17,696	
Due to Other Funds	622	0	0	0	391	1,013	1,013	
Due to Component Units	54,477	0	0	0	0	54,477	54,477	
Due to State of Tennessee	1,005	0	0	87	0	1,092	1,092	
Deferred Revenue - Current Property Taxes	3,937,586	411,452	146,855	0	0	4,495,893	4,495,893	
Deferred Revenue - Delinquent Property Taxes	288,031	36,015	12,854	0	0	336,900	336,900	
Other Deferred Revenues	480,017	151,692	0	0	0	631,709	631,709	
Total Liabilities	\$ 4,896,271	\$ 608,091	\$ 159,709	\$ 226,888	\$ 3,802	\$ 5,894,761	\$ 5,894,761	
<u>Fund Balances</u>								
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 10,084,688	\$ 0	\$ 10,084,688	\$ 10,084,688	
Reserved for Alcohol and Drug Treatment	16,831	0	0	0	0	16,831	16,831	
Reserved for Sexual Offender Registration	1,510	0	0	0	0	1,510	1,510	

(Continued)

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other		
					Governmental Funds	Governmental Funds	
LIABILITIES AND FUND BALANCES (Cont.)							
Fund Balances (Cont.)							
Reserved for Courtroom Security	\$ 18,798	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	18,798
Reserved for Computer System - Register	89,076	0	0	0	0	0	89,076
Reserved for Automation Purposes - Circuit Court	1,879	0	0	0	0	0	1,879
Reserved for Automation Purposes - General Sessions Court	96,001	0	0	0	0	0	96,001
Reserved for Automation Purposes - Juvenile Court	3,259	0	0	0	0	0	3,259
Reserved for Automation Purposes - Chancery Court	7,758	0	0	0	0	0	7,758
Reserved for Automation Purposes - Sheriff	12,031	0	0	0	0	0	12,031
Reserved for Other General Purposes	29,058	0	0	0	0	0	29,058
Unreserved, Reported In:							
General Fund	2,081,240	0	0	0	0	0	2,081,240
Special Revenue Funds	0	2,121,656	0	0	0	523,421	2,645,077
Debt Service Funds	0	0	3,083,097	0	0	0	3,083,097
Capital Projects Funds (Deficit)	0	0	0	(3,625,726)	83,744	(3,541,982)	
Total Fund Balances	\$ 2,357,441	\$ 2,121,656	\$ 3,083,097	\$ 6,458,962	\$ 607,165	\$ 14,628,321	
Total Liabilities and Fund Balances	\$ 7,253,712	\$ 2,729,747	\$ 3,242,806	\$ 6,685,850	\$ 610,967	\$ 20,523,082	

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

Exhibit C-2

Haywood 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)		\$ 14,628,321
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 2,487,961	
Add: construction in progress	2,056,027	
Add: buildings and improvements net of accumulated depreciation	2,773,959	
Add: infrastructure net of accumulated depreciation	9,298,226	
Add: other capital assets net of accumulated depreciation	<u>2,412,325</u>	19,028,498
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: capital leases payable	\$ (57,884)	
Less: bonds payable	(13,627,744)	
Less: compensated absences payable	(25,356)	
Add: deferred charges - debt issuance costs	256,032	
Less: accrued interest on bonds, other loans, and capital leases	(41,388)	
Less: other deferred revenues - premium on bonds	<u>(110,107)</u>	(13,606,447)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>968,609</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 21,018,981</u>

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

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway /	General	General	Other	Govern- mental Funds	
		Public Works	Debt Service	Capital Projects			
<u>Revenues</u>							
Local Taxes	\$ 5,338,811	\$ 615,219	\$ 409,223	\$ 0	\$ 0	\$ 0	\$ 6,363,253
Licenses and Permits	21,367	0	0	0	0	0	21,367
Fines, Forfeitures, and Penalties	155,563	0	0	0	0	6,533	162,096
Charges for Current Services	707,325	185	0	0	0	887,447	1,594,957
Other Local Revenues	582,234	294,791	143,650	5,970	0	77,554	1,104,199
Fees Received from County Officials	716,300	0	0	0	0	0	716,300
State of Tennessee	645,238	1,773,282	11,346	0	0	38,158	2,468,024
Federal Government	271,453	0	0	0	0	0	271,453
Other Governments and Citizens Groups	1,283,018	0	0	0	0	130,474	1,413,492
Total Revenues	\$ 9,721,309	\$ 2,683,477	\$ 564,219	\$ 5,970	\$ 1,140,166	\$ 14,115,141	
<u>Expenditures</u>							
Current:							
General Government	\$ 1,198,975	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,198,975
Finance	530,726	0	0	0	0	357,837	888,563
Administration of Justice	929,337	0	0	0	0	2,550	931,887
Public Safety	3,559,023	0	0	0	0	42	3,559,065
Public Health and Welfare	1,425,541	0	0	0	0	459,011	1,884,552
Social, Cultural, and Recreational Services	947,821	0	0	0	0	139,739	1,087,560
Agriculture and Natural Resources	258,792	0	0	0	0	0	258,792
Other Operations	1,320,246	0	0	0	0	69,223	1,389,469
Highways	0	1,838,043	0	0	0	0	1,838,043
Debt Service:							
Principal on Debt	77,467	0	1,588,144	0	0	35,381	1,700,992
Interest on Debt	2,591	0	469,721	0	0	822	473,134
Other Debt Service	0	0	83,124	87,200	0	0	170,324
Capital Projects	0	0	0	1,737,166	95,426	0	1,832,592
Total Expenditures	\$ 10,250,519	\$ 1,838,043	\$ 2,140,389	\$ 1,824,366	\$ 1,160,031	\$ 17,213,948	
Excess (Deficiency) of Revenues Over Expenditures	\$ (529,210)	\$ 845,434	\$ (1,576,770)	\$ (1,818,396)	\$ (19,865)	\$ (3,098,807)	

(Continued)

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway/ Public Works	General Debt Service	General Capital Projects	Other Governmental Funds	Governmental Funds	
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 4,425,000	\$ 300,000	\$ 4,725,000	
Notes Issued	1,000,000	0	0	0	0	1,000,000	
Capital Leases Issued	89,080	0	0	0	0	89,080	
Refunding Debt Issued	0	0	3,400,000	0	0	3,400,000	
Premiums on Debt Issued	0	0	100,446	0	0	100,446	
Other Loans Issued	100,569	0	0	0	0	100,569	
Insurance Recovery	10,802	13,958	0	0	0	24,760	
Transfers In	0	0	0	0	66,547	66,547	
Transfers Out	(66,547)	0	0	0	(120,000)	(186,547)	
Payments to Refunded Debt Escrow Agent	0	0	(3,425,000)	0	0	(3,425,000)	
Total Other Financing Sources (Uses)	\$ 1,133,904	\$ 13,958	\$ 75,446	\$ 4,425,000	\$ 246,547	\$ 5,894,855	
Net Change in Fund Balances	\$ 604,694	\$ 859,392	\$ (1,501,324)	\$ 2,606,604	\$ 226,682	\$ 2,796,048	
Fund Balance, July 1, 2008	1,752,747	1,262,264	4,584,421	3,852,358	380,483	11,832,273	
Fund Balance, June 30, 2009	\$ 2,357,441	\$ 2,121,656	\$ 3,083,097	\$ 6,458,962	\$ 607,165	\$ 14,628,321	

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

Exhibit C-4

Haywood 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)		\$ 2,796,048
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 2,364,537	
Less: current year depreciation expense	<u>(2,673,863)</u>	(309,326)
<p>(2) The net effect of various miscellaneous transactions involving capital assets (donations and disposals) is itemized as follows:</p>		
Add: capital assets donated	\$ 7,177	
Add: gain on disposal of capital assets	25,801	
Less: proceeds received from the disposal of capital assets	<u>(46,500)</u>	(13,522)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2009	\$ 968,609	
Less: deferred delinquent property taxes and other deferred June 30, 2008	<u>(764,109)</u>	204,500
<p>(4) The issuance of long-term debt (e.g., other loans, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.</p>		
Less: capital lease proceeds	\$ (89,080)	
Less: note proceeds	(1,000,000)	
Less: other loan proceeds	(100,569)	
Less: bond proceeds	(8,125,000)	
Add: change in deferred debt issuance costs	151,825	
Less: change in premium on bond issuance	(96,997)	
Add: principal payments on capital leases	112,848	
Add: principal payments on notes	1,000,000	
Add: principal payments on other loan	275,000	
Add: principal payments on bonds	313,144	
Add: payment to refunding agent	<u>3,425,000</u>	(4,133,829)
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in accrued interest payable	\$ 3,153	
Change in compensated absences payable	<u>(522)</u>	2,631
Change in net assets of governmental activities (Exhibit B)		<u>\$ (1,453,498)</u>

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

Exhibit D-1

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

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 263,101
Accounts Receivable	214,941
Allowance for Uncollectibles	(61,248)
Due from Other Governments	27,150
Total Current Assets	<u>\$ 443,944</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 235,000
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	132,988
Other Capital Assets	206,800
Total Noncurrent Assets	<u>\$ 574,788</u>
Total Assets	<u>\$ 1,018,732</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 40,907
Payroll Deductions Payable	1,317
Due State of Tennessee	27
Other Deferred Revenues	119,487
Current Portion of Long-term Liabilities	37,721
Total Current Liabilities	<u>\$ 199,459</u>
Noncurrent Liabilities:	
Due in More than One Year	<u>\$ 1,760,140</u>
Total Noncurrent Liabilities	<u>\$ 1,760,140</u>
Total Liabilities	<u>\$ 1,959,599</u>
<u>NET ASSETS</u>	
Invested in Capital Assets	\$ 574,788
Unrestricted	<u>(1,515,655)</u>
Net Assets	<u>\$ (940,867)</u>

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

Exhibit D-2

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

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>Operating Revenues</u>	
Tipping Fees	\$ 491,270
Sale of Materials and Supplies	20,134
Total Operating Revenues	<u>\$ 511,404</u>
<u>Operating Expenses</u>	
Supervisor/Director	\$ 37,038
Equipment Operators	92,831
Secretary(s)	26,569
Overtime Pay	5,068
Social Security	11,949
State Retirement	21,381
Employee and Dependent Insurance	22,667
Life Insurance	865
Unemployment Compensation	237
Other Fringe Benefits	7,304
Communication	3,122
Contracts with Government Agencies	3,466
Contracts with Private Agencies	451,382
Engineering Services	185
Licenses	6,018
Maintenance and Repair Services - Equipment	1,039
Maintenance and Repair Services - Office Equipment	15
Postal Charges	161
Rentals	36,000
Travel	1,450
Tuition	19
Crushed Stone	2,700
Diesel Fuel	11,634
Drugs and Medical Supplies	40
Electricity	8,539
Equipment and Machinery Parts	24,222
Gasoline	5,526
Lubricants	393
Office Supplies	1,001
Tires and Tubes	2,631
Other Supplies and Materials	4,375

(Continued)

Exhibit D-2

Haywood County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund (Cont.)

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>Operating Expenses (Cont.)</u>	
Premiums on Corporate Surety Bonds	\$ 75
Trustee's Commission	6,144
Vehicle and Equipment Insurance	3,078
Workers' Compensation Insurance	11,815
Depreciation	27,006
Landfill Postclosure Care Costs	41,278
Other Charges	4,924
Maintenance Equipment	4,125
Plant Operation Equipment	17
Other Construction	8,399
Total Operating Expenses	<u>\$ 896,688</u>
Operating Income (Loss)	<u>\$ (385,284)</u>
<u>Nonoperating Revenues</u>	
Wholesale Beer Tax	\$ 105,313
Lease/Rentals	10,408
Solid Waste Grants	41,079
Contributions	18,000
Total Nonoperating Revenues	<u>\$ 174,800</u>
Income Before Transfers	\$ (210,484)
Transfers In	<u>120,000</u>
Change in Net Assets	\$ (90,484)
Net Assets, July 1, 2008	<u>(850,383)</u>
Net Assets, June 30, 2009	<u><u>\$ (940,867)</u></u>

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

Exhibit D-3

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

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 479,699
Receipts from Others	20,502
Payments for Waste Collections and Disposal Activity	(861,927)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (361,726)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	\$ (30,919)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (30,919)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Receipts from Wholesale Beer Tax	\$ 113,358
Receipts from Farmland Rental	10,406
Receipts from Grants	13,930
Contributions	18,000
Transfers from Other Funds	120,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 275,694</u>
Net Increase (Decrease) in Cash	\$ (116,951)
Cash, July 1, 2008	<u>380,052</u>
Cash, June 30, 2009	<u><u>\$ 263,101</u></u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (385,284)
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	27,006
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(69,048)
Increase (Decrease) in Allowance for Uncollectibles	24,381
Increase (Decrease) in Other Deferred Revenues	33,465
Increase (Decrease) in Accounts Payable	3,604
Increase (Decrease) in Payroll Deductions Payable	593
Increase (Decrease) in Accrued Liability for Landfill Postclosure Care Costs	3,557
Net Cash Provided By (Used In) Operating Activities	<u>\$ (361,726)</u>
<u>Reconciliation of Cash with Statement of Net Assets</u>	
Cash Per Net Assets	<u>\$ 263,101</u>
Cash, June 30, 2009	<u><u>\$ 263,101</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,279,861
Accounts Receivable	177
Due from Other Governments	<u>238,987</u>
Total Assets	<u>\$ 1,519,025</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 238,987
Due to Litigants, Heirs, and Others	<u>1,280,038</u>
Total Liabilities	<u>\$ 1,519,025</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Haywood 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 Haywood County:

A. Reporting Entity

Haywood County is a public municipal corporation governed by an elected 20-member board. As required by GAAP, these financial statements present Haywood 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 Haywood County School Department operates the public school system in the county, and the voters of Haywood 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 Haywood County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Haywood County, and the Haywood 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 Haywood County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Haywood County Utility District provides water services to customers within the district, and the Haywood County Commission appoints its three-member governing body. The district is funded primarily from charges

to customers for water services and grants. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Haywood County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Haywood County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Haywood County Emergency Communications District and the Haywood County Utility District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Haywood County Emergency Communications District
1 North Washington Street
Brownsville, TN 38012

Haywood County Utility District
94 Burg Kendrick Loop
Brownsville, TN 38012

B. Government-wide and Fund Financial Statements

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

Haywood County issues all debt for the discretely presented Haywood 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 Haywood 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. Haywood County only reports one proprietary fund, a major enterprise fund.

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

Haywood County reports the following major governmental funds:

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

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

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

General Capital Projects Fund – This fund accounts for general capital expenditures of the county and for debt issued by Haywood County that is subsequently contributed to the discretely presented Haywood County School Department for school construction and renovations.

Haywood County reports the following major enterprise fund:

Solid Waste Disposal Fund – This fund accounts for the county’s solid waste landfill operations.

Additionally, Haywood 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 Haywood 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 Haywood County School Department reports the following major governmental fund:

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

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

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

Capital Projects Fund – The Education Capital Projects Fund is used to account for the receipt of debt issued by Haywood County and contributed to the School Department for building construction and renovations.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund, 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 revenues of the county's enterprise fund are tipping fees.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes funds held by the county trustee as Equity in Pooled Cash and Investments.

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

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

2. Receivables and Payables

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

All ambulance, solid waste disposal, and property taxes receivable are shown with an allowance for uncollectibles. Ambulance and solid waste disposal receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 3.75 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 receivables 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.

Retainage payable in the primary government's General Capital Projects Fund represents amounts withheld from payments made on a construction contract pending completion of the project. These amounts are held by the county trustee as Equity in Pooled Cash and Investments.

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column and the business-type column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5-10
Infrastructure	8-30

Property, plant, and equipment of the proprietary fund are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	30
Machinery and Equipment	5-30

4. Compensated Absences

The general policy of Haywood County (with the exception of sick and vacation leave for employees of the Haywood County Highway Department) does not allow employees to accumulate sick and vacation days beyond year end.

It is the policy of the Haywood County Highway Department to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Highway Department does not have a policy to pay any amounts when employees separate from service with the government. A

liability for the vacation benefits is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

It is the policy of the discretely presented School Department to permit the unlimited accumulation of unused sick leave for professional personnel (teachers). Nonprofessional personnel are allowed to accumulate a limited amount of sick leave. There is no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the School Department.

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

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

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

6. Net Assets and Fund Equity

In the government-wide financial statements 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.

As of June 30, 2009, Haywood County had \$3,624,168 in outstanding debt issued for capital purposes of the discretely presented Haywood County School Department. This debt is a liability of Haywood County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Haywood County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the General Fund, \$23,541 is designated for the dental program, \$9,823 for the fire department, and \$89,134 for the Park of Dreams at June 30, 2009.

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 Haywood 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 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 Haywood County School Department

Exhibit J-5 includes explanations of the nature of individual elements required to reconcile the net change in fund balances – total governmental funds with the Change in Net Assets of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

B. Net Assets Deficit/Fund Deficit

The Solid Waste Disposal Fund had a deficit of \$1,515,655 in unrestricted net assets at June 30, 2009. This deficit primarily resulted from the recognition of a liability (\$1,797,861) for costs associated with closing the county's landfill and monitoring the landfill for 30 years after closure.

The General Capital Projects Fund had a deficit in unreserved fund balance of \$3,625,726 at June 30, 2009. This deficit resulted from the unperformed portions of construction contracts of \$10,084,688 being reserved as encumbrances. Funding for these future expenditures is expected to be received from the issuance of debt.

C. Appropriations Exceeded Estimated Available Funds

The budget and subsequent amendments submitted to and approved by the County Commission for the General Fund resulted in appropriations exceeding estimated available funding by \$86,457.

