
ANNUAL FINANCIAL REPORT JOHNSON COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2009



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ANNUAL FINANCIAL REPORT
JOHNSON 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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Audit Highlights
Annual Financial Report
Johnson County, Tennessee
For the Year Ended June 30, 2009

Scope

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

Results

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

Our audit resulted in one finding and recommendation, which we have reviewed with Johnson County management. The detailed finding and recommendation are included in the Single Audit section of this report.

Finding

The following is a summary of the audit finding:

OTHER FINDING

- ◆ Duties were not segregated adequately among officials and employees in the Offices of Clerk and Master, Register, and Sheriff.

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INTRODUCTORY SECTION

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Johnson County Officials

June 30, 2009

Officials

Dick Grayson, County Mayor
Tony Jennings, Road Superintendent
Morris Woodring, Director of Schools
Carolyn Sue Hensley, Trustee
Bowsie Stout, Assessor of Property
Tammie Fenner, County Clerk
Carolyn Hawkins, Circuit and General Sessions Courts Clerk
Linda Morefield, Clerk and Master
Patricia Hartley, Register
William Reece, Sheriff
Douglas Hammons, Purchasing Agent
Peggy Horne, Director of Accounts and Budgets

Board of County Commissioners

Fred Phipps, Chairman
Bill Adams
Glenn Arney
John Brookshire
Clifton Dunn
Lester Dunn
Roby Dunn
Robert Grindstaff

Jimmy Lowe
Emily Millsaps
Ronnie Perkins
Larry Potter
Jack Proffitt
Kenneth Sluder
Dean Stout

Road Commission

Rhonda Reece, Chairman
Clint Howard
Earl Shull

Board of Education

Howard Carlton, Chairman
Gerald Buckles
Bill Gambill

Kenneth Gregg
Ann Parsons

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FINANCIAL SECTION

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

December 30, 2009

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Johnson County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Johnson County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Johnson County Emergency Communications District, which represent three percent and 2.1 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Johnson County Emergency Communications District, is based on the report 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 report of other auditors provide a reasonable basis for our opinions.

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Tennessee, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 30, 2009, on our consideration of Johnson 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., Johnson County has adopted the provisions of Governmental Accounting Standards Board Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

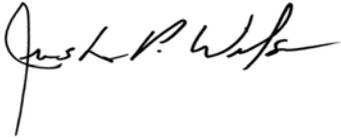
The management of Johnson County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States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

The budgetary comparison, pension, and other postemployment benefits information on pages 75 through 83 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 Johnson 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 Johnson County School Department (a discretely presented component unit), and the 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 Johnson County

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a prominent vertical line 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

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

	Primary Governmental Activities	Component Units	
		Johnson County School Department	Emergency Communica- tions District
<u>ASSETS</u>			
Cash and Equivalents	\$ 30,477	\$ 61,965	\$ 456,152
Equity in Pooled Cash and Investments	7,023,085	2,856,372	0
Investments	0	0	95,675
Accounts Receivable	52,981	0	14,341
Due from Other Governments	744,345	208,060	23,577
Property Taxes Receivable	3,105,020	3,014,583	0
Allowance for Uncollectible Property Taxes	(80,297)	(77,959)	0
Unamortized Debt Issuance Cost	182,889	0	0
Unamortized Discount on Debt	9,888	0	0
Capital Assets			
Assets Not Depreciated:			
Land	795,478	946,939	4,767
Construction in Progress	0	381,481	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	7,352,923	15,705,232	45,060
Infrastructure	1,012,369	1,042,163	0
Machinery and Equipment	0	1,222,664	159,562
Other Capital Assets	515,382	66,804	1,974
Total Assets	<u>\$ 20,744,540</u>	<u>\$ 25,428,304</u>	<u>\$ 801,108</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 49,805	\$ 35,293	\$ 0
Accrued Payroll	0	0	4,387
Payroll Deductions Payable	61,869	7,651	561
Accrued Leave - Current	0	0	2,927
Contracts Payable	18,663	0	0
Accrued Interest Payable	107,137	0	0
Due to State of Tennessee	3,213	673	0
Other Current Liabilities	29,503	56,695	0
Deferred Revenue - Current Property Taxes	2,792,441	2,711,108	0
Noncurrent Liabilities:			
Due Within One Year	777,889	56,053	0
Due in More Than One Year (net of deferred amount on refunding)	15,722,290	0	0
Total Liabilities	<u>\$ 19,562,810</u>	<u>\$ 2,867,473</u>	<u>\$ 7,875</u>

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units	
		Johnson County School Department	Emergency Communica- tions District
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 3,782,338	\$ 0	\$ 0
Invested in Capital Assets	