IV. DETAILED NOTES ON ALL FUNDS

a. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts

are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state director of Local Finance and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the market value of the securities on the day of purchase. The county had no pooled or nonpooled investments as of June 30, 2009.

b. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-08		Increases		Decreases		Balance 6-30-09	
Capital Assets								
Not Depreciated:								
Land	\$	2,392,704	\$	104,257	\$	9,000	\$	2,487,961
Construction in Progress		530,710		1,525,317		0		2,056,027
Total Capital Assets								
Not Depreciated	\$	2,923,414	\$	1,629,574	\$	9,000	\$	4,543,988
Capital Assets								
Depreciated:								
Buildings								
and Improvements	\$	7,925,733	\$	50,313	\$	0	\$	7,976,046
Infrastructure		49,609,783		0		0		49,609,783
Other Capital Assets		7,776,498		691,827		175,822		8,292,503
Total Capital Assets								
Depreciated	\$	65,312,014	\$	742,140	\$	175,822	\$	65,878,332
Less Accumulated								
Depreciation For:								
Buildings								
and Improvements	\$	4,996,196	\$	205,891	\$	0	\$	5,202,087
Infrastructure		38,420,723		1,890,834		0		40,311,557
Other Capital Assets		5,467,163		577,138		164,123		5,880,178
Total Accumulated								
Depreciation	\$	48,884,082	\$	2,673,863	\$	164,123	\$	51,393,822
Total Capital Assets								
Depreciated, Net	\$	16,427,932	\$	(1,931,723)	\$	11,699	\$	14,484,510
Governmental Activities								
Capital Assets, Net	\$	19,351,346	\$	(302,149)	\$	20,699	\$	19,028,498

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

Governmental Activities:

General Government	\$ 102,782
Finance	16,856
Administration of Justice	29,892
Public Safety	226,140
Public Health and Welfare	100,297
Social, Cultural, and Recreational Services	162,391
Other Operations	1,159
Highway Department	<u>2,034,346</u>

Total Depreciation Expense - Governmental Activities \$ 2,673,863

Business-type Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets				
Not Depreciated:				
Land	\$ 235,000	\$ 0	\$ 0	\$ 235,000
Total Capital Assets				
Not Depreciated	<u>\$ 235,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 235,000</u>
Capital Assets				
Depreciated:				
Buildings and				
Improvements	\$ 225,797	\$ 0	\$ 0	\$ 225,797
Other Capital Assets	782,041	30,919	(157,972)	654,988
Total Capital Assets				
Depreciated	<u>\$ 1,007,838</u>	<u>\$ 30,919</u>	<u>\$ (157,972)</u>	<u>\$ 880,785</u>
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 85,273	\$ 7,536	\$ 0	\$ 92,809
Other Capital Assets	586,690	19,470	(157,972)	448,188
Total Accumulated				
Depreciation	<u>\$ 671,963</u>	<u>\$ 27,006</u>	<u>\$ (157,972)</u>	<u>\$ 540,997</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 335,875</u>	<u>\$ 3,913</u>	<u>\$ 0</u>	<u>\$ 339,788</u>
Business-type Activities				
Capital Assets, Net	<u>\$ 570,875</u>	<u>\$ 3,913</u>	<u>\$ 0</u>	<u>\$ 574,788</u>

Discretely Presented Haywood County School Department

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	\$ 178,170	\$ 0	\$ 7,177	\$ 170,993
Construction in Progress	54,983	0	54,983	0
Total Capital Assets Not Depreciated	\$ 233,153	\$ 0	\$ 62,160	\$ 170,993
Capital Assets Depreciated:				
Buildings and Improvements	\$ 18,162,270	\$ 795,794	\$ 0	\$ 18,958,064
Other Capital Assets	4,468,158	536,580	0	5,004,738
Total Capital Assets Depreciated	\$ 22,630,428	\$ 1,332,374	\$ 0	\$ 23,962,802
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 10,283,694	\$ 529,469	\$ 0	\$ 10,813,163
Other Capital Assets	2,628,294	330,757	0	2,959,051
Total Accumulated Depreciation	\$ 12,911,988	\$ 860,226	\$ 0	\$ 13,772,214
Total Capital Assets Depreciated, Net	\$ 9,718,440	\$ 472,148	\$ 0	\$ 10,190,588
Governmental Activities Capital Assets, Net	\$ 9,951,593	\$ 472,148	\$ 62,160	\$ 10,361,581

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

Governmental Activities:

Instruction	\$ 456,491
Support Services	388,547
Operation of Non-Instructional Services	<u>15,188</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 860,226</u>

C. Construction Commitments

At June 30, 2009, the General Capital Projects Fund had uncompleted construction contracts of \$10,084,688 for jail construction. Funding for these future expenditures is expected to be received from general obligation bonds.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 15,783
Highway/Public Works	General	622

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.

A portion of the receivable in the General Fund (\$15,392) was in transit from the Elma Ross Public Library (special revenue fund) at June 30, 2009.

Due to/from Primary Government and Component Units:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component Unit:		
School Department:	Primary Government:	
Nonmajor governmental	General	\$ 54,477

Interfund Transfers:

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

Primary Government

	<u>Transfers In</u>	
	Solid Waste Disposal Fund	Nonmajor Governmental Funds
Transfers Out		
General Fund	\$ 0	\$ 66,547
Nonmajor governmental funds	120,000	0
Total	<u>\$ 120,000</u>	<u>\$ 66,547</u>

Discretely Presented Haywood County School Department

	<u>Transfer In</u>
Transfer Out	General Purpose School Fund
Nonmajor governmental funds	\$ 103,909

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

E. Capital Leases

On September 8, 2008, Haywood County entered into a two-year lease-purchase agreement for four Sheriff's Department vehicles. The terms of the agreement require total lease payments of \$89,080 plus interest of 5.15 percent. Title to the vehicles transfers to Haywood County at the end of the lease period. The annual lease payments are made from the General Fund.

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

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2010	\$ 31,196
2011	<u>31,197</u>
Total Minimum Lease Payments	\$ 62,393
Less: Amount Representing Interest	<u>(4,509)</u>
 Present Value of Minimum Lease Payments	 <u><u>\$ 57,884</u></u>

F. Long-term Debt

Primary Government

General Obligation Bonds and Other Loans

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

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

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

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-09</u>
General Obligation Bonds	1.25 to 4.875%	\$ 11,285,000	\$ 10,227,744
General Obligation Bonds - Refunding	3 to 3.5	3,400,000	3,400,000
Capital Leases	5.15	89,080	57,884

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

Year Ending	Bonds		
	Principal	Interest	Total
2010	\$ 642,931	\$ 535,632	\$ 1,178,563
2011	664,000	500,765	1,164,765
2012	710,119	479,508	1,189,627
2013	726,290	456,694	1,182,984
2014	742,515	433,374	1,175,889
2015-19	4,383,062	1,736,993	6,120,055
2020-24	3,473,493	833,273	4,306,766
2025-29	2,071,550	268,674	2,340,224
2030-34	122,842	39,581	162,423
2035-38	90,942	8,310	99,252
Total	<u>\$ 13,627,744</u>	<u>\$ 5,292,804</u>	<u>\$ 18,920,548</u>

There is \$3,083,097 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$688, based on the 2000 federal census. Debt per capita, including bonds and capital leases, totaled \$691, 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
Balance, July 1, 2008	\$ 5,815,888	\$ 0
Additions	8,125,000	1,000,000
Deductions	(313,144)	(1,000,000)
Balance, June 30, 2009	<u>\$ 13,627,744</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 642,931</u>	<u>\$ 0</u>
	Other Loans	Capital Leases
Balance, July 1, 2008	\$ 3,599,431	\$ 81,652
Additions	100,569	89,080
Deductions	(3,700,000)	(112,848)
Balance, June 30, 2009	<u>\$ 0</u>	<u>\$ 57,884</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 28,215</u>

Governmental Activities: (Cont.)

	<u>Compensated Absences</u>
Balance, July 1, 2008	\$ 24,834
Additions	26,940
Deductions	<u>(26,418)</u>
Balance, June 30, 2009	<u>\$ 25,356</u>
Balance Due Within One Year	<u>\$ 19,017</u>
Analysis of Noncurrent Liabilities Presented on Exhibit A:	
Total Noncurrent Liabilities, June 30, 2009	\$ 13,710,984
Less: Balance Due Within One Year	(690,163)
Add: Unamortized Premium on Debt	<u>110,107</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 13,130,928</u>

Compensated absences will be paid from the employing fund, the Highway/Public Works Fund.

Current Refunding

On April 15, 2009, Haywood County issued \$3,400,000 in general obligation bonds for a current refunding of \$3,425,000 Public Works/School Projects Other Loans. As a result, the refunded other loans payable are considered defeased, and the liability has been removed from the county's long-term debt. Because of the refunding, total debt service payments over the next seven years will be reduced by \$9,688. The economic gain or loss on this refunding was not available.

Haywood County Solid Waste Disposal Fund (enterprise fund)

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:

	<u>Postclosure Care Costs</u>
Balance, July 1, 2008	\$ 1,794,304
Additions	79,063
Deductions	<u>(75,506)</u>
Balance, June 30, 2009	<u>\$ 1,797,861</u>
Balance Due Within One Year	<u>\$ 37,721</u>

Discretely Presented Haywood County School Department

Changes in Long-term Liabilities

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

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2008	\$ 142,234
Additions	242,626
Deductions	<u>(92,787)</u>
Balance, June 30, 2009	<u>\$ 292,073</u>
Balance Due Within One Year	<u>\$ 0</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Haywood 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 \$77,761 and \$31,321, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. **OTHER INFORMATION**

A. **Risk Management**

Primary Government

Employee Health Insurance

It is the policy of the county to purchase commercial insurance for its employees health coverage. Retirees are not allowed to continue coverage. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

Workers' Compensation Insurance

Haywood County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of Section 29-20-401, Tennessee Code Annotated (TCA), by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

Liability, Property, and Casualty

Haywood County is exposed to various risks related to general liability, property, and casualty losses. The county participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

Discretely Presented Haywood County School Department

Employee Health Insurance

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

education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

Liability, Property, Casualty, and Workers' Compensation Insurance

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

B. Accounting Changes

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

GASB Statement No. 49 requires county governments to measure and report their pollution remediation liabilities. A county has a pollution remediation problem if one of five obligating events occurs. The statement requires governments to restate beginning net assets in government-wide and proprietary fund financial statements for pollution remediation liabilities that existed as of July 1, 2008. Previous to GASB 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 Haywood County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Haywood 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 Haywood County for the year ended June 30, 2009, since the county had no endowment investments. However, it is reasonably expected that Haywood County could have endowment investments in subsequent years.

C. Contingent Liabilities

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

D. Changes in Administration

On August 26, 2008, George Chapman resigned as director of schools. Doris Scott Battle was appointed interim director of schools effective August 27, 2008. Marlon King was appointed director of schools effective January 1, 2009.

E. Landfill Closure/Postclosure Care Costs

Haywood 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 postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its 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. Haywood County closed its sanitary landfill in 1998. The \$1,797,861 reported as postclosure care liability at June 30, 2009, represents amounts based on what it would cost to perform all postclosure care in 2009. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Brownsville – Haywood County Emergency Management Agency is a joint venture between Haywood County and the City of Brownsville. The agency's three-member board includes the county mayor, the mayor of the City of Brownsville, and one member who is jointly selected by the county mayor and the city mayor. The agency is jointly funded by the county and the City of Brownsville with additional revenues received from the State of Tennessee, the federal government, and private contributions. During the year ended June 30, 2009, the county provided financial assistance of \$18,748 to the agency.

The HTL Advantage is a joint venture between Haywood, Tipton, and Lauderdale counties and the cities of Brownsville, Ripley, and Covington. The board comprises ten members and consists of the mayors from each of the counties and cities, and one member from the Southwest Tennessee Electric Cooperative, the Covington Electric System, Ripley Power and Light, and the Brownsville Electric System. The purpose of the board is to establish and operate an office that markets the entire defined region for economic development and to bring the region attention of prospective industrial and commercial interests, which would be beneficial for the common good of all entities involved herein. The counties, cities, and electric systems provide the funding for the board. Haywood County appropriated \$50,000 to HTL Advantage during the year.

Haywood County does not have an equity interest in either of the above-noted joint ventures. Complete financial statements for the Brownsville - Haywood County Emergency Management Agency and HTL Advantage can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Brownsville – Haywood County
Emergency Management Agency
City Hall
Brownsville, TN 38012

HTL Advantage
1469 South Main Street
Covington, TN 38019

G. Retirement Commitments

Employees

Plan Description

Employees of Haywood 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 Haywood 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

Haywood County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 12.67 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Haywood County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, Haywood County's annual pension cost of \$1,056,148 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected postretirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Haywood 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	\$1,056,148	100%	\$0
6-30-08	1,049,433	100	0
6-30-07	984,284	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 91.57 percent funded. The actuarial accrued liability for benefits was \$22.67 million, and the actuarial value of assets was \$20.76 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.91 million. The covered payroll (annual payroll of active employees covered by the plan) was \$7.57 million, and the ratio of the UAAL to the covered payroll was 25.25 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 \$787,806, \$783,665, and \$754,437, respectively, equal to the required contributions for each year.

H. 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 local education employees. Prior to reaching age 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 does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2009, the discretely presented Haywood County School Department contributed \$86,557, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 236,225
Interest on the NPO	6,401
Adjustment to the ARC	(6,230)
Annual OPEB cost	\$ 236,396
Less: Amount of contribution	(86,557)
Increase/decrease in NPO	\$ 149,839
Net OPEB obligation, 7-1-08	<hr/> 142,234 <hr/>
Net OPEB obligation, 6-30-09	<hr/> <hr/> \$ 292,073 <hr/> <hr/>

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	\$ 251,707	43 %	\$ 142,234
6-30-09	"	236,396	37	292,073

*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:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-07
Actuarial accrued liability (AAL)	\$ 2,352,873
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 2,352,873
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 13,878,184
UAAL as a % of covered payroll	17%

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

Actuarial Methods and Assumptions

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

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

I. Purchasing Laws

Office of County Mayor

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

Office of Chief Administrative Highway Officer

Purchasing procedures for the Highway Department are governed by provisions of Chapter 24, Private Acts of 1991, as amended and Section 54-7-113, TCA (Uniform Road Law), which require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

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

VI. OTHER NOTES – ELMA ROSS PUBLIC LIBRARY (SPECIAL REVENUE FUND)

A. General Information

The Elma Ross Public Library is a special revenue fund of Haywood County that is reported separately. The trustees of the library are appointed by the County Commission. The library's function is to serve as a public library for Brownsville and Haywood County.

B. Summary of Significant Accounting Policies

1. Measurement Focus and Basis of Accounting

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The library's revenues are recognized when they become measurable and available. Expenditures are generally recognized when the related

liability is incurred. The library does not use the encumbrance method of accounting.

2. Cash and Cash Equivalents

The library reporting entity considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Exceptions include three certificates of deposits with a maturity of 12 months. Cash equivalents are stated at cost plus accrued interest, which approximates market value. The maximum amount placed in any one financial institution is limited to reduce risk. The library does not have a deposit policy for custodial credit risk.

State statutes authorize the government and the library to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the library are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

3. Prepaid Items

Prepaid items record payments to vendors that benefit future reporting periods and are also reported on the consumption basis.

4. Capital Assets and Depreciation

The library's property, plant, and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The library generally capitalizes assets with cost of \$1,000 or more as purchases occur. The cost of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	5 - 50
Improvements	2 - 50
Furniture, Machinery, and Equipment	3 - 30
Books and Periodicals	7 - 10

C. Budgetary Information

1. Budget Policy and Practice

The library's director submits an annual budget to the Board of Directors, the City Council, and the County Commission for review and approval of the allocation of resources. Once approved, the legally adopted budget can be amended when unexpected modifications are required in estimated revenues and appropriations by the Board of Directors, the City Council, and the County Commission.

2. Basis of Budgeting

The fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by class as follows: salaries, compensation related services and supplies, computer and equipment supplies, core material, and miscellaneous. Expenditures may not exceed appropriations.

The budget is prepared on the cash and expenditure basis. Revenues are budgeted in the year receipt is expected; and expenditures are budgeted in the year that the applicable purchase orders are expected to be issued.

D. Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2009, the library's bank balance of \$173,786.32 is insured by the FDIC.

The library has no pledged securities.

E. Capital Assets

Changes in Capital Assets

The following table provides a summary of changes in capital assets:

Capital Assets Depreciated

	Equipment	Books
Governmental Activities:		
Balance, June 30, 2008	\$ 87,242	\$ 843,193
Increases	8,457	37,831
Decreases	0	(4,828)
Balance, June 30, 2009	\$ 95,699	\$ 876,196
Accumulated Depreciation:		
Balance, June 30, 2008	\$ 71,481	\$ 409,524
Increases	4,935	87,622
Decreases	0	(4,828)
Balance, June 30, 2009	\$ 76,416	\$ 492,318
Governmental Activities		
Capital Assets, Net	\$ 19,283	\$ 383,878

The library received contributions of books valued at \$30,198 that are being capitalized this year.

F. Risk Management – Claims and Adjustments

The library manages its risk financing through the purchase of insurance. The library's exposure to loss is limited to the contents of the library and any workmens' compensations claims. In the past three years, there have been no insurance settlements.

G. Stewardship, Compliance, and Accountability

Budgetary Information

Prior to May 15 of each year, the library's director formally submits to the County Commission, Board of Directors, and City Council a proposed operating budget for the fiscal year commencing the following July 1. Public hearings are conducted by the Board of Aldermen to obtain citizen comments on the budget. Prior to June 30, the budget is legally enacted through passage of an ordinance. Annual appropriated budgets for the special revenue and debt service funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The annual appropriated budget for the general fund is adopted on a GAAP basis.

Budgeted amounts shown are those originally adopted, as well as the final budgets, which reflect amendments by the Board of Aldermen. All annual appropriations lapse at year end.

During the year ended June 30, 2009, expenditures exceeded the budgeted level of appropriations as follows:

Budget - Excess Expenditures

Computer Expense	\$	32
Capital Outlay - Equipment		8,457
Books and Periodicals		833
Professional Services		200
Pension Expenses		192
Contract Services		3,457
Miscellaneous		8,534

Total expenditures exceeded appropriated expenditures by \$7,247, which resulted in an instance of noncompliance.

VII. OTHER NOTES – DISCRETELY PRESENTED HAYWOOD COUNTY UTILITY DISTRICT

A. Summary of Significant Accounting Policies

1. Reporting Entity

The Haywood County Utility District was incorporated pursuant to a resolution of the Haywood County Commission, dated July 17, 1997, and pursuant to Section 7-82-101, Tennessee Code Annotated also known as “The Utility District Law of 1937.” The district is considered a component unit of Haywood County, Tennessee, because the three member Board of Commissioners is appointed by the county. The county also must approve all bond issues of the district. The district was constructed through grants received through the county and is held accountable to the county.

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

The district’s financial statements are presented on the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounting policies of the system conform to applicable generally accepted accounting principles as defined in the pronouncements of the Governmental Accounting Standards Board (GASB), Financial Accounting Standards

Board (FASB), Statements and Interpretations, Accounting Principle Board (APB) Opinions, and Accounting Research Bulletins (ARBs), issued on or before November 30, 1989. As allowed by GASB, the district has elected not to apply FASB Statements and Interpretations issued after November 30, 1989.

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

3. Assets, Liabilities, and Equity

a. Deposits and Investments

The district's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the district to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations guaranteed by the U.S. government or its agencies, repurchase agreements and the state's investment pool.

b. Accounts Receivable

Trade receivables result from unpaid billings for water service to customers. The billing and collections for the district are prepared and collected by the City of Brownsville Utilities Board. The City of Brownsville Utilities Board remits to the district the entire amount of the billings on a monthly basis. Therefore, an allowance for uncollectible accounts receivable is considered unnecessary at this time as the risk of loss is entirely with the City of Brownsville Utilities Board.

c. Capital Assets

Capital assets, which include property, plant, equipment, and construction in process, are defined by the district as assets with an initial, individual cost of more than \$100 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated

historical cost if purchased or constructed. Assets acquired through contributions from developers or other customers are capitalized at their 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. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the district are depreciated using the straight line method over the following useful lives:

Distribution plant	33 - 40 years
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d. Compensated Absences

The district does not have any employees on staff. The district pays a set monthly fee to the City of Brownsville Utilities Board for the use of their employees. Therefore, no compensated absences are recorded.

e. Long-term Obligations

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

f. Net Assets

Equity is classified as net assets and displayed in the following two components:

- 1.) Invested in Capital Assets, net of related debt - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.
- 2.) Unrestricted - All other net assets that do not meet the description of the above categories.

B. Stewardship, Compliance, and Accountability

Budgetary Information

The district does not adopt a formal budget.

C. Detailed Notes

1. Deposits and Investments

Custodial Credit Risk - The district's policies limit deposits and investments to those instruments allowed by applicable state laws and are described below. State statute requires that all deposits with financial institutions be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the district's agent in the district's name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the district to invest in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, the state pooled investment fund, and mutual funds. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2009, the district had no risk exposure.

2. Receivables

Receivables as of June 30, 2009, were made up of the following:

	Balance
	<u>6-30-09</u>
Billed services for utility customers	<u>\$ 15,068</u>

3. Capital Assets

Capital assets activity during the year was as follows:

Description	Balance 7-1-08	Additions	Balance 6-30-09
Capital Assets, Not Depreciated			
Distribution Plant	\$ 18,401	\$ 0	\$ 18,401
Capital Assets, Depreciated	\$ 4,997,621	\$ 1,403	\$ 4,999,024
Less Accumulated Depreciation For:			
Distribution Plant	\$ 916,419	\$ 137,536	\$ 1,053,955
Total Capital Assets, Depreciated, Net	\$ 4,081,202	\$ (136,133)	\$ 3,945,069
Total Capital Assets, Net	\$ 4,099,603	\$ (136,133)	\$ 3,963,470

Depreciation expense totaled \$137,536 for the fiscal year ended June 30, 2009.

4. **Long-term Debt**

Long-term debt is made up of the following:

	Balance <u>6-30-09</u>
General Obligation Bonds:	
General Obligation Bonds, Series 1998 interest at 4.875% due serially through 2037	\$ 492,846
Total General Obligation Bonds	\$ 492,846
Total current portion of General Obligation Bonds	\$ 8,529
Total long-term portion of General Obligation Bonds	\$ 484,317

In the year ended June 30, 1998, Haywood County issued \$560,000 of General Obligation Bonds, Series 1998 to the Rural Utility Services for the construction of the district's water distribution system.

Although this bond is in the name of Haywood County, and Haywood County is ultimately responsible for the debt repayment, the district has agreed to and is repaying the debt.

The following is a summary of long-term debt transactions for the year ended June 30, 2009.

	<u>Bonds</u>
Balance, July 1, 2008	\$ 500,988
Deductions	<u>(8,142)</u>
Balance, June 30, 2009	<u>\$ 492,846</u>
Balance Due Within One Year	<u>\$ 8,529</u>

The scheduled annual requirements for long-term debt at June 30, 2009, are as follows:

Year Ending June 30	<u>Bonds</u>		
	Principal	Interest	Total
2010	\$ 8,529	\$ 23,929	\$ 32,458
2011	8,949	23,508	32,457
2012	9,391	23,066	32,457
2013	9,854	22,603	32,457
2014	10,341	22,117	32,458
2015-2019	59,879	102,408	162,287
2020-2024	76,186	86,104	162,290
2025-2029	96,930	65,359	162,289
2030-2034	123,325	38,959	162,284
2035-2037	89,462	7,797	97,259
Total	<u>\$ 492,846</u>	<u>\$ 415,850</u>	<u>\$ 908,696</u>

5. Net Assets

Net assets represent the difference between assets and liabilities. The net assets amounts were as follows:

	<u>6-30-09</u>
Invested in capital assets, net of related liabilities	
Net property, plant and equipment in services	\$ 3,963,470
Less: debt as disclosed in Note 3	<u>(492,846)</u>
	\$ 3,470,624
Unrestricted	<u>143,257</u>
Total net assets	<u>\$ 3,613,881</u>

D. OTHER INFORMATION

Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2009, the district did not purchase any insurance. The district contracts with the City of Brownsville Utilities Board for services necessary to operate and maintain the district. No settled claims have been incurred in any of the above mentioned risk categories during the past three years, and there has been no significant reduction in the coverage provided.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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Exhibit F-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,338,811	\$ 5,055,333	\$ 5,055,333	\$ 283,478
Licenses and Permits	21,367	31,200	31,200	(9,833)
Fines, Forfeitures, and Penalties	155,563	112,330	112,330	43,233
Charges for Current Services	707,325	847,005	717,055	(9,730)
Other Local Revenues	582,234	520,163	635,973	(53,739)
Fees Received from County Officials	716,300	1,168,384	818,244	(101,944)
State of Tennessee	645,238	713,802	854,807	(209,569)
Federal Government	271,453	116,232	239,070	32,383
Other Governments and Citizens Groups	1,283,018	518,163	521,543	761,475
Total Revenues	\$ 9,721,309	\$ 9,082,612	\$ 8,985,555	\$ 735,754
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 142,850	\$ 158,528	\$ 161,908	\$ 19,058
Beer Board	1,455	3,000	3,000	1,545
County Mayor/Executive	261,629	273,091	273,091	11,462
County Attorney	133,672	29,515	136,368	2,696
Election Commission	137,994	154,307	155,307	17,313
Register of Deeds	121,005	135,647	135,647	14,642
Development	76,603	55,715	77,715	1,112
County Buildings	323,767	322,040	326,082	2,315
<u>Finance</u>				
Accounting and Budgeting	8,150	8,500	8,500	350
Property Assessor's Office	316,919	312,799	322,137	5,218
Reappraisal Program	30,026	31,384	33,387	3,361
County Trustee's Office	88,521	263,764	97,673	9,152
County Clerk's Office	87,110	313,470	102,237	15,127
<u>Administration of Justice</u>				
Circuit Court	481,270	493,485	503,046	21,776
General Sessions Judge	215,364	222,308	222,308	6,944
General Sessions Court Clerk	5,086	9,000	9,000	3,914
Chancery Court	150,980	162,076	162,076	11,096
Juvenile Court	76,637	84,018	84,018	7,381
<u>Public Safety</u>				
Sheriff's Department	1,400,730	1,424,094	1,458,280	57,550
Jail	1,295,009	1,273,104	1,338,728	43,719
Workhouse	244,860	250,243	250,322	5,462
Fire Prevention and Control	293,214	414,497	414,497	121,283
Civil Defense	124,761	70,474	126,721	1,960
Rescue Squad	9,806	9,806	9,806	0
County Coroner/Medical Examiner	4,800	4,800	4,800	0
Other Public Safety	185,843	219,740	219,740	33,897

(Continued)

Exhibit F-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 65,405	\$ 71,642	\$ 71,642	\$ 6,237
Rabies and Animal Control	75,250	76,050	76,050	800
Ambulance/Emergency Medical Services	1,165,028	1,253,950	1,253,950	88,922
Alcohol and Drug Programs	5,000	5,000	5,000	0
Other Local Health Services	3,500	3,500	3,500	0
Appropriation to State	111,358	116,800	135,600	24,242
<u>Social, Cultural, and Recreational Services</u>				
Libraries	0	130,327	42,347	42,347
Parks and Fair Boards	821,191	790,696	937,302	116,111
Other Social, Cultural, and Recreational	126,630	146,200	146,200	19,570
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	161,449	155,145	167,482	6,033
Forest Service	2,000	2,000	2,000	0
Soil Conservation	95,343	96,821	96,821	1,478
<u>Other Operations</u>				
Industrial Development	838,711	100,000	900,639	61,928
Veterans' Services	17,431	14,117	18,601	1,170
Other Charges	43,339	43,419	44,084	745
Contributions to Other Agencies	202,826	201,503	211,614	8,788
Employee Benefits	153	0	153	0
Miscellaneous	217,786	218,348	218,348	562
<u>Principal on Debt</u>				
General Government	77,467	0	77,467	0
<u>Interest on Debt</u>				
General Government	2,591	0	2,591	0
Total Expenditures	<u>\$ 10,250,519</u>	<u>\$ 10,124,923</u>	<u>\$ 11,047,785</u>	<u>\$ 797,266</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (529,210)	\$ (1,042,311)	\$ (2,062,230)	\$ 1,533,020
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 1,000,000	\$ 0	\$ 0	\$ 1,000,000
Capital Leases Issued	89,080	0	89,080	0
Other Loans Issued	100,569	0	0	100,569
Insurance Recovery	10,802	1,000	6,446	4,356
Transfers Out	(66,547)	0	(66,547)	0
Total Other Financing Sources (Uses)	<u>\$ 1,133,904</u>	<u>\$ 1,000</u>	<u>\$ 28,979</u>	<u>\$ 1,104,925</u>
Net Change in Fund Balance	\$ 604,694	\$ (1,041,311)	\$ (2,033,251)	\$ 2,637,945
Fund Balance, July 1, 2008	<u>1,752,747</u>	<u>1,946,794</u>	<u>1,946,794</u>	<u>(194,047)</u>
Fund Balance, June 30, 2009	<u>\$ 2,357,441</u>	<u>\$ 905,483</u>	<u>\$ (86,457)</u>	<u>\$ 2,443,898</u>

Exhibit F-2

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 615,219	\$ 610,941	\$ 610,941	\$ 4,278
Charges for Current Services	185	50	50	135
Other Local Revenues	294,791	348,000	348,000	(53,209)
State of Tennessee	1,773,282	2,087,026	2,087,026	(313,744)
Total Revenues	<u>\$ 2,683,477</u>	<u>\$ 3,046,017</u>	<u>\$ 3,046,017</u>	<u>\$ (362,540)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 175,576	\$ 188,521	\$ 188,521	\$ 12,945
Highway and Bridge Maintenance	663,003	1,844,245	1,844,245	1,181,242
Operation and Maintenance of Equipment	567,520	990,670	990,670	423,150
Other Charges	106,225	125,000	125,000	18,775
Employee Benefits	229,532	255,100	255,100	25,568
Capital Outlay	96,187	615,329	615,329	519,142
Total Expenditures	<u>\$ 1,838,043</u>	<u>\$ 4,018,865</u>	<u>\$ 4,018,865</u>	<u>\$ 2,180,822</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 845,434</u>	<u>\$ (972,848)</u>	<u>\$ (972,848)</u>	<u>\$ 1,818,282</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 13,958	\$ 0	\$ 0	\$ 13,958
Total Other Financing Sources (Uses)	<u>\$ 13,958</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,958</u>
Net Change in Fund Balance	\$ 859,392	\$ (972,848)	\$ (972,848)	\$ 1,832,240
Fund Balance, July 1, 2008	1,262,264	1,163,833	1,163,833	98,431
Fund Balance, June 30, 2009	<u>\$ 2,121,656</u>	<u>\$ 190,985</u>	<u>\$ 190,985</u>	<u>\$ 1,930,671</u>

Exhibit F-3

Haywood County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Haywood 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 (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-08	7-1-07	20,764	22,676	1,912	91.57	7,573	25.25

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

Exhibit F-4

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

(Dollar amounts in thousands)

Plan Description	Fiscal Year Ended*	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	6-30-08	7-1-07	\$ 0	\$ 2,648	\$ 2,648	0%	\$ 13,208	20%
"	6-30-09	7-1-07	0	2,648	2,648	0	13,208	20

*Data only available for two years.

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

A. BUDGETARY INFORMATION

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

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

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

B. APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDS

The budget and subsequent amendments submitted to and approved by the County Commission for the General Fund resulted in appropriations exceeding estimated available funding by \$86,457.

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

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Nonmajor Governmental Funds

Special Revenue Funds

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

Public Library Fund – The Public Library Fund is used to account for Haywood County’s library operations.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Haywood County’s garbage collection operations.

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

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

Capital Projects Funds

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

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for revenues received from public works grants provided for community development projects.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for revenues provided for an industrial park project.

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Exhibit G-1

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

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	Public Library	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	Community Development/ Industrial Park	Other Capital Projects	
Cash	\$ 153,182	\$ 0	\$ 0	\$ 76,074	\$ 229,256	\$ 0	\$ 0	\$ 229,256
Equity in Pooled Cash and Investments	0	263,956	26,161	0	290,117	27,097	56,647	373,861
Accounts Receivable	0	752	104	132	988	0	0	988
Due from Other Governments	0	3,834	0	0	3,834	0	0	3,834
Prepaid Items	3,028	0	0	0	3,028	0	0	3,028
Total Assets	\$ 156,210	\$ 268,542	\$ 26,265	\$ 76,206	\$ 527,223	\$ 27,097	\$ 56,647	\$ 83,744

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Due from Other Governments
 Prepaid Items

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable
 Payroll Deductions Payable
 Due to Other Funds

Total Liabilities

\$ 649	\$ 1,948	\$ 0	\$ 0	\$ 2,597	\$ 0	\$ 0	\$ 0	\$ 2,597
0	814	0	0	814	0	0	0	814
0	0	0	391	391	0	0	0	391
\$ 649	\$ 2,762	\$ 0	\$ 391	\$ 3,802	\$ 0	\$ 0	\$ 0	\$ 3,802

Fund Balances

Unreserved

Total Fund Balances

\$ 155,561	\$ 265,780	\$ 26,265	\$ 75,815	\$ 523,421	\$ 27,097	\$ 56,647	\$ 83,744	\$ 607,165
\$ 155,561	\$ 265,780	\$ 26,265	\$ 75,815	\$ 523,421	\$ 27,097	\$ 56,647	\$ 83,744	\$ 607,165

Total Liabilities and Fund Balances

\$ 156,210	\$ 268,542	\$ 26,265	\$ 76,206	\$ 527,223	\$ 27,097	\$ 56,647	\$ 83,744	\$ 610,967
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Exhibit G-2

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

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	Public Library	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	Community Development/ Industrial Park	Other Capital Projects	
Revenues								
Fines, Forfeitures, and Penalties	\$ 0	\$ 95	\$ 6,438	\$ 0	\$ 6,533	\$ 0	\$ 0	\$ 6,533
Charges for Current Services	6,161	518,683	0	362,603	887,447	0	0	887,447
Other Local Revenues	3,984	20,000	0	0	23,984	0	53,570	77,554
State of Tennessee	1,950	36,208	0	0	38,158	0	0	38,158
Other Governments and Citizens Groups	67,324	0	0	0	67,324	0	63,150	130,474
Total Revenues	\$ 79,419	\$ 574,986	\$ 6,438	\$ 362,603	\$ 1,023,446	\$ 0	\$ 116,720	\$ 1,140,166
Expenditures								
Current:								
Finance	\$ 0	\$ 0	\$ 0	\$ 357,837	\$ 357,837	\$ 0	\$ 0	\$ 357,837
Administration of Justice	0	0	0	2,550	2,550	0	0	2,550
Public Safety	0	0	42	0	42	0	0	42
Public Health and Welfare	0	459,011	0	0	459,011	0	0	459,011
Social, Cultural, and Recreational Services	139,739	0	0	0	139,739	0	0	139,739
Other Operations	0	69,223	0	0	69,223	0	0	69,223
Debt Service:								
Principal on Debt	0	35,381	0	0	35,381	0	0	35,381
Interest on Debt	0	822	0	0	822	0	0	822
Capital Projects	0	0	0	0	0	0	95,426	95,426
Total Expenditures	\$ 139,739	\$ 564,437	\$ 42	\$ 360,387	\$ 1,064,605	\$ 0	\$ 95,426	\$ 1,160,031
Excess (Deficiency) of Revenues Over Expenditures	\$ (60,320)	\$ 10,549	\$ 6,396	\$ 2,216	\$ (41,159)	\$ 0	\$ 21,294	\$ (19,865)
Other Financing Sources (Uses)								
Bonds Issued	\$ 0	\$ 300,000	\$ 0	\$ 0	\$ 300,000	\$ 0	\$ 0	\$ 300,000
Transfers In	66,547	0	0	0	66,547	0	0	66,547
Transfers Out	0	(120,000)	0	0	(120,000)	0	0	(120,000)
Total Other Financing Sources (Uses)	\$ 66,547	\$ 180,000	\$ 0	\$ 0	\$ 246,547	\$ 0	\$ 0	\$ 246,547
Net Change in Fund Balances	\$ 6,227	\$ 190,549	\$ 6,396	\$ 2,216	\$ 205,388	\$ 0	\$ 21,294	\$ 226,682
Fund Balance, July 1, 2008	149,334	75,231	19,869	73,599	318,033	27,097	35,353	380,483
Fund Balance, June 30, 2009	\$ 155,561	\$ 265,780	\$ 26,265	\$ 75,815	\$ 523,421	\$ 27,097	\$ 56,647	\$ 607,165

Exhibit G-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 6,161	\$ 0	\$ 0	\$ 6,161
Other Local Revenues	3,984	0	0	3,984
State of Tennessee	1,950	0	0	1,950
Other Governments and Citizens Groups	67,324	65,000	65,000	2,324
Total Revenues	<u>\$ 79,419</u>	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ 14,419</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 139,739	\$ 131,872	\$ 132,492	\$ (7,247)
Total Expenditures	<u>\$ 139,739</u>	<u>\$ 131,872</u>	<u>\$ 132,492</u>	<u>\$ (7,247)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (60,320)</u>	<u>\$ (66,872)</u>	<u>\$ (67,492)</u>	<u>\$ 7,172</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 66,547	\$ 66,547	\$ 66,547	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 66,547</u>	<u>\$ 66,547</u>	<u>\$ 66,547</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 6,227	\$ (325)	\$ (945)	\$ 7,172
Fund Balance, July 1, 2008	149,334	149,334	149,334	0
Fund Balance, June 30, 2009	<u>\$ 155,561</u>	<u>\$ 149,009</u>	<u>\$ 148,389</u>	<u>\$ 7,172</u>

Exhibit G-4

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 95	\$ 0	\$ 0	\$ 95
Charges for Current Services	518,683	488,263	488,263	30,420
Other Local Revenues	20,000	0	0	20,000
State of Tennessee	36,208	34,237	34,237	1,971
Total Revenues	<u>\$ 574,986</u>	<u>\$ 522,500</u>	<u>\$ 522,500</u>	<u>\$ 52,486</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 459,011	\$ 286,260	\$ 495,935	\$ 36,924
<u>Other Operations</u>				
Other Charges	30,308	30,300	30,600	292
Employee Benefits	38,915	42,141	42,141	3,226
<u>Principal on Debt</u>				
General Government	35,381	40,546	40,546	5,165
<u>Interest on Debt</u>				
General Government	822	2,899	2,899	2,077
Total Expenditures	<u>\$ 564,437</u>	<u>\$ 402,146</u>	<u>\$ 612,121</u>	<u>\$ 47,684</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 10,549</u>	<u>\$ 120,354</u>	<u>\$ (89,621)</u>	<u>\$ 100,170</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 300,000	\$ 0	\$ 5,400	\$ 294,600
Transfers Out	(120,000)	(120,000)	(120,000)	0
Total Other Financing Sources (Uses)	<u>\$ 180,000</u>	<u>\$ (120,000)</u>	<u>\$ (114,600)</u>	<u>\$ 294,600</u>
Net Change in Fund Balance	\$ 190,549	\$ 354	\$ (204,221)	\$ 394,770
Fund Balance, July 1, 2008	<u>75,231</u>	<u>57,229</u>	<u>261,804</u>	<u>(186,573)</u>
Fund Balance, June 30, 2009	<u>\$ 265,780</u>	<u>\$ 57,583</u>	<u>\$ 57,583</u>	<u>\$ 208,197</u>

Exhibit G-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 6,438	\$ 7,000	\$ 7,000	\$ (562)
Total Revenues	<u>\$ 6,438</u>	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ (562)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 42	\$ 6,600	\$ 6,600	\$ 6,558
Total Expenditures	<u>\$ 42</u>	<u>\$ 6,600</u>	<u>\$ 6,600</u>	<u>\$ 6,558</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 6,396</u>	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ 5,996</u>
Net Change in Fund Balance	\$ 6,396	\$ 400	\$ 400	\$ 5,996
Fund Balance, July 1, 2008	<u>19,869</u>	<u>19,857</u>	<u>19,857</u>	<u>12</u>
Fund Balance, June 30, 2009	<u><u>\$ 26,265</u></u>	<u><u>\$ 20,257</u></u>	<u><u>\$ 20,257</u></u>	<u><u>\$ 6,008</u></u>

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Major Governmental Fund

General Debt Service Fund

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

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Exhibit H

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 409,223	\$ 401,054	\$ 401,054	\$ 8,169
Other Local Revenues	143,650	172,525	172,525	(28,875)
State of Tennessee	11,346	0	0	11,346
Other Governments and Citizens Groups	0	60,000	60,000	(60,000)
Total Revenues	<u>\$ 564,219</u>	<u>\$ 633,579</u>	<u>\$ 633,579</u>	<u>\$ (69,360)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,588,144	\$ 438,145	\$ 1,588,145	\$ 1
<u>Interest on Debt</u>				
General Government	469,721	419,588	496,627	26,906
<u>Other Debt Service</u>				
General Government	83,124	3,394	83,835	711
Total Expenditures	<u>\$ 2,140,989</u>	<u>\$ 861,127</u>	<u>\$ 2,168,607</u>	<u>\$ 27,618</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,576,770)</u>	<u>\$ (227,548)</u>	<u>\$ (1,535,028)</u>	<u>\$ (41,742)</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 3,400,000	\$ 0	\$ 3,400,000	\$ 0
Premiums on Debt Issued	100,446	0	100,446	0
Payments to Refunded Debt Escrow Agent	(3,425,000)	0	(3,425,000)	0
Total Other Financing Sources (Uses)	<u>\$ 75,446</u>	<u>\$ 0</u>	<u>\$ 75,446</u>	<u>\$ 0</u>
Net Change in Fund Balance	<u>\$ (1,501,324)</u>	<u>\$ (227,548)</u>	<u>\$ (1,459,582)</u>	<u>\$ (41,742)</u>
Fund Balance, July 1, 2008	<u>4,584,421</u>	<u>4,561,211</u>	<u>4,561,211</u>	<u>23,210</u>
Fund Balance, June 30, 2009	<u>\$ 3,083,097</u>	<u>\$ 4,333,663</u>	<u>\$ 3,101,629</u>	<u>\$ (18,532)</u>

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Fiduciary Funds

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

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

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

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Exhibit I-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,279,861	\$ 1,279,861
Accounts Receivable	0	177	177
Due from Other Governments	238,987	0	238,987
Total Assets	<u>\$ 238,987</u>	<u>\$ 1,280,038</u>	<u>\$ 1,519,025</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 238,987	\$ 0	\$ 238,987
Due to Litigants, Heirs, and Others	0	1,280,038	1,280,038
Total Liabilities	<u>\$ 238,987</u>	<u>\$ 1,280,038</u>	<u>\$ 1,519,025</u>

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,301,414	\$ 1,301,414	\$ 0
Due from Other Governments	194,339	238,987	194,339	238,987
Total Assets	\$ 194,339	\$ 1,540,401	\$ 1,495,753	\$ 238,987
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 194,339	\$ 1,540,401	\$ 1,495,753	\$ 238,987
Total Liabilities	\$ 194,339	\$ 1,540,401	\$ 1,495,753	\$ 238,987
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,728,067	\$ 5,661,282	\$ 6,109,488	\$ 1,279,861
Accounts Receivable	1,222	177	1,222	177
Total Assets	\$ 1,729,289	\$ 5,661,459	\$ 6,110,710	\$ 1,280,038
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,729,289	\$ 5,661,459	\$ 6,110,710	\$ 1,280,038
Total Liabilities	\$ 1,729,289	\$ 5,661,459	\$ 6,110,710	\$ 1,280,038
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,728,067	\$ 5,661,282	\$ 6,109,488	\$ 1,279,861
Equity in Pooled Cash and Investments	0	1,301,414	1,301,414	0
Accounts Receivable	1,222	177	1,222	177
Due from Other Governments	194,339	238,987	194,339	238,987
Total Assets	\$ 1,923,628	\$ 7,201,860	\$ 7,606,463	\$ 1,519,025
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 194,339	\$ 1,540,401	\$ 1,495,753	\$ 238,987
Due to Litigants, Heirs, and Others	1,729,289	5,661,459	6,110,710	1,280,038
Total Liabilities	\$ 1,923,628	\$ 7,201,860	\$ 7,606,463	\$ 1,519,025

Haywood County School Department

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

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

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

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

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

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Exhibit J-1

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

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 15,710,855	\$ 26,805	\$ 1,674,981	\$ (14,009,069)
Support Services	8,349,863	0	423,730	(7,926,133)
Operation of Non-Instructional Services	2,713,787	322,312	2,230,706	(160,769)
Total Governmental Activities	\$ 26,774,505	\$ 349,117	\$ 4,329,417	\$ (22,095,971)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 3,704,875
Local Option Sales Taxes				1,517,396
Wheel Tax				274,217
Other Local Taxes				43,865
Grants and Contributions Not Restricted to Specific Programs				16,768,609
Miscellaneous				51,516
Total General Revenues				\$ 22,360,478
Change in Net Assets				\$ 264,507
Net Assets, July 1, 2008				13,513,409
Net Assets, June 30, 2009				\$ 13,777,916

Exhibit J-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 3,034,856	\$ 422,834	\$ 3,457,690
Accounts Receivable	63,034	0	63,034
Due from Other Governments	393,868	25,000	418,868
Due from Primary Government	0	54,477	54,477
Property Taxes Receivable	3,625,594	0	3,625,594
Allowance for Uncollectible Property Taxes	(136,123)	0	(136,123)
Total Assets	<u>\$ 6,981,229</u>	<u>\$ 502,311</u>	<u>\$ 7,483,540</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 27,333	\$ 0	\$ 27,333
Payroll Deductions Payable	502,109	43,026	545,135
Deferred Revenue - Current Property Taxes	3,202,664	0	3,202,664
Deferred Revenue - Delinquent Property Taxes	280,331	0	280,331
Other Deferred Revenues	141,067	0	141,067
Total Liabilities	<u>\$ 4,153,504</u>	<u>\$ 43,026</u>	<u>\$ 4,196,530</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 303,978	\$ 50,684	\$ 354,662
Reserved for Career Ladder Program	11,974	0	11,974
Reserved for Title I Grants to Local Education Agencies	0	13,820	13,820
Other Federal Reserves	0	15,965	15,965
Unreserved, Reported In:			
General Fund	2,511,773	0	2,511,773
Special Revenue Funds	0	378,816	378,816
Total Fund Balances	<u>\$ 2,827,725</u>	<u>\$ 459,285</u>	<u>\$ 3,287,010</u>
Total Liabilities and Fund Balances	<u>\$ 6,981,229</u>	<u>\$ 502,311</u>	<u>\$ 7,483,540</u>

Exhibit J-3

Haywood County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
Discretely Presented Haywood 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)		\$ 3,287,010
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 170,993	
Add: buildings and improvements net of accumulated depreciation	8,144,901	
Add: other capital assets net of accumulated depreciation	<u>2,045,687</u>	10,361,581
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability		(292,073)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>421,398</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 13,777,916</u></u>

Exhibit J-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 5,560,689	\$ 0	\$ 5,560,689
Licenses and Permits	1,368	0	1,368
Charges for Current Services	26,805	322,312	349,117
Other Local Revenues	203,783	1,449	205,232
State of Tennessee	17,032,020	21,506	17,053,526
Federal Government	254,773	3,421,314	3,676,087
Total Revenues	<u>\$ 23,079,438</u>	<u>\$ 3,766,581</u>	<u>\$ 26,846,019</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 13,250,746	\$ 1,621,594	\$ 14,872,340
Support Services	8,486,867	216,730	8,703,597
Operation of Non-Instructional Services	591,901	1,887,463	2,479,364
Capital Outlay	398,201	0	398,201
Capital Projects	0	460,555	460,555
Total Expenditures	<u>\$ 22,727,715</u>	<u>\$ 4,186,342</u>	<u>\$ 26,914,057</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 351,723</u>	<u>\$ (419,761)</u>	<u>\$ (68,038)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 25,509	\$ 0	\$ 25,509
Transfers In	103,909	0	103,909
Transfers Out	0	(103,909)	(103,909)
Total Other Financing Sources (Uses)	<u>\$ 129,418</u>	<u>\$ (103,909)</u>	<u>\$ 25,509</u>
Net Change in Fund Balances	\$ 481,141	\$ (523,670)	\$ (42,529)
Fund Balance, July 1, 2008	<u>2,346,584</u>	<u>982,955</u>	<u>3,329,539</u>
Fund Balance, June 30, 2009	<u>\$ 2,827,725</u>	<u>\$ 459,285</u>	<u>\$ 3,287,010</u>

Exhibit J-5

Haywood County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Haywood 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)		\$	(42,529)
(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	\$	1,277,391	
Less: current year depreciation expense		<u>(860,226)</u>	417,165
(2) The net effect of various miscellaneous transactions involving capital assets (donations and disposals) is itemized as follows:			
Less: assets donated to primary government			(7,177)
(3) 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	\$	421,398	
Less: deferred delinquent property taxes and other deferred June 30, 2008		<u>(374,511)</u>	46,887
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in other postemployment benefits liability			<u>(149,839)</u>
Change in net assets of governmental activities (Exhibit B)		\$	<u>264,507</u>

Exhibit J-6

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

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects		
\$ 82,801	\$ 334,815	\$ 417,616	\$ 5,218	\$ 0	\$ 422,834	
25,000	0	25,000	0	0	25,000	
0	54,477	54,477	0	0	54,477	
<u>\$ 107,801</u>	<u>\$ 389,292</u>	<u>\$ 497,093</u>	<u>\$ 5,218</u>	<u>\$ 0</u>	<u>\$ 502,311</u>	

ASSETS

Equity in Pooled Cash and Investments	
Due from Other Governments	
Due from Primary Government	
Total Assets	

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>			
Payroll Deductions Payable	\$ 32,550	\$ 10,476	\$ 43,026
Total Liabilities	\$ 32,550	\$ 10,476	\$ 43,026
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 45,466	\$ 0	\$ 45,466
Reserved for Title I Grants to Local Education Agencies	13,820	0	13,820
Other Federal Reserves	15,965	0	15,965
Unreserved	0	378,816	378,816
Total Fund Balances	\$ 75,251	\$ 378,816	\$ 454,067
Total Liabilities and Fund Balances	\$ 107,801	\$ 389,292	\$ 497,093
	<u>\$ 107,801</u>	<u>\$ 389,292</u>	<u>\$ 497,093</u>
	<u>\$ 5,218</u>	<u>\$ 0</u>	<u>\$ 502,311</u>

Exhibit J-7

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

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects		
<u>Revenues</u>						
Charges for Current Services	\$ 0	\$ 322,312	\$ 322,312	\$ 0	\$ 0	\$ 322,312
Other Local Revenues	0	1,449	1,449	0	0	1,449
State of Tennessee	0	21,506	21,506	0	0	21,506
Federal Government	1,874,954	1,546,360	3,421,314	0	0	3,421,314
Total Revenues	\$ 1,874,954	\$ 1,891,627	\$ 3,766,581	\$ 0	\$ 0	\$ 3,766,581
<u>Expenditures</u>						
Current:						
Instruction	\$ 1,621,594	\$ 0	\$ 1,621,594	\$ 0	\$ 0	\$ 1,621,594
Support Services	216,670	60	216,730	0	0	216,730
Operation of Non-Instructional Services	0	1,887,463	1,887,463	0	0	1,887,463
Capital Projects	0	0	0	460,555	0	460,555
Total Expenditures	\$ 1,838,264	\$ 1,887,523	\$ 3,725,787	\$ 460,555	\$ 0	\$ 4,186,342
Excess (Deficiency) of Revenues Over Expenditures	\$ 36,690	\$ 4,104	\$ 40,794	\$ (460,555)	\$ 0	\$ (419,761)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (103,909)	\$ 0	\$ (103,909)	\$ 0	\$ 0	\$ (103,909)
Total Other Financing Sources (Uses)	\$ (103,909)	\$ 0	\$ (103,909)	\$ 0	\$ 0	\$ (103,909)
Net Change in Fund Balances Fund Balance, July 1, 2008	\$ (67,219)	\$ 4,104	\$ (63,115)	\$ (460,555)	\$ 0	\$ (523,670)
	142,470	374,712	517,182	465,773	0	982,955
Fund Balance, June 30, 2009	\$ 75,251	\$ 378,816	\$ 454,067	\$ 5,218	\$ 0	\$ 459,285

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 5,560,689	\$ 0	0	\$ 5,560,689	\$ 5,570,502	\$ 5,570,502	\$ (9,813)
Licenses and Permits	1,368	0	0	1,368	2,000	2,000	(632)
Charges for Current Services	26,805	0	0	26,805	30,000	30,000	(3,195)
Other Local Revenues	203,783	0	0	203,783	196,187	223,237	(19,454)
State of Tennessee	17,032,020	0	0	17,032,020	16,779,821	17,012,182	19,838
Federal Government	254,773	0	0	254,773	202,493	229,444	25,329
Total Revenues	<u>\$ 23,079,438</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 23,079,438</u>	<u>\$ 22,781,003</u>	<u>\$ 23,067,365</u>	<u>\$ 12,073</u>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 10,930,336	(71,645)	24,779	\$ 10,883,470	\$ 11,369,200	\$ 11,201,594	\$ 318,124
Alternative Instruction Program	273,733	0	0	273,733	316,405	287,405	13,672
Special Education Program	1,413,163	0	0	1,413,163	1,450,066	1,450,066	36,903
Vocational Education Program	544,832	0	0	544,832	538,454	549,824	4,992
Adult Education Program	88,682	0	0	88,682	75,675	90,736	2,054
<u>Support Services</u>							
Attendance	105,041	0	564	105,605	98,418	126,418	20,813
Health Services	156,166	(137)	0	156,029	158,591	159,092	3,063
Other Student Support	660,597	(160)	0	660,437	596,339	672,261	11,824
Regular Instruction Program	704,444	0	0	704,444	744,744	718,744	14,300
Alternative Instruction Program	75,571	0	0	75,571	74,340	76,340	769
Special Education Program	165,904	0	0	165,904	166,156	169,156	3,252
Vocational Education Program	151,798	0	0	151,798	144,077	152,661	863
Adult Programs	52,980	0	300	53,280	53,828	62,218	8,938

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Other Programs	\$ 109,082	\$ 0	\$ 0	\$ 109,082	\$ 0	\$ 109,082	\$ 0
Board of Education	450,502	(202)	1,345	451,645	446,863	475,863	24,218
Director of Schools	316,577	0	0	316,577	368,656	339,656	23,079
Office of the Principal	1,495,295	(1,330)	7,361	1,501,326	1,553,096	1,556,546	55,220
Fiscal Services	276,324	0	3,039	279,363	294,542	294,542	15,179
Operation of Plant	1,529,446	0	0	1,529,446	1,513,471	1,537,471	8,025
Maintenance of Plant	569,414	(60,091)	235,849	745,172	510,103	797,123	51,951
Transportation	1,667,726	0	10,888	1,678,614	1,790,342	1,767,139	88,525
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	591,901	0	0	591,901	580,400	592,100	199
<u>Capital Outlay</u>							
Regular Capital Outlay	398,201	(13,495)	0	384,706	165,654	391,824	7,118
Total Expenditures	\$ 22,727,715	\$ (147,060)	\$ 284,125	\$ 22,864,780	\$ 23,009,420	\$ 23,577,861	\$ 713,081
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 351,723	\$ 147,060	\$ (284,125)	\$ 214,658	\$ (228,417)	\$ (510,496)	\$ 725,154
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 25,509	\$ 0	\$ 0	\$ 25,509	\$ 0	\$ 25,000	\$ 509
Transfers In	103,909	0	0	103,909	0	103,909	0
Transfers Out	0	0	(19,853)	(19,853)	0	(20,000)	147
Total Other Financing Sources (Uses)	\$ 129,418	\$ 0	\$ (19,853)	\$ 109,565	\$ 0	\$ 108,909	\$ 656
Net Change in Fund Balance	\$ 481,141	\$ 147,060	\$ (303,978)	\$ 324,223	\$ (228,417)	\$ (401,587)	\$ 725,810
Fund Balance, July 1, 2008	2,346,584	(147,060)	0	2,199,524	2,251,312	2,251,312	(51,788)
Fund Balance, June 30, 2009	\$ 2,827,725	\$ 0	\$ (303,978)	\$ 2,523,747	\$ 2,022,895	\$ 1,849,725	\$ 674,022

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,000	\$ (25,000)
Federal Government	1,874,954	0	0	1,874,954	2,148,888	2,206,063	(331,109)
Total Revenues	\$ 1,874,954	\$ 0	\$ 0	\$ 1,874,954	\$ 2,148,888	\$ 2,231,063	\$ (356,109)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,037,440	\$ (62,929)	\$ 45,466	\$ 1,019,977	\$ 1,133,523	\$ 1,238,590	\$ 218,613
Special Education Program	547,014	0	0	547,014	558,466	584,106	37,092
Vocational Education Program	37,140	0	0	37,140	37,839	37,140	0
<u>Support Services</u>							
Other Student Support	53,358	0	0	53,358	64,322	64,462	11,104
Regular Instruction Program	112,947	0	0	112,947	168,938	204,176	91,229
Special Education Program	42,082	0	0	42,082	71,367	71,367	29,285
Transportation	8,283	0	0	8,283	10,524	10,433	2,150
Total Expenditures	\$ 1,838,264	\$ (62,929)	\$ 45,466	\$ 1,820,801	\$ 2,044,979	\$ 2,210,274	\$ 389,473
Excess (Deficiency) of Revenues Over Expenditures	\$ 36,690	\$ 62,929	\$ (45,466)	\$ 54,153	\$ 103,909	\$ 20,789	\$ 33,364
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (103,909)	\$ 0	\$ 0	\$ (103,909)	\$ (103,909)	\$ (103,909)	\$ 0
Total Other Financing Sources (Uses)	\$ (103,909)	\$ 0	\$ 0	\$ (103,909)	\$ (103,909)	\$ (103,909)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (67,219)	\$ 62,929	\$ (45,466)	\$ (49,756)	\$ 0	\$ (83,120)	\$ 33,364
Fund Balance, July 1, 2008	142,470	(62,929)	0	79,541	126,537	126,537	(46,996)
Fund Balance, June 30, 2009	\$ 75,251	\$ 0	\$ (45,466)	\$ 29,785	\$ 126,537	\$ 43,417	\$ (13,632)

Exhibit J-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 322,312	\$ 476,098	\$ 476,098	\$ (153,786)
Other Local Revenues	1,449	2,600	2,600	(1,151)
State of Tennessee	21,506	22,000	22,000	(494)
Federal Government	1,546,360	1,602,353	1,602,353	(55,993)
Total Revenues	<u>\$ 1,891,627</u>	<u>\$ 2,103,051</u>	<u>\$ 2,103,051</u>	<u>\$ (211,424)</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 60	\$ 384	\$ 384	\$ 324
<u>Operation of Non-Instructional Services</u>				
Food Service	1,887,463	2,102,667	2,102,667	215,204
Total Expenditures	<u>\$ 1,887,523</u>	<u>\$ 2,103,051</u>	<u>\$ 2,103,051</u>	<u>\$ 215,528</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 4,104</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,104</u>
Net Change in Fund Balance	\$ 4,104	\$ 0	\$ 0	\$ 4,104
Fund Balance, July 1, 2008	<u>374,712</u>	<u>374,858</u>	<u>374,858</u>	<u>(146)</u>
Fund Balance, June 30, 2009	<u>\$ 378,816</u>	<u>\$ 374,858</u>	<u>\$ 374,858</u>	<u>\$ 3,958</u>

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MISCELLANEOUS SCHEDULES

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Exhibit K-1

Haywood County, Tennessee
 Schedule of Changes in Capital Leases, 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
CAPITAL LEASES PAYABLE									
<u>Payable through General Fund</u>									
Sheriff's Vehicles (6)	\$ 138,950	5.6 %	10-4-06	10-4-08	\$ 46,271	0 \$	46,271 \$	0 \$	0
Sheriff's Vehicles (4)	89,080	5.15	9-8-08	9-8-10	0	89,080	31,196	0	57,884
Total Payable through General Fund					\$ 46,271	\$ 89,080	\$ 77,467	0 \$	\$ 57,884
<u>Payable through Solid Waste/Sanitation Fund</u>									
Sanitation Truck	157,083	5.4	4-15-05	4-25-09	\$ 35,381	0 \$	35,381 \$	0 \$	0
Total Payable through Solid Waste/Sanitation Fund					\$ 35,381	0 \$	35,381 \$	0 \$	0
Total Capital Leases Payable					\$ 81,652	\$ 89,080	\$ 112,848	0 \$	\$ 57,884
CAPITAL OUTLAY NOTES PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Land	1,000,000	5	11-25-08	11-26-08	\$ 0	\$ 1,000,000	\$ 1,000,000	0 \$	0
Total Capital Outlay Notes Payable					\$ 0	\$ 1,000,000	\$ 1,000,000	0 \$	0
OTHER LOANS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Public Works/School Projects	5,000,000	Variable	5-1-05	4-15-09	\$ 3,599,431	\$ 100,569	\$ 275,000	\$ 3,425,000	\$ 0
Total Other Loans Payable					\$ 3,599,431	\$ 100,569	\$ 275,000	\$ 3,425,000	\$ 0
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Waterline (USDA Rural Development)	560,000	4.875	2-5-1998	2-5-38	\$ 500,888	0 \$	8,144 \$	0 \$	492,744
General Obligation Improvements	1,000,000	1.25 to 3.25	1-1-03	6-1-10	315,000	0	155,000	0	160,000
General Obligation 2007	5,000,000	4 to 4.05	12-20-07	6-1-28	5,000,000	0	0	0	5,000,000
General Obligation 2008	4,425,000	3.625 to 4.3	12-23-08	6-30-21	0	4,425,000	150,000	0	4,275,000
General Obligation Refunding, Series 2009	3,400,000	3 to 3.5	4-15-09	6-30-16	0	3,400,000	0	0	3,400,000
General Obligation 2009	300,000	4.5	6-30-09	6-28-24	0	300,000	0	0	300,000
Total Bonds Payable					\$ 5,815,888	\$ 8,125,000	\$ 313,144	0 \$	\$ 13,627,744

Exhibit K-2

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

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2010	\$ 28,215	\$ 2,981	\$ 31,196
2011	29,669	1,528	31,197
Total	\$ 57,884	\$ 4,509	\$ 62,393

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	\$ 642,931	\$ 535,632	\$ 1,178,563
2011	664,000	500,765	1,164,765
2012	710,119	479,508	1,189,627
2013	726,290	456,694	1,182,984
2014	742,515	433,374	1,175,889
2015	783,798	409,198	1,192,996
2016	800,141	380,130	1,180,271
2017	881,547	353,875	1,235,422
2018	933,018	315,665	1,248,683
2019	984,558	278,125	1,262,683
2020	1,011,170	237,913	1,249,083
2021	1,062,858	196,026	1,258,884
2022	439,623	151,309	590,932
2023	466,473	133,461	599,934
2024	493,369	114,564	607,933
2025	492,496	94,501	586,997
2026	493,359	74,638	567,997
2027	519,265	54,732	573,997
2028	545,216	33,532	578,748
2029	21,214	11,271	32,485
2030	22,261	10,224	32,485
2031	23,359	9,126	32,485
2032	24,511	7,973	32,484
2033	25,721	6,764	32,485
2034	26,990	5,494	32,484
2035	28,322	4,163	32,485
2036	29,720	2,765	32,485
2037	31,186	1,299	32,485
2038	1,714	83	1,797
Total	\$ 13,627,744	\$ 5,292,804	\$ 18,920,548

Exhibit K-3

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Public Library	Operations	\$ 66,547
Solid Waste/Sanitation	Solid Waste Disposal	Operations	<u>120,000</u>
Total Transfers Primary Government			<u>\$ 186,547</u>
<u>DISCRETELY PRESENTED HAYWOOD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Early intervening services	<u>\$ 103,909</u>
Total Transfers Discretely Presented Haywood County School Department			<u>\$ 103,909</u>

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u> , and County Commission	\$ 91,596 (1,2)	\$ 50,000	State Automobile Mutual Insurance Company
Chief Administrative Highway Officer	Section 8-24-102, <u>TCA</u> , and County Commission	69,953 (1)	100,000 "	"
Director of Schools:				
George Chapman (7-1-08 through 8-26-08)	State Board of Education and Haywood County Board of Education	15,214	50,000 "	"
Doris Battle (8-27-08 through 12-31-08)	State Board of Education and Haywood County Board of Education	48,198 (3)	150,000	Tennessee Risk Management Trust
Marlon King (1-1-09 through 6-30-09)	State Board of Education and Haywood County Board of Education	45,000	50,000	State Automobile Mutual Insurance Company
Trustee				
Assessor of Property	Section 8-24-102, <u>TCA</u> , and County Commission	61,711 (1)	833,000	State Automobile Mutual Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u> , and County Commission	61,711 (1)	10,000	Auto Owners Insurance Company
Circuit Court Clerk	Section 8-24-102, <u>TCA</u> , and County Commission	61,711 (1)	50,000	State Automobile Mutual Insurance Company
Clerk and Master	Section 8-24-102, <u>TCA</u> , and County Commission	59,191	50,000 "	"
Register	Section 8-24-102, <u>TCA</u> , and County Commission	61,711 (1,4)	70,000 "	"
Sheriff	Section 8-24-102, <u>TCA</u> , and County Commission	68,730 (1,5)	25,000 "	"
Employee Blanket Bonds:				
Office of County Mayor and Highway Department:				
All Employees			150,000	Local Government Property and Casualty Fund
Office of Director of Schools:				
All Employees			150,000	Tennessee Risk Management Trust

- (1) Includes a certified public administrator supplement of \$2,520.
- (2) Includes county commission chairman compensation of \$19,096.
- (3) Includes a chief executive officer training supplement of \$700.
- (4) Does not include special commissioner fees of \$2,550.
- (5) Includes a law enforcement training supplement of \$1,100.

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

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,432,368	\$ 0	\$ 0	\$ 0	\$ 0	\$ 429,176
Discount on Property Taxes	(33,609)	0	0	0	0	(4,203)
Trustee's Collections - Prior Year	155,350	0	0	0	0	19,437
Trustee's Collections - Bankruptcy	490	0	0	0	0	70
Circuit/Clerk & Master Collections - Prior Years	107,609	0	0	0	0	13,455
Interest and Penalty	27,837	0	0	0	0	3,487
Payments in-Lieu-of Taxes - T.V.A.	133,466	0	0	0	0	16,688
Payments in-Lieu-of Taxes - Local Utilities	61,102	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	430,550	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	141,317	0	0	0	0	0
Hotel/Motel Tax	47,108	0	0	0	0	0
Wheel Tax	418,178	0	0	0	0	137,109
Litigation Tax - General	218,157	0	0	0	0	0
Litigation Tax - Special Purpose	3,506	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Business Tax	87,643	0	0	0	0	0
Other County Local Option Taxes	28,069	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	24,678	0	0	0	0	0
Wholesale Beer Tax	52,657	0	0	0	0	0
Beer Privilege Tax	2,335	0	0	0	0	0
Total Local Taxes	\$ 5,338,811	\$ 0	\$ 0	\$ 0	\$ 0	\$ 615,219
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 1,603	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	1,632	0	0	0	0	0
<u>Permits</u>						
Beer Permits	1,711	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>Licenses and Permits (Cont.)</u>							
<u>Permits (Cont.)</u>							
Building Permits	\$ 16,421	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 21,367	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Officers Costs	\$ 2,185	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Drug Control Fines	2,774	0	0	4,052	0	0	0
Jail Fees	3,284	0	0	0	0	0	0
Data Entry Fee - Circuit Court	120	0	0	0	0	0	0
Courtroom Security Fee	345	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	14,550	0	95	0	0	0	0
Officers Costs	31,088	0	0	0	0	0	0
Game and Fish Fines	180	0	0	0	0	0	0
Drug Control Fines	1,458	0	0	884	0	0	0
Jail Fees	16,656	0	0	0	0	0	0
DUI Treatment Fines	4,740	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	13,913	0	0	0	0	0	0
Courtroom Security Fee	40,241	0	0	0	0	0	0
Victims Assistance Assessments	9,736	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	1,448	0	0	0	0	0	0
Officers Costs	6,868	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,045	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	1,900	0	0	0	0	0	0
Data Entry Fee - Chancery Court	1,560	0	0	0	0	0	0
Courtroom Security Fee	1,472	0	0	0	0	0	0
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	1,502	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 155,563	\$ 0	\$ 95	\$ 6,438	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other Employee Benefit Charges/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	138
Residential Waste Collection Charge	0	0	516,252	0	0	0
Patient Charges	656,348	0	0	0	0	0
Zoning Studies	360	0	0	0	0	0
Work Release Charges for Board	0	0	2,431	0	0	0
Other General Service Charges	3,900	0	0	0	0	0
<u>Fees</u>						
Recreation Fees	27,448	0	0	0	0	0
Copy Fees	4,368	0	0	0	0	0
Library Fees	0	6,161	0	0	0	0
Greenbelt Late Application Fee	200	0	0	0	0	0
Telephone Commissions	359	0	0	0	0	0
Vending Machine Collections	3,673	0	0	0	0	47
Constitutional Officers' Fees and Commissions	0	0	0	0	362,603	0
Data Processing Fee - Register	6,406	0	0	0	0	0
Data Processing Fee - Sheriff	3,063	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,200	0	0	0	0	0
Total Charges for Current Services	\$ 707,325	\$ 6,161	\$ 518,683	\$ 0	\$ 362,603	\$ 185
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 419,153	\$ 2,124	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	16,886	1,860	0	0	0	0
Sale of Materials and Supplies	90,007	0	0	0	0	75,843
Commissary Sales	13,838	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	214,642
Miscellaneous Refunds	34,500	0	0	0	0	4,306
<u>Nonrecurring Items</u>						
Sale of Equipment	7,850	0	20,000	0	0	0
Sale of Property	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>Other Local Revenues (Cont.)</u>							
<u>Other Local Revenues</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Local Revenues	\$ 582,234	\$ 3,984	\$ 20,000	\$ 0	\$ 0	\$ 0	\$ 294,791
Total Other Local Revenues							
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>							
County Clerk	\$ 8,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	120,000	0	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>							
Circuit Court Clerk	24,975	0	0	0	0	0	0
General Sessions Court Clerk	375,716	0	0	0	0	0	0
Clerk and Master	72,513	0	0	0	0	0	0
Juvenile Court Clerk	39,774	0	0	0	0	0	0
Register	66,600	0	0	0	0	0	0
Sheriff	8,722	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 716,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 9,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Reappraisal Grant	7,231	0	0	0	0	0	0
On-Behalf Contributions for OPEB	153	0	0	0	0	0	0
Other General Government Grants	1,000	0	0	0	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	9,000	0	0	0	0	0	0
Drug Control Grants	1,000	0	0	0	0	0	0
Other Public Safety Grants	900	0	0	0	0	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	92,223	0	0	0	0	0	0
Other Health and Welfare Grants	14,139	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>State of Tennessee (Cont.)</u>							
<u>Public Works Grants</u>							
Bridge Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,898	
Litter Program	0	0	36,208	0	0	0	
<u>Other State Revenues</u>							
Income Tax	25,229	0	0	0	0	0	
Beer Tax	18,701	0	0	0	0	0	
Alcoholic Beverage Tax	43,371	0	0	0	0	0	
Mixed Drink Tax	749	0	0	0	0	0	
State Revenue Sharing - T.V.A.	254,240	0	0	0	0	31,790	
Contracted Prisoner Boarding	153,090	0	0	0	0	0	
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,678,081	
Petroleum Special Tax	0	0	0	0	0	15,899	
Registrar's Salary Supplement	14,912	0	0	0	0	0	
Other State Grants	0	1,950	0	0	0	0	
Other State Revenues	0	0	0	0	0	0	
Total State of Tennessee	\$ 645,238	\$ 1,950	\$ 36,208	\$ 0	\$ 0	\$ 1,773,282	
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA - Other	\$ 98,569	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Community Development	55,500	0	0	0	0	0	
Homeland Security Grants	54,838	0	0	0	0	0	
<u>Direct Federal Revenue</u>							
Forest Service	32,296	0	0	0	0	0	
Other Direct Federal Revenue	30,250	0	0	0	0	0	
Total Federal Government	\$ 271,453	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 38,762	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Contributions	1,183,608	65,000	0	0	0	0	

(Continued)

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

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
Other Governments and Citizens Groups (Cont.)						
Other Governments (Cont.)						
Contracted Services	\$ 50,269	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Citizens Groups	10,379	2,324	0	0	0	0
Donations	\$ 1,283,018	\$ 67,324	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 9,721,309	\$ 79,419	\$ 574,986	\$ 6,438	\$ 362,603	\$ 2,683,477

(Continued)

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

	Debt Service Fund		Capital Projects Funds			Total
	General Debt Service		General Capital Projects		Other Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 153,181	\$ 0	\$ 0	\$ 0	\$ 4,014,725	
Discount on Property Taxes	(1,499)	0	0	0	(39,311)	
Trustee's Collections - Prior Year	6,959	0	0	0	181,746	
Trustee's Collections - Bankruptcy	22	0	0	0	582	
Circuit/Clerk & Master Collections - Prior Years	4,803	0	0	0	125,867	
Interest and Penalty	1,257	0	0	0	32,581	
Payments in-Lieu-of Taxes - T.V.A.	5,956	0	0	0	156,110	
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	61,102	
Payments in-Lieu-of Taxes - Other	0	0	0	0	430,550	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	47,614	0	0	0	188,931	
Hotel/Motel Tax	0	0	0	0	47,108	
Wheel Tax	0	0	0	0	555,287	
Litigation Tax - General	0	0	0	0	218,157	
Litigation Tax - Special Purpose	0	0	0	0	3,506	
Litigation Tax - Jail, Workhouse, or Courthouse	190,930	0	0	0	190,930	
Business Tax	0	0	0	0	87,643	
Other County Local Option Taxes	0	0	0	0	28,069	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	24,678	
Wholesale Beer Tax	0	0	0	0	52,657	
Beer Privilege Tax	0	0	0	0	2,335	
Total Local Taxes	\$ 409,223	\$ 0	\$ 0	\$ 0	\$ 6,363,253	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	1,603	
Cable TV Franchise	0	0	0	0	1,632	
<u>Permits</u>						
Beer Permits	0	0	0	0	1,711	

(Continued)

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

	Debt Service Fund		Capital Projects Funds			Total
	General Debt Service	0 \$	0 \$	Other Capital Projects		
				General Capital Projects	0 \$	
<u>Licenses and Permits (Cont.)</u>						
Permits (Cont.)						
Building Permits		0 \$	0 \$			16,421
Total Licenses and Permits		0 \$	0 \$			21,367
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Officers Costs		0 \$	0 \$			2,185
Drug Control Fines		0	0			6,826
Jail Fees		0	0			3,284
Data Entry Fee - Circuit Court		0	0			120
Courtroom Security Fee		0	0			345
<u>General Sessions Court</u>						
Fines		0	0			14,645
Officers Costs		0	0			31,088
Game and Fish Fines		0	0			180
Drug Control Fines		0	0			2,342
Jail Fees		0	0			16,656
DUI Treatment Fines		0	0			4,740
Data Entry Fee - General Sessions Court		0	0			13,913
Courtroom Security Fee		0	0			40,241
Victims Assistance Assessments		0	0			9,736
<u>Juvenile Court</u>						
Fines		0	0			1,448
Officers Costs		0	0			6,868
Data Entry Fee - Juvenile Court		0	0			1,045
<u>Chancery Court</u>						
Officers Costs		0	0			1,900
Data Entry Fee - Chancery Court		0	0			1,560
Courtroom Security Fee		0	0			1,472
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures		0	0			1,502
Total Fines, Forfeitures, and Penalties		0 \$	0 \$			162,096

(Continued)

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

	Debt Service Fund		Capital Projects Funds			Total
	General Debt Service	Other Capital Projects	General Capital Projects	Other Capital Projects		
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other Employee Benefit Charges/Contributions						
Residential Waste Collection Charge						138
Patient Charges						516,252
Zoning Studies						656,348
Work Release Charges for Board						360
Other General Service Charges						2,431
						3,900
<u>Fees</u>						
Recreation Fees						27,448
Copy Fees						4,368
Library Fees						6,161
Greenbelt Late Application Fee						200
Telephone Commissions						359
Vending Machine Collections						3,720
Constitutional Officers' Fees and Commissions						362,603
Data Processing Fee - Register						6,406
Data Processing Fee - Sheriff						3,063
Sexual Offender Registration Fees - Sheriff						1,200
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,594,957
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income						467,623
Lease/Rentals						48,316
Sale of Materials and Supplies						167,350
Commissary Sales						13,838
Sale of Gasoline						214,642
Miscellaneous Refunds						43,276
<u>Nonrecurring Items</u>						
Sale of Equipment						27,850
Sale of Property						24,000

(Continued)

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

	Debt Service Fund		Capital Projects Funds		Total
	General Debt Service		General Capital Projects	Other Capital Projects	
<u>Other Local Revenues (Cont.)</u>					
Other Local Revenues	\$ 97,304	\$ 0	\$ 0	\$ 0	\$ 97,304
Total Other Local Revenues	\$ 143,650	\$ 5,970	\$ 53,570	\$ 1,104,199	
<u>Fees Received from County Officials</u>					
Excess Fees					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,000
Trustee	0	0	0	0	120,000
<u>Fees in-Lieu-of Salary</u>					
Circuit Court Clerk	0	0	0	0	24,975
General Sessions Court Clerk	0	0	0	0	375,716
Clerk and Master	0	0	0	0	72,513
Juvenile Court Clerk	0	0	0	0	39,774
Register	0	0	0	0	66,600
Sheriff	0	0	0	0	8,722
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 716,300
<u>State of Tennessee</u>					
General Government Grants					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,300
State Reappraisal Grant	0	0	0	0	7,231
On-Behalf Contributions for OPEB	0	0	0	0	153
Other General Government Grants	0	0	0	0	1,000
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	9,000
Drug Control Grants	0	0	0	0	1,000
Other Public Safety Grants	0	0	0	0	900
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	92,223
Other Health and Welfare Grants	0	0	0	0	14,139

(Continued)

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

	Debt Service Fund		Capital Projects Funds			Total
	General Debt Service	0 \$	General Capital Projects	Other Capital Projects	0 \$	
			0	0		
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
Bridge Program		0 \$	0 \$	0 \$	0 \$	19,898
Litter Program		0	0	0	0	36,208
<u>Other State Revenues</u>						
Income Tax		0	0	0	0	25,229
Beer Tax		0	0	0	0	18,701
Alcoholic Beverage Tax		0	0	0	0	43,371
Mixed Drink Tax		0	0	0	0	749
State Revenue Sharing - T.V.A.	11,346		0	0	0	297,376
Contracted Prisoner Boarding	0		0	0	0	153,090
Gasoline and Motor Fuel Tax	0		0	0	0	1,678,081
Petroleum Special Tax	0		0	0	0	15,899
Registrar's Salary Supplement	0		0	0	0	14,912
Other State Grants	0		0	0	0	1,950
Other State Revenues	0		0	0	0	27,614
Total State of Tennessee	\$ 11,346	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,468,024
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	0 \$		0 \$	0 \$	0 \$	98,569
Community Development	0		0	0	0	55,500
Homeland Security Grants	0		0	0	0	54,838
<u>Direct Federal Revenue</u>						
Forest Service	0		0	0	0	32,296
Other Direct Federal Revenue	0		0	0	0	30,250
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 271,453
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	0 \$		0 \$	0 \$	0 \$	38,762
Contributions	0		0	63,150	1,311,758	

(Continued)

Exhibit K-5

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

	Debt Service Fund		Capital Projects Funds			Total
	General	Debt Service	General	Capital Projects	Other Capital Projects	
Other Governments and Citizens Groups (Cont.)						
Other Governments (Cont.)						
Contracted Services	\$	0 \$	0 \$	0 \$	0 \$	50,269
Citizens Groups		0	0	0	0	12,703
Donations		0 \$	0 \$	63,150 \$	1,413,492	
Total Other Governments and Citizens Groups		564,219 \$	5,970 \$	116,720 \$	14,115,141	

Exhibit K-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,334,196	\$ 0	\$ 0	\$ 3,334,196
Discount on Property Taxes	(32,711)	0	0	(32,711)
Trustee's Collections - Prior Year	157,771	0	0	157,771
Trustee's Collections - Bankruptcy	456	0	0	456
Circuit/Clerk & Master Collections - Prior Years	104,732	0	0	104,732
Interest and Penalty	27,148	0	0	27,148
Payments in-Lieu-of Taxes - T.V.A.	143,140	0	0	143,140
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,507,737	0	0	1,507,737
Wheel Tax	274,217	0	0	274,217
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	3,430	0	0	3,430
Other Statutory Local Taxes	40,573	0	0	40,573
Total Local Taxes	\$ 5,560,689	\$ 0	\$ 0	\$ 5,560,689
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,368	\$ 0	\$ 0	\$ 1,368
Total Licenses and Permits	\$ 1,368	\$ 0	\$ 0	\$ 1,368
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 76,428	\$ 76,428
Lunch Payments - Adults	0	0	32,755	32,755
Income from Breakfast	0	0	5,604	5,604
A la carte Sales	0	0	65,636	65,636
Receipts from Individual Schools	26,805	0	0	26,805
<u>Other Charges for Services</u>				
Other Charges for Services	0	0	141,889	141,889
Total Charges for Current Services	\$ 26,805	\$ 0	\$ 322,312	\$ 349,117
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 1,449	\$ 1,449
Lease/Rentals	2,000	0	0	2,000
Refund of Telecommunication and Internet Fees (E-Rate)	121,278	0	0	121,278
Miscellaneous Refunds	49,460	0	0	49,460
<u>Nonrecurring Items</u>				
Damages Recovered from Individuals	56	0	0	56
Contributions and Gifts	1,250	0	0	1,250
<u>Other Local Revenues</u>				
Other Local Revenues	29,739	0	0	29,739
Total Other Local Revenues	\$ 203,783	\$ 0	\$ 1,449	\$ 205,232

(Continued)

Exhibit K-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 109,082	\$ 0	\$ 0	\$ 109,082
<u>State Education Funds</u>				
Basic Education Program	15,588,000	0	0	15,588,000
Early Childhood Education	580,400	0	0	580,400
School Food Service	0	0	21,506	21,506
Driver Education	4,364	0	0	4,364
Other State Education Funds	139,639	0	0	139,639
Career Ladder Program	167,948	0	0	167,948
Career Ladder - Extended Contract	62,600	0	0	62,600
Other Vocational	14,000	0	0	14,000
<u>Other State Revenues</u>				
Mixed Drink Tax	445	0	0	445
State Revenue Sharing - T.V.A.	247,442	0	0	247,442
Other State Grants	118,100	0	0	118,100
Total State of Tennessee	\$ 17,032,020	\$ 0	\$ 21,506	\$ 17,053,526
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,020,195	\$ 1,020,195
Breakfast	0	0	516,526	516,526
USDA - Other	0	0	9,639	9,639
Adult Education State Grant Program	137,151	0	0	137,151
Vocational Education - Basic Grants to States	0	70,839	0	70,839
Other Vocational	0	3,582	0	3,582
Title I Grants to Local Education Agencies	0	785,000	0	785,000
Innovative Education Program Strategies	0	1,536	0	1,536
Special Education - Grants to States	27,702	649,200	0	676,902
Special Education Preschool Grants	0	52,089	0	52,089
English Language Acquisition Grants	0	8,603	0	8,603
Safe and Drug-free Schools - State Grants	0	9,785	0	9,785
Rural Education	0	70,920	0	70,920
Eisenhower Professional Development State Grants	0	223,400	0	223,400
Other Federal through State	3,750	0	0	3,750
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	86,170	0	0	86,170
Total Federal Government	\$ 254,773	\$ 1,874,954	\$ 1,546,360	\$ 3,676,087
Total	\$ 23,079,438	\$ 1,874,954	\$ 1,891,627	\$ 26,846,019

Exhibit K-7

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

General Fund

General Government

County Commission

Other Salaries and Wages	\$	19,096	
Board and Committee Members Fees		26,150	
Social Security		3,760	
State Retirement		279	
Life Insurance		1,292	
Unemployment Compensation		57	
Other Fringe Benefits		15,541	
Audit Services		5,939	
Dues and Memberships		5,021	
Other Contracted Services		7,040	
Other Charges		36,085	
Land		22,590	
Total County Commission			\$ 142,850

Beer Board

Secretary to Board	\$	350	
Board and Committee Members Fees		900	
Legal Notices, Recording, and Court Costs		205	
Total Beer Board			1,455

County Mayor/Executive

County Official/Administrative Officer	\$	69,980	
Accountants/Bookkeepers		65,899	
Secretary(ies)		22,022	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		13,632	
State Retirement		22,897	
Employee and Dependent Insurance		13,220	
Life Insurance		831	
Unemployment Compensation		124	
Other Fringe Benefits		2,520	
Communication		4,971	
Data Processing Services		6,700	
Dues and Memberships		2,237	
Maintenance and Repair Services - Vehicles		126	
Postal Charges		2,920	
Travel		4,239	
Gasoline		589	
Library Books/Media		531	
Office Supplies		2,708	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Premiums on Corporate Surety Bonds	\$	128	
Workers' Compensation Insurance		630	
Motor Vehicles		21,850	
Office Equipment		355	
Total County Mayor/Executive			\$ 261,629

County Attorney

County Official/Administrative Officer	\$	5,400	
Social Security		413	
State Retirement		1,853	
Consultants		15,000	
Operating Lease Payments		1,365	
Legal Services		101,716	
Duplicating Supplies		152	
Library Books/Media		7,773	
Total County Attorney			133,672

Election Commission

County Official/Administrative Officer	\$	53,272	
Part-time Personnel		13,790	
Election Commission		4,000	
Election Workers		22,920	
Social Security		5,216	
State Retirement		6,750	
Life Insurance		203	
Unemployment Compensation		85	
Communication		3,323	
Data Processing Services		6,337	
Dues and Memberships		175	
Legal Notices, Recording, and Court Costs		2,329	
Maintenance Agreements		3,924	
Postal Charges		2,680	
Printing, Stationery, and Forms		4,886	
Travel		4,788	
Office Supplies		2,028	
Workers' Compensation Insurance		235	
Other Charges		53	
Voting Machines		1,000	
Total Election Commission			137,994

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	59,191	
Deputy(ies)		29,110	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		6,974	
State Retirement		11,321	
Employee and Dependent Insurance		4,075	
Life Insurance		415	
Unemployment Compensation		42	
Other Fringe Benefits		1,050	
Communication		1,475	
Dues and Memberships		599	
Postal Charges		226	
Printing, Stationery, and Forms		1,173	
Rentals		1,185	
Travel		151	
Office Supplies		121	
Premiums on Corporate Surety Bonds		66	
Workers' Compensation Insurance		315	
Data Processing Equipment		996	
Total Register of Deeds			\$ 121,005

Development

Supervisor/Director	\$	28,633	
Secretary(ies)		1,200	
Social Security		2,139	
State Retirement		1,605	
Employee and Dependent Insurance		3,458	
Life Insurance		153	
Unemployment Compensation		86	
Communication		726	
Contracts with Government Agencies		7,750	
Maintenance and Repair Services - Vehicles		822	
Travel		1,976	
Gasoline		1,500	
Office Supplies		1,817	
Workers' Compensation Insurance		2,721	
Other Charges		17	
Motor Vehicles		22,000	
Total Development			76,603

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Supervisor/Director	\$	23,396	
Custodial Personnel		43,066	
Other Salaries and Wages		18,374	
Social Security		7,113	
State Retirement		11,293	
Employee and Dependent Insurance		13,442	
Life Insurance		556	
Unemployment Compensation		117	
Other Fringe Benefits		9,660	
Communication		484	
Maintenance Agreements		31,142	
Maintenance and Repair Services - Vehicles		530	
Rentals		2,400	
Travel		804	
Custodial Supplies		4,670	
Duplicating Supplies		1,393	
Gasoline		94	
Utilities		56,321	
Other Supplies and Materials		32,891	
Vehicle and Equipment Insurance		826	
Workers' Compensation Insurance		4,525	
Building Improvements		60,670	
Total County Buildings			\$ 323,767

Finance

Accounting and Budgeting

Board and Committee Members Fees	\$	8,150	
Total Accounting and Budgeting			8,150

Property Assessor's Office

County Official/Administrative Officer	\$	59,191	
Deputy(ies)		115,255	
Educational Incentive - Official/Admin Officer		2,520	
Board and Committee Members Fees		592	
Social Security		13,294	
State Retirement		21,223	
Employee and Dependent Insurance		14,281	
Life Insurance		991	
Unemployment Compensation		191	
Other Fringe Benefits		2,940	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Communication	\$	3,992	
Contracts with Private Agencies		35,855	
Data Processing Services		10,345	
Dues and Memberships		1,170	
Maintenance and Repair Services - Vehicles		1,134	
Postal Charges		2,140	
Rentals		8,400	
Travel		1,744	
Duplicating Supplies		1,067	
Gasoline		2,757	
Office Supplies		1,490	
Utilities		6,723	
Premiums on Corporate Surety Bonds		106	
Vehicle and Equipment Insurance		936	
Workers' Compensation Insurance		2,517	
Data Processing Equipment		4,343	
Office Equipment		1,722	
Total Property Assessor's Office			\$ 316,919

Reappraisal Program

Other Salaries and Wages	\$	21,960	
Social Security		1,684	
State Retirement		1,217	
Unemployment Compensation		72	
Communication		37	
Data Processing Services		1,983	
Maintenance and Repair Services - Vehicles		56	
Gasoline		1,055	
Office Supplies		199	
Workers' Compensation Insurance		1,763	
Total Reappraisal Program			30,026

County Trustee's Office

Educational Incentive - Official/Admin Officer	\$	2,520	
Social Security		12,258	
State Retirement		19,442	
Employee and Dependent Insurance		21,543	
Life Insurance		881	
Unemployment Compensation		210	
Other Fringe Benefits		1,260	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Communication	\$	3,385	
Data Processing Services		5,824	
Dues and Memberships		1,407	
Maintenance Agreements		3,231	
Maintenance and Repair Services - Office Equipment		363	
Postal Charges		6,869	
Printing, Stationery, and Forms		2,208	
Office Supplies		3,452	
Premiums on Corporate Surety Bonds		1,847	
Workers' Compensation Insurance		650	
Other Charges		1,171	
Total County Trustee's Office			\$ 88,521

County Clerk's Office

Part-time Personnel	\$	900	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		13,625	
State Retirement		17,726	
Employee and Dependent Insurance		22,433	
Life Insurance		962	
Unemployment Compensation		252	
Other Fringe Benefits		2,310	
Communication		1,805	
Dues and Memberships		397	
Operating Lease Payments		1,251	
Maintenance Agreements		13,302	
Postal Charges		2,924	
Printing, Stationery, and Forms		1,676	
Office Supplies		2,463	
Premiums on Corporate Surety Bonds		128	
Workers' Compensation Insurance		652	
Other Charges		184	
Data Processing Equipment		1,500	
Office Equipment		100	
Total County Clerk's Office			87,110

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	59,191	
Deputy(ies)		262,324	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Board and Committee Members Fees	\$	250	
Jury and Witness Fees		6,811	
Social Security		24,351	
State Retirement		41,298	
Employee and Dependent Insurance		44,800	
Life Insurance		1,988	
Unemployment Compensation		462	
Other Fringe Benefits		7,350	
Communication		3,293	
Data Processing Services		9,559	
Dues and Memberships		619	
Maintenance and Repair Services - Office Equipment		81	
Postal Charges		2,867	
Printing, Stationery, and Forms		4,525	
Rentals		3,808	
Travel		453	
Office Supplies		3,345	
Premiums on Corporate Surety Bonds		128	
Workers' Compensation Insurance		1,214	
Other Charges		230	
Office Equipment		2,323	
Total Circuit Court			\$ 481,270

General Sessions Judge

Judge(s)	\$	148,524	
Secretary(ies)		27,214	
Social Security		10,737	
State Retirement		22,399	
Employee and Dependent Insurance		1,671	
Life Insurance		601	
Unemployment Compensation		42	
Other Fringe Benefits		1,050	
Communication		535	
Dues and Memberships		598	
Postal Charges		40	
Travel		460	
Library Books/Media		472	
Office Supplies		115	
Workers' Compensation Insurance		562	
Office Equipment		344	
Total General Sessions Judge			215,364

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court Clerk

Postal Charges	\$	916	
Printing, Stationery, and Forms		2,157	
Office Supplies		2,013	
Total General Sessions Court Clerk			\$ 5,086

Chancery Court

County Official/Administrative Officer	\$	59,191	
Deputy(ies)		53,765	
Temporary Personnel		1,344	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		8,779	
State Retirement		14,338	
Employee and Dependent Insurance		5,089	
Life Insurance		607	
Unemployment Compensation		134	
Other Fringe Benefits		210	
Communication		1,291	
Dues and Memberships		492	
Postal Charges		691	
Printing, Stationery, and Forms		269	
Travel		272	
Office Supplies		1,280	
Premiums on Corporate Surety Bonds		155	
Workers' Compensation Insurance		400	
Other Charges		153	
Total Chancery Court			150,980

Juvenile Court

Youth Service Officer(s)	\$	51,288	
Social Security		3,744	
State Retirement		4,852	
Employee and Dependent Insurance		5,284	
Life Insurance		323	
Unemployment Compensation		126	
Other Fringe Benefits		420	
Communication		2,731	
Dues and Memberships		795	
Legal Services		4,350	
Postal Charges		18	
Travel		20	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Office Supplies	\$	2,241	
Workers' Compensation Insurance		240	
Other Charges		205	
Total Juvenile Court			\$ 76,637

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	65,110
Supervisor/Director		38,947
Deputy(ies)		308,326
Detective(s)		38,968
Investigator(s)		40,444
Lieutenant(s)		76,140
Sergeant(s)		97,045
Salary Supplements		7,814
Guards		36,668
Secretary(ies)		47,442
Educational Incentive - Official/Admin Officer		2,520
Overtime Pay		20,506
In-Service Training		10,200
Social Security		57,496
State Retirement		90,453
Employee and Dependent Insurance		103,180
Life Insurance		4,035
Unemployment Compensation		1,213
Other Fringe Benefits		10,500
Communication		24,527
Dues and Memberships		3,019
Legal Services		5,767
Legal Notices, Recording, and Court Costs		115
Maintenance Agreements		4,668
Maintenance and Repair Services - Equipment		2,754
Maintenance and Repair Services - Office Equipment		2,445
Maintenance and Repair Services - Vehicles		39,303
Medical and Dental Services		1,340
Postal Charges		1,200
Printing, Stationery, and Forms		646
Travel		3,338
Tuition		3,019
Gasoline		76,416

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Instructional Supplies and Materials	\$	666	
Law Enforcement Supplies		8,419	
Library Books/Media		422	
Office Supplies		3,028	
Tires and Tubes		5,603	
Uniforms		9,366	
Other Supplies and Materials		961	
Premiums on Corporate Surety Bonds		486	
Vehicle and Equipment Insurance		10,972	
Workers' Compensation Insurance		21,825	
Other Charges		1,470	
Data Processing Equipment		4,856	
Law Enforcement Equipment		18,012	
Motor Vehicles		89,080	
Total Sheriff's Department			\$ 1,400,730

Jail

Assistant(s)	\$	32,965
Supervisor/Director		37,266
Deputy(ies)		371,292
Secretary(ies)		27,440
Cafeteria Personnel		66,079
Overtime Pay		2,232
Social Security		40,305
State Retirement		58,048
Employee and Dependent Insurance		79,626
Life Insurance		3,395
Unemployment Compensation		1,066
Other Fringe Benefits		12,810
Communication		6,533
Maintenance Agreements		3,437
Maintenance and Repair Services - Equipment		21,543
Maintenance and Repair Services - Office Equipment		3,783
Maintenance and Repair Services - Vehicles		2,254
Medical and Dental Services		196,834
Postal Charges		136
Printing, Stationery, and Forms		1,446
Travel		4,237
Tuition		199
Remittance of Revenue Collected		50

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Custodial Supplies	\$	12,527	
Drugs and Medical Supplies		75,465	
Food Supplies		114,392	
Gasoline		2,686	
Library Books/Media		252	
Office Supplies		2,190	
Prisoners Clothing		4,233	
Uniforms		7,426	
Utilities		74,499	
Other Supplies and Materials		2,152	
Vehicle and Equipment Insurance		826	
Workers' Compensation Insurance		14,500	
Building Improvements		9,703	
Food Service Equipment		412	
Office Equipment		770	
Total Jail			\$ 1,295,009

Workhouse

County Official/Administrative Officer	\$	38,595
Assistant(s)		21,428
Laborers		20,646
Social Security		5,773
State Retirement		9,109
Employee and Dependent Insurance		13,516
Life Insurance		463
Unemployment Compensation		160
Other Fringe Benefits		2,100
Communication		2,152
Maintenance and Repair Services - Buildings		5,000
Maintenance and Repair Services - Equipment		23,000
Pauper Burials		100
Other Contracted Services		5,000
Diesel Fuel		8,891
Fertilizer, Lime, and Seed		37,199
Gasoline		5,691
Utilities		9,115
Vehicle and Equipment Insurance		2,066
Workers' Compensation Insurance		6,576
Other Charges		296
Motor Vehicles		22,322

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Other Equipment	\$ 5,662	
Total Workhouse		\$ 244,860

Fire Prevention and Control

Other Per Diem and Fees	\$ 16,371	
Social Security	973	
State Retirement	1,613	
Life Insurance	123	
Unemployment Compensation	43	
Contracts with Government Agencies	198,338	
Maintenance and Repair Services - Equipment	8,631	
Maintenance and Repair Services - Vehicles	10,677	
Tuition	200	
Diesel Fuel	6,272	
Gasoline	1,293	
Other Supplies and Materials	23	
Vehicle and Equipment Insurance	34,807	
Workers' Compensation Insurance	3,077	
Motor Vehicles	10,773	
Total Fire Prevention and Control		293,214

Civil Defense

County Official/Administrative Officer	\$ 32,678	
Part-time Personnel	9,349	
Social Security	3,305	
Life Insurance	153	
Unemployment Compensation	80	
Other Fringe Benefits	1,050	
Contracts with Government Agencies	18,748	
Vehicle and Equipment Insurance	413	
Workers' Compensation Insurance	2,721	
Other Charges	17,274	
Motor Vehicles	38,990	
Total Civil Defense		124,761

Rescue Squad

Contributions	\$ 6,500	
Vehicle and Equipment Insurance	3,306	
Total Rescue Squad		9,806

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Medical Personnel	\$ 4,800	
Total County Coroner/Medical Examiner		\$ 4,800

Other Public Safety

Contracts with Government Agencies	\$ 185,843	
Total Other Public Safety		185,843

Public Health and Welfare

Local Health Center

Custodial Personnel	\$ 17,447	
Social Security	968	
State Retirement	1,113	
Employee and Dependent Insurance	2,700	
Life Insurance	69	
Other Fringe Benefits	840	
Communication	2,912	
Contracts with Government Agencies	17,154	
Maintenance and Repair Services - Buildings	2,944	
Postal Charges	111	
Custodial Supplies	1,802	
Drugs and Medical Supplies	2,825	
Office Supplies	2,286	
Utilities	10,273	
Workers' Compensation Insurance	69	
Communication Equipment	1,892	
Total Local Health Center		65,405

Rabies and Animal Control

Contracts with Government Agencies	\$ 75,250	
Total Rabies and Animal Control		75,250

Ambulance/Emergency Medical Services

Assistant(s)	\$ 43,290
Supervisor/Director	54,560
Medical Personnel	2,000
Paraprofessionals	229,911
Secretary(ies)	25,845
Attendants	266,286
Part-time Personnel	32,083
Overtime Pay	30,783

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Other Salaries and Wages	\$	10,230	
In-Service Training		1,125	
Social Security		51,738	
State Retirement		80,390	
Employee and Dependent Insurance		74,036	
Life Insurance		3,531	
Unemployment Compensation		1,122	
Other Fringe Benefits		11,340	
Communication		6,605	
Data Processing Services		1,713	
Dues and Memberships		240	
Laundry Service		652	
Licenses		2,132	
Maintenance Agreements		4,086	
Maintenance and Repair Services - Buildings		4,236	
Maintenance and Repair Services - Vehicles		19,744	
Postal Charges		1,016	
Travel		1,683	
Tuition		1,350	
Custodial Supplies		2,974	
Diesel Fuel		25,414	
Drugs and Medical Supplies		26,195	
Gasoline		2,887	
Office Supplies		5,658	
Uniforms		4,657	
Utilities		10,147	
Other Supplies and Materials		923	
Liability Insurance		17,614	
Refunds		3,201	
Vehicle and Equipment Insurance		6,202	
Workers' Compensation Insurance		60,342	
Motor Vehicles		24,500	
Other Equipment		12,587	
Total Ambulance/Emergency Medical Services			\$ 1,165,028

Alcohol and Drug Programs

Contributions	\$	5,000	
Total Alcohol and Drug Programs			5,000

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services

Contributions	\$	3,500	
Total Other Local Health Services			\$ 3,500

Appropriation to State

Paraprofessionals	\$	29,543	
Clerical Personnel		51,303	
Social Security		5,708	
State Retirement		9,393	
Employee and Dependent Insurance		10,620	
Life Insurance		480	
Unemployment Compensation		176	
Other Fringe Benefits		1,680	
Travel		1,851	
Workers' Compensation Insurance		604	
Total Appropriation to State			111,358

Social, Cultural, and Recreational Services

Parks and Fair Boards

County Official/Administrative Officer	\$	45,361	
Supervisor/Director		18,726	
Foremen		32,260	
Laborers		133,602	
Secretary(ies)		29,797	
Temporary Personnel		33,959	
Overtime Pay		4,053	
Social Security		21,667	
State Retirement		34,101	
Employee and Dependent Insurance		43,997	
Life Insurance		1,643	
Unemployment Compensation		568	
Other Fringe Benefits		6,510	
Communication		10,358	
Dues and Memberships		1,159	
Maintenance and Repair Services - Buildings		22,610	
Maintenance and Repair Services - Equipment		5,968	
Maintenance and Repair Services - Office Equipment		251	
Maintenance and Repair Services - Vehicles		6,686	
Pest Control		1,330	
Postal Charges		474	
Travel		3,256	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Custodial Supplies	\$	11,709	
Fertilizer, Lime, and Seed		31,394	
Gasoline		11,290	
Office Supplies		5,170	
Utilities		78,608	
Other Supplies and Materials		10,259	
Refunds		8,690	
Vehicle and Equipment Insurance		2,479	
Workers' Compensation Insurance		9,921	
Other Charges		1,846	
Building Improvements		45,634	
Heating and Air Conditioning Equipment		10,844	
Maintenance Equipment		3,759	
Motor Vehicles		13,035	
Site Development		118,217	
Total Parks and Fair Boards			\$ 821,191

Other Social, Cultural, and Recreational

Temporary Personnel	\$	10,984	
Social Security		712	
Unemployment Compensation		66	
Contracts with Government Agencies		80	
Payments to Schools - Other USDA		89,300	
Travel		640	
Other Supplies and Materials		7,395	
Other Charges		4,453	
Site Development		13,000	
Total Other Social, Cultural, and Recreational			126,630

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	127,135	
Custodial Personnel		2,017	
Part-time Personnel		11,600	
Social Security		972	
Unemployment Compensation		70	
Communication		5,791	
Licenses		985	
Travel		7,797	
Custodial Supplies		685	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Other Supplies and Materials	\$	3,039	
Data Processing Equipment		1,358	
Total Agriculture Extension Service			\$ 161,449

Forest Service

Contributions	\$	2,000	
Total Forest Service			2,000

Soil Conservation

Secretary(ies)	\$	23,084	
Other Salaries and Wages		41,388	
Social Security		4,172	
State Retirement		8,408	
Employee and Dependent Insurance		11,399	
Life Insurance		378	
Unemployment Compensation		84	
Other Fringe Benefits		1,890	
Contributions		900	
Workers' Compensation Insurance		3,640	
Total Soil Conservation			95,343

Other Operations

Industrial Development

Engineering Services	\$	93,523	
Other Contracted Services		50,000	
Other Charges		34,640	
Land		628,000	
Site Development		32,548	
Total Industrial Development			838,711

Veterans' Services

Other Salaries and Wages	\$	10,743	
Social Security		823	
Unemployment Compensation		44	
Communication		2,515	
Data Processing Services		1,489	
Postal Charges		78	
Rentals		600	
Travel		699	
Office Supplies		340	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Office Equipment	\$ 100	
Total Veterans' Services		\$ 17,431

Other Charges

Supervisor/Director	\$ 25,181	
Social Security	2,103	
State Retirement	3,723	
Employee and Dependent Insurance	4,075	
Life Insurance	135	
Unemployment Compensation	42	
Other Fringe Benefits	4,200	
Communication	429	
Maintenance Agreements	1,332	
Office Supplies	294	
Workers' Compensation Insurance	1,825	
Total Other Charges		43,339

Contributions to Other Agencies

Contributions	\$ 193,090	
Remittance of Revenue Collected	9,736	
Total Contributions to Other Agencies		202,826

Employee Benefits

On-Behalf Payments to OPEB	\$ 153	
Total Employee Benefits		153

Miscellaneous

Building and Contents Insurance	\$ 82,847	
Liability Insurance	20,621	
Trustee's Commission	103,758	
Other Charges	10,560	
Total Miscellaneous		217,786

Principal on Debt

General Government

Principal on Capital Leases	\$ 77,467	
Total General Government		77,467

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Interest on Debt

General Government

Interest on Capital Leases	\$ 2,591	
Total General Government		<u>\$ 2,591</u>

Total General Fund \$ 10,250,519

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Other Salaries and Wages	\$ 75,008	
Social Security	4,958	
Medical Insurance	350	
Local Retirement	6,020	
Audit Services	1,500	
Communication	2,728	
Contracts with Other Public Agencies	4,077	
Maintenance and Repair Services - Buildings	2,401	
Maintenance and Repair Services - Office Equipment	632	
Travel	1,153	
Library Books/Media	9,601	
Office Supplies	2,225	
Utilities	11,295	
Other Supplies and Materials	9,334	
Office Equipment	<u>8,457</u>	
Total Libraries		<u>\$ 139,739</u>

Total Public Library Fund 139,739

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Equipment Operators	\$ 97,032	
Overtime Pay	2,546	
Life Insurance	652	
Other Fringe Benefits	5,880	
Data Processing Services	18,277	
Legal Services	5,100	
Legal Notices, Recording, and Court Costs	3,752	
Maintenance and Repair Services - Equipment	123	
Postal Charges	11,657	
Printing, Stationery, and Forms	412	

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Crushed Stone	\$	1,785	
Diesel Fuel		35,385	
Equipment and Machinery Parts		23,974	
Gasoline		10,850	
Instructional Supplies and Materials		7,060	
Lubricants		2,088	
Office Supplies		649	
Tires and Tubes		10,933	
Other Supplies and Materials		2,057	
Other Charges		1,694	
Data Processing Equipment		3,731	
Maintenance Equipment		8,799	
Motor Vehicles		204,575	
Total Waste Pickup			\$ 459,011

Other Operations

Other Charges

Trustee's Commission	\$	5,300	
Vehicle and Equipment Insurance		16,661	
Workers' Compensation Insurance		8,347	
Total Other Charges			30,308

Employee Benefits

Social Security	\$	7,461	
State Retirement		13,362	
Employee and Dependent Insurance		17,924	
Unemployment Compensation		168	
Total Employee Benefits			38,915

Principal on Debt

General Government

Principal on Capital Leases	\$	35,381	
Total General Government			35,381

Interest on Debt

General Government

Interest on Capital Leases	\$	822	
Total General Government			822

Total Solid Waste/Sanitation Fund \$ 564,437

(Continued)

Exhibit K-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Trustee's Commission	\$ 42	
Total Drug Enforcement		\$ 42

Total Drug Control Fund		\$ 42
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Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 172,175	
Total County Trustee's Office		\$ 172,175

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 185,662	
Total County Clerk's Office		185,662

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 2,550	
Total Chancery Court		2,550

Total Constitutional Officers - Fees Fund		360,387
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 67,433
Accountants/Bookkeepers	59,038
Educational Incentive - Official/Admin Officer	2,520
Longevity Pay	630
Board and Committee Members Fees	13,200
Communication	4,586
Data Processing Services	6,385
Dues and Memberships	3,338
Legal Notices, Recording, and Court Costs	1,609
Maintenance and Repair Services - Office Equipment	84
Postal Charges	459
Printing, Stationery, and Forms	69
Travel	2,100
Drugs and Medical Supplies	1,193
Electricity	11,559

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Office Supplies	\$	434	
Other Charges		939	
Total Administration			\$ 175,576

Highway and Bridge Maintenance

Laborers	\$	410,617	
Asphalt		1,914	
Asphalt - Hot Mix		8,640	
Crushed Stone		110,923	
Fertilizer, Lime, and Seed		82,920	
Other Road Supplies		3,166	
Pipe		42,248	
Road Signs		2,575	
Total Highway and Bridge Maintenance			663,003

Operation and Maintenance of Equipment

Laborers	\$	140,251	
Diesel Fuel		180,394	
Equipment and Machinery Parts		83,916	
Gasoline		124,048	
Lubricants		6,560	
Tires and Tubes		32,351	
Total Operation and Maintenance of Equipment			567,520

Other Charges

Liability Insurance	\$	4,208	
Premiums on Corporate Surety Bonds		575	
Trustee's Commission		27,935	
Vehicle and Equipment Insurance		38,357	
Workers' Compensation Insurance		35,150	
Total Other Charges			106,225

Employee Benefits

Social Security	\$	49,776	
State Retirement		85,242	
Employee and Dependent Insurance		90,100	
Unemployment Compensation		504	
Other Fringe Benefits		3,910	
Total Employee Benefits			229,532

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Engineering Services	\$ 7,000	
Bridge Construction	19,898	
Highway Equipment	9,289	
Other Capital Outlay	60,000	
Total Capital Outlay		\$ 96,187

Total Highway/Public Works Fund \$ 1,838,043

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 313,144	
Principal on Notes	1,000,000	
Principal on Other Loans	275,000	
Total General Government		\$ 1,588,144

Interest on Debt

General Government

Interest on Bonds	\$ 311,627	
Interest on Other Loans	158,094	
Total General Government		469,721

Other Debt Service

General Government

Trustee's Commission	\$ 5,949	
Underwriter's Discount	24,113	
Other Debt Issuance Charges	53,062	
Total General Government		83,124

Total General Debt Service Fund 2,140,989

General Capital Projects Fund

Other Debt Service

General Government

Underwriter's Discount	\$ 44,250	
Other Debt Issuance Charges	42,950	
Total General Government		\$ 87,200

(Continued)

Exhibit K-7

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

General Capital Projects Fund (Cont.)

Capital Projects

Administration of Justice Projects

Foremen	\$	55,025	
Social Security		3,646	
Unemployment Compensation		165	
Architects		322,797	
Legal Services		60,778	
Utilities		5,245	
Other Charges		26,526	
Building Construction		1,200,484	
Motor Vehicles		16,500	
Other Equipment		46,000	
Total Administration of Justice Projects			\$ 1,737,166

Total General Capital Projects Fund \$ 1,824,366

Other Capital Projects Fund

Capital Projects

Other General Government Projects

Advertising	\$	13,605	
Engineering Services		7,500	
Other Charges		15,101	
Site Development		25,476	
Other Construction		33,744	
Total Other General Government Projects			\$ 95,426

Total Other Capital Projects Fund 95,426

Total Governmental Funds - Primary Government \$ 17,213,948

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 7,395,190	
Career Ladder Program	89,279	
Career Ladder Extended Contracts	42,495	
Educational Assistants	668,652	
Other Salaries and Wages	6,800	
Certified Substitute Teachers	31,448	
Non-certified Substitute Teachers	78,972	
Social Security	485,139	
State Retirement	559,710	
Medical Insurance	829,944	
Dental Insurance	51,321	
Unemployment Compensation	8,443	
Employer Medicare	113,983	
Maintenance and Repair Services - Equipment	2,817	
Other Contracted Services	75,481	
Instructional Supplies and Materials	187,220	
Textbooks	279,652	
Other Charges	8,046	
Regular Instruction Equipment	15,744	
Total Regular Instruction Program		\$ 10,930,336

Alternative Instruction Program

Teachers	\$ 184,421	
Career Ladder Program	2,800	
Other Salaries and Wages	27,372	
Non-certified Substitute Teachers	2,454	
Social Security	10,546	
State Retirement	13,414	
Medical Insurance	27,433	
Dental Insurance	1,230	
Unemployment Compensation	215	
Employer Medicare	2,923	
Other Contracted Services	743	
Instructional Supplies and Materials	182	
Total Alternative Instruction Program		273,733

Special Education Program

Teachers	\$ 986,608
Career Ladder Program	6,986

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Homebound Teachers	\$	20,876	
Educational Assistants		43,254	
Other Salaries and Wages		8,621	
Certified Substitute Teachers		1,908	
Non-certified Substitute Teachers		11,219	
Social Security		63,006	
State Retirement		70,475	
Medical Insurance		102,325	
Dental Insurance		6,439	
Unemployment Compensation		1,046	
Employer Medicare		14,802	
Contracts with Other School Systems		45,000	
Other Contracted Services		5,202	
Instructional Supplies and Materials		20,554	
Textbooks		1,461	
Other Supplies and Materials		3,381	
Total Special Education Program			\$ 1,413,163

Vocational Education Program

Teachers	\$	409,193	
Career Ladder Program		2,000	
Other Salaries and Wages		450	
Certified Substitute Teachers		1,235	
Non-certified Substitute Teachers		6,368	
Social Security		24,841	
State Retirement		26,255	
Medical Insurance		31,178	
Dental Insurance		2,407	
Unemployment Compensation		420	
Employer Medicare		5,865	
Maintenance and Repair Services - Equipment		2,939	
Instructional Supplies and Materials		20,416	
T&I Construction Materials		6,770	
Textbooks		1,707	
Vocational Instruction Equipment		2,788	
Total Vocational Education Program			544,832

Adult Education Program

Teachers	\$	48,645	
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(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program (Cont.)

Social Security	\$	109	
State Retirement		113	
Unemployment Compensation		141	
Employer Medicare		705	
Instructional Supplies and Materials		33,540	
Other Charges		150	
Other Equipment		<u>5,279</u>	
Total Adult Education Program			\$ 88,682

Support Services

Attendance

Supervisor/Director	\$	69,040	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		600	
Social Security		4,437	
State Retirement		4,664	
Medical Insurance		3,988	
Dental Insurance		311	
Unemployment Compensation		34	
Employer Medicare		1,038	
Travel		2,670	
Other Contracted Services		8,820	
In Service/Staff Development		1,324	
Other Charges		1,195	
Attendance Equipment		<u>3,920</u>	
Total Attendance			105,041

Health Services

Medical Personnel	\$	80,389
Social Security		4,640
State Retirement		5,161
Medical Insurance		9,010
Dental Insurance		311
Unemployment Compensation		69
Employer Medicare		1,085
Travel		3,126
Other Contracted Services		23,398
Drugs and Medical Supplies		2,708
Other Supplies and Materials		17,855

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

In Service/Staff Development	\$	5,416	
Other Charges		2,401	
Health Equipment		597	
Total Health Services			\$ 156,166

Other Student Support

Career Ladder Program	\$	4,990	
Guidance Personnel		323,923	
Assessment Personnel		25,536	
Attendants		29,799	
Other Salaries and Wages		804	
Social Security		22,000	
State Retirement		26,584	
Medical Insurance		46,391	
Dental Insurance		2,166	
Unemployment Compensation		347	
Employer Medicare		5,145	
Contracts with Government Agencies		75,713	
Evaluation and Testing		43,444	
Travel		410	
Other Contracted Services		24,050	
Other Charges		12,323	
Other Equipment		16,972	
Total Other Student Support			660,597

Regular Instruction Program

Supervisor/Director	\$	155,188
Career Ladder Program		9,560
Career Ladder Extended Contracts		200
Librarians		198,339
Instructional Computer Personnel		101,559
Other Salaries and Wages		38,489
Social Security		26,775
State Retirement		32,480
Medical Insurance		56,887
Dental Insurance		2,449
Unemployment Compensation		405
Employer Medicare		6,768
Travel		5,722

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Contracted Services	\$	2,970	
Library Books/Media		27,325	
Periodicals		3,144	
Other Supplies and Materials		679	
In Service/Staff Development		21,913	
Other Charges		485	
Other Equipment		13,107	
Total Regular Instruction Program			\$ 704,444

Alternative Instruction Program

Supervisor/Director	\$	60,506	
Career Ladder Program		1,000	
Social Security		3,784	
State Retirement		3,949	
Medical Insurance		660	
Dental Insurance		311	
Unemployment Compensation		34	
Employer Medicare		885	
Travel		776	
Other Supplies and Materials		1,074	
In Service/Staff Development		2,532	
Other Charges		60	
Total Alternative Instruction Program			75,571

Special Education Program

Supervisor/Director	\$	65,380	
Career Ladder Program		3,000	
Assessment Personnel		54,119	
Social Security		7,340	
State Retirement		7,865	
Medical Insurance		7,970	
Dental Insurance		623	
Unemployment Compensation		69	
Employer Medicare		1,716	
Travel		8,506	
Other Supplies and Materials		513	
In Service/Staff Development		8,803	
Total Special Education Program			165,904

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Supervisor/Director	\$	65,765	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		600	
Secretary(ies)		38,994	
Social Security		6,488	
State Retirement		9,394	
Medical Insurance		3,826	
Dental Insurance		311	
Unemployment Compensation		103	
Employer Medicare		1,517	
Travel		5,370	
Other Contracted Services		3,191	
Other Supplies and Materials		4,655	
In Service/Staff Development		8,584	
Total Vocational Education Program			\$ 151,798

Adult Programs

Supervisor/Director	\$	9,800	
Career Ladder Program		285	
Other Salaries and Wages		25,351	
Social Security		2,006	
State Retirement		3,859	
Medical Insurance		5,082	
Dental Insurance		92	
Unemployment Compensation		39	
Employer Medicare		469	
Travel		701	
In Service/Staff Development		3,859	
Other Charges		1,437	
Total Adult Programs			52,980

Other Programs

On-Behalf Payments to OPEB	\$	109,082	
Total Other Programs			109,082

Board of Education

Secretary to Board	\$	1,714	
Board and Committee Members Fees		8,215	
Social Security		615	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

State Retirement	\$	204	
Medical Insurance		11	
Employer Medicare		144	
Audit Services		5,250	
Dues and Memberships		8,290	
Legal Services		31,742	
Travel		8,020	
Other Contracted Services		41,400	
Liability Insurance		26,542	
Trustee's Commission		139,938	
Workers' Compensation Insurance		156,324	
Criminal Investigation of Applicants - TBI		3,120	
Refund to Applicant for Criminal Investigation		252	
Other Charges		18,721	
Total Board of Education			\$ 450,502

Director of Schools

County Official/Administrative Officer	\$	107,712	
Assistant(s)		5,818	
Career Ladder Program		700	
Clerical Personnel		76,982	
Social Security		11,633	
State Retirement		17,087	
Medical Insurance		4,503	
Dental Insurance		311	
Unemployment Compensation		206	
Employer Medicare		2,721	
Communication		19,601	
Dues and Memberships		2,141	
Postal Charges		7,829	
Travel		6,327	
Other Contracted Services		19,470	
Office Supplies		11,530	
In Service/Staff Development		2,854	
Other Charges		6,797	
Administration Equipment		12,355	
Total Director of Schools			316,577

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	402,889	
Career Ladder Program		17,001	
Accountants/Bookkeepers		36,184	
Career Ladder Extended Contracts		11,024	
Assistant Principals		441,099	
Secretary(ies)		220,513	
Social Security		64,734	
State Retirement		87,175	
Medical Insurance		115,350	
Dental Insurance		4,016	
Unemployment Compensation		968	
Employer Medicare		15,139	
Communication		46,189	
Dues and Memberships		2,950	
Travel		2,896	
Other Contracted Services		18,887	
Other Supplies and Materials		1,800	
In Service/Staff Development		1,336	
Other Charges		3,815	
Administration Equipment		1,330	
Total Office of the Principal			\$ 1,495,295

Fiscal Services

Supervisor/Director	\$	74,517	
Accountants/Bookkeepers		72,586	
Clerical Personnel		55,575	
Social Security		11,395	
State Retirement		25,679	
Medical Insurance		18,863	
Dental Insurance		259	
Unemployment Compensation		172	
Employer Medicare		2,665	
Data Processing Services		815	
Travel		876	
Other Contracted Services		6,840	
Data Processing Supplies		2,743	
Other Supplies and Materials		499	
In Service/Staff Development		86	
Administration Equipment		2,754	
Total Fiscal Services			276,324

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Other Salaries and Wages	\$	1,500	
Social Security		93	
Unemployment Compensation		7	
Employer Medicare		22	
Maintenance and Repair Services - Equipment		766	
Other Contracted Services		609,182	
Electricity		532,607	
Natural Gas		205,834	
Water and Sewer		62,840	
Boiler Insurance		6,067	
Building and Contents Insurance		110,528	
Total Operation of Plant			\$ 1,529,446

Maintenance of Plant

Supervisor/Director	\$	42,289	
Maintenance Personnel		119,228	
Social Security		9,674	
State Retirement		17,767	
Medical Insurance		11,417	
Unemployment Compensation		206	
Employer Medicare		2,262	
Laundry Service		1,905	
Maintenance and Repair Services - Buildings		184,572	
Maintenance and Repair Services - Equipment		10,301	
Other Contracted Services		77,107	
Other Supplies and Materials		55,340	
Other Charges		12,557	
Maintenance Equipment		24,789	
Total Maintenance of Plant			569,414

Transportation

Supervisor/Director	\$	38,716
Mechanic(s)		135,467
Bus Drivers		592,568
Other Salaries and Wages		2,376
Social Security		47,001
State Retirement		85,243
Medical Insurance		10,127
Dental Insurance		174

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Unemployment Compensation	\$	1,742	
Employer Medicare		10,992	
Communication		22,534	
Contracts with Parents		605	
Laundry Service		2,199	
Maintenance and Repair Services - Vehicles		63,380	
Medical and Dental Services		11,947	
Diesel Fuel		157,541	
Gasoline		39,416	
Lubricants		13,208	
Tires and Tubes		43,441	
Vehicle Parts		50,137	
Other Supplies and Materials		34,888	
Vehicle and Equipment Insurance		34,125	
In Service/Staff Development		1,773	
Other Charges		28,175	
Transportation Equipment		<u>239,951</u>	
Total Transportation	\$		1,667,726

Operation of Non-Instructional Services

Early Childhood Education

Teachers	\$	258,393	
Educational Assistants		104,531	
Certified Substitute Teachers		860	
Non-certified Substitute Teachers		1,386	
Social Security		21,071	
State Retirement		29,833	
Medical Insurance		34,485	
Dental Insurance		1,844	
Unemployment Compensation		452	
Employer Medicare		4,936	
Other Contracted Services		171	
Instructional Supplies and Materials		51,586	
In Service/Staff Development		9,472	
Other Charges		10,778	
Other Equipment		<u>62,103</u>	
Total Early Childhood Education			591,901

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Architects	\$	4,371	
Engineering Services		1,500	
Building Improvements		392,330	
Total Regular Capital Outlay			\$ 398,201

Total General Purpose School Fund \$ 22,727,715

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	536,530	
Educational Assistants		175,911	
Other Salaries and Wages		3,098	
Certified Substitute Teachers		651	
Non-certified Substitute Teachers		3,591	
Social Security		42,096	
State Retirement		55,822	
Medical Insurance		70,416	
Dental Insurance		3,606	
Unemployment Compensation		890	
Employer Medicare		9,852	
Other Contracted Services		12,564	
Instructional Supplies and Materials		15,770	
Other Supplies and Materials		5,324	
Other Charges		112	
Regular Instruction Equipment		101,207	
Total Regular Instruction Program			\$ 1,037,440

Special Education Program

Teachers	\$	3,412	
Educational Assistants		374,893	
Social Security		22,668	
State Retirement		44,881	
Medical Insurance		9,498	
Unemployment Compensation		808	
Employer Medicare		5,301	
Maintenance and Repair Services - Equipment		523	
Other Contracted Services		50,656	
Instructional Supplies and Materials		32,866	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Supplies and Materials	\$ 1,508	
Total Special Education Program		\$ 547,014

Vocational Education Program

Teachers	\$ 16,508	
Other Salaries and Wages	1,008	
Social Security	1,086	
State Retirement	1,125	
Unemployment Compensation	34	
Employer Medicare	254	
Instructional Supplies and Materials	17,125	
Total Vocational Education Program		37,140

Support Services

Other Student Support

Other Salaries and Wages	\$ 11,412	
Unemployment Compensation	34	
Employer Medicare	165	
Travel	13,581	
Other Contracted Services	11,945	
In Service/Staff Development	11,250	
Other Charges	4,971	
Total Other Student Support		53,358

Regular Instruction Program

Supervisor/Director	\$ 34,520	
Other Salaries and Wages	220	
In-Service Training	16,335	
Social Security	3,167	
State Retirement	3,268	
Unemployment Compensation	49	
Employer Medicare	741	
Other Contracted Services	4,749	
In Service/Staff Development	49,898	
Total Regular Instruction Program		112,947

Special Education Program

Psychological Personnel	\$ 248
Assessment Personnel	25,536

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

In-Service Training	\$	2,268	
Social Security		1,672	
State Retirement		1,801	
Medical Insurance		3,980	
Dental Insurance		311	
Unemployment Compensation		18	
Employer Medicare		391	
Travel		1,752	
Other Contracted Services		1,485	
Other Supplies and Materials		2,620	
Total Special Education Program			\$ 42,082

Transportation

Bus Drivers	\$	2,633	
Social Security		163	
State Retirement		292	
Unemployment Compensation		6	
Employer Medicare		38	
Contracts with Parents		5,151	
Total Transportation			\$ 8,283

Total School Federal Projects Fund \$ 1,838,264

Central Cafeteria Fund

Support Services

Board of Education

Refund to Applicant for Criminal Investigation	\$	60	
Total Board of Education			\$ 60

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	56,578
Accountants/Bookkeepers		36,259
Clerical Personnel		28,600
Cafeteria Personnel		634,034
Other Salaries and Wages		34,485
Social Security		46,747
State Retirement		90,880
Medical Insurance		27,349

(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Unemployment Compensation	\$	1,867	
Employer Medicare		10,933	
Other Fringe Benefits		21,759	
Communication		4,928	
Maintenance and Repair Services - Equipment		15,078	
Transportation - Other than Students		10,990	
Travel		7,681	
Other Contracted Services		6,705	
Food Preparation Supplies		68,993	
Food Supplies		739,001	
Office Supplies		4,878	
Uniforms		3,608	
Other Supplies and Materials		23,211	
In Service/Staff Development		2,077	
Other Charges		750	
Food Service Equipment		10,072	
Total Food Service		<u>10,072</u>	\$ <u>1,887,463</u>

Total Central Cafeteria Fund \$ 1,887,523

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Building Improvements	\$	460,555	
Total Education Capital Projects		<u>460,555</u>	\$ <u>460,555</u>

Total Education Capital Projects Fund 460,555

Total Governmental Funds - Haywood County School Department \$ 26,914,057

Exhibit K-9

Haywood 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
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 1,301,414
Total Cash Receipts	<u>\$ 1,301,414</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,288,400
Trustee's Commission	<u>13,014</u>
Total Cash Disbursements	<u>\$ 1,301,414</u>
 Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2008	<u>0</u>
 Cash Balance, June 30, 2009	<u><u>\$ 0</u></u>

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SINGLE AUDIT SECTION

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

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

February 11, 2010

Haywood County Mayor and
Board of County Commissioners
Haywood 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 Haywood County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Haywood County's basic financial statements and have issued our report thereon dated February 11, 2010. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Haywood County Emergency Communications District, which were not available from other auditors as of the date of this report. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Elma Ross Public Library, a nonmajor special revenue fund, and the Haywood County Utility District, a discretely presented component unit, as described in our report on Haywood County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Haywood 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 Haywood County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Haywood County's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 09.01, 09.02, 09.03, 09.04, 09.05, and 09.06.

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 Haywood County's internal control.

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

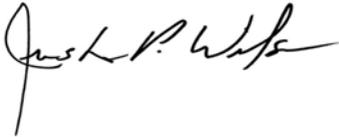
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Haywood 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We consider item 09.07 described in the accompanying Schedule of Findings and Questioned Costs to be a noteworthy control deficiency over financial operations. We also noted certain matters that we reported to management of Haywood County in separate communications.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke on the left side.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
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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

February 11, 2010

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

To the County Mayor and Board of County Commissioners:

Compliance

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

In our opinion, Haywood 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 Haywood 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 Haywood 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 Haywood 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.

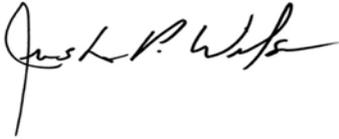
Schedule of Expenditures of Federal Awards

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 Haywood County as of and for the year ended June 30, 2009, and have issued our report thereon dated February 11, 2010. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Haywood 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 Haywood County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Yours very truly,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 146,106 (7)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	516,526
National School Lunch Program	10.555	N/A	1,020,195 (7)
Summer Food Service Program for Children	10.559	N/A	9,639
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	(3)	98,569
Total U.S. Department of Agriculture			\$ 1,791,035
U.S. Department of Commerce:			
Direct Federal Grant:			
Economic Development - Support for Planning Organizations	11.302	04-69-05960	\$ 85,750
Total U.S. Department of Commerce			\$ 85,750
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(4)	\$ 9,300
Total U.S. Department of Justice			\$ 9,300
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(5)	\$ 137,151
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	771,276
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	676,902
Special Education - Preschool Grants	84.173	N/A	52,089
Career and Technical Education - Basic Grants to States	84.048	N/A	70,839
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	9,885
State Grants for Innovative Programs	84.298	N/A	135,384
Education Technology State Grants	84.318	(2)	9,110
English Language Acquisition Grants	84.365	N/A	13,003
Improving Teacher Quality State Grants	84.367	N/A	231,387
Total U.S. Department of Education			\$ 2,107,026
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
Promoting Safe and Stable Families	93.556	(2)	\$ 139,639
Total U.S. Department of Labor			\$ 139,639
U.S. Corporation for National and Community Service:			
Passed-through State Department of Education:			
Learn and Serve America - School and Community Based Programs	94.004	09-07-1	\$ 3,750
Total U.S. Corporation for National and Community Service			\$ 3,750

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security: Passed-through State Department of Military: Homeland Security Grant Program	97.067	GG-08-24211	\$ 54,838
Total U.S. Department of Homeland Security			\$ 54,838
Total Expenditures of Federal Awards			\$ 4,191,338
<u>State Grants</u>		<u>Contract Number</u>	
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 7,231
Public Safety Grant - State Department of Transportation	N/A	Z-09-214332	900
Rural Local Health Services - State Department of Health	N/A	Z-09-213733	92,223
Delta Rural Health - Lebonheur Methodist Hospital	N/A	(2)	14,139
Certified Voting Equipment Grant	N/A	Z-09-217226	1,000
Litter Grant - State Department of Transportation	N/A	Z-08-021003	36,208
Coordinated School Health Expansion - State Department of Education	N/A	(2)	118,100
Optional Waste Tire Grant - State Department of Environment and Conservation	N/A	(6)	16,344
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	(2)	24,735
Total State Grants			\$ 310,880

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) DA0821473: \$38,434; DA0924269: \$60,135
- (4) Z-08-023305: \$300; Z-09-022862: \$9,000.
- (5) Z-08-020788-01: \$37,642; Z-09-213471-00: \$97,308; Z-09-216868-00: \$2,201
- (6) Z-08-020228: \$3,764; Z-08-212,989: \$12,580
- (7) Total for CFDA No. 10.555 is \$1,166,301.

Haywood County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2009

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Haywood County, Tennessee, for the year ended June 30, 2008, which have not been corrected.

HAYWOOD COUNTY

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.01	184	Haywood County does not have the resources to produce financial statements and notes to the financial statements

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.02	185	The Solid Waste Disposal Fund had a deficit in unrestricted net assets

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.05	186	The Highway Department did not maintain a system to account for materials used on some types of road projects

OTHER FINDING

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.08	188	A central system of accounting, budgeting, and purchasing had not been adopted

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HAYWOOD 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 Haywood County disclosed significant deficiencies in internal control. Two of these deficiencies were considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Haywood County.
4. The audit disclosed no significant deficiency in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service for Children (CFDA Nos. 10.553, 10.555, and 10.559); the Title I Grants to Local Educational Agencies (CFDA No. 84.010); and the Special Education Cluster: Special Education Grants to States and Special Education Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Haywood County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response; however, management did not provide responses for inclusion in this report.

HAYWOOD COUNTY

FINDING 09.01 **HAYWOOD COUNTY DOES NOT HAVE THE RESOURCES TO PRODUCE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS**

(Internal Control – Material Weakness Under Government Auditing Standards)

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

RECOMMENDATION

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

OFFICE OF COUNTY MAYOR

**FINDING 09.02 **THE GENERAL AND SOLID WASTE DISPOSAL FUNDS
REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER
FINANCIAL STATEMENT PRESENTATION****

(Internal Control – Material Weakness Under Government Auditing
Standards)

At June 30, 2009, certain general ledger account balances in the General and Solid Waste Disposal funds were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Haywood County to have adequate internal controls over the maintenance of its accounting records. Therefore, the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. Although it is permissible for us, as the external auditor, to assist the county in preparing its financial statements, it is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Haywood County should have appropriate processes in place to ensure that its general ledgers are materially correct.

**FINDING 09.03 **THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN
UNRESTRICTED NET ASSETS****

(Internal Control – Significant Deficiency Under Government Auditing
Standards)

The Solid Waste Disposal Fund had a deficit of \$1,515,655 in unrestricted net assets at June 30, 2009. This deficit resulted from the recognition of a liability totaling \$1,797,861 in the financial statements for future costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists because of the failure of management to correct the finding noted in prior audit reports and results in inadequate financing to fund the liability.

RECOMMENDATION

County officials should develop and implement a plan that would fund the deficit in unrestricted net assets.

FINDING 09.04 GENERAL FUND APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDS
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The budget and subsequent amendments submitted to and approved by the County Commission for the General Fund resulted in appropriations exceeding estimated available funding by \$86,457. Sound budgetary principles dictate that appropriations be held within estimated available funding. The budget deficiency resulted from a lack of management oversight.

RECOMMENDATION

Appropriations that exceed estimated available funds should not be submitted to the County Commission, and the County Commission should not approve such appropriations.

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

FINDING 09.05 THE HIGHWAY DEPARTMENT DID NOT MAINTAIN A SYSTEM TO ACCOUNT FOR MATERIALS USED ON SOME TYPES OF ROAD PROJECTS
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Highway Department had a system to determine the use of road materials, such as bridge lumber and rock, for state-aid road projects. However, the department did not have a system to account for materials used on other types of road projects. Sound business practice dictates the accountability of road materials. This deficiency exists because management failed to correct the finding noted in the prior-year audit report. The failure to maintain a system to document the use of road materials results in a loss of control over assets and increases the risk of inventory loss.

RECOMMENDATION

The Highway Department should develop and implement a system to account for materials used on all types of road projects.

OFFICE OF REGISTER

FINDING 09.06 DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICE

(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately between the official and an employee. The employee of the office was responsible for receipting, depositing, reconciling the daily business, posting the cash journal, and reconciling bank statements. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

The register should segregate duties to the extent possible using available resources.

OTHER FINDING AND RECOMMENDATION

FINDING 09.07 A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAD NOT BEEN ADOPTED

(Internal Control – Control Deficiency Under Government Auditing Standards)

County officials had not adopted a central system of accounting, budgeting, and purchasing. Sound business practice dictates that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort.

RECOMMENDATION

County officials should consider adopting the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

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

There were no findings and questioned costs for federal awards.

HAYWOOD 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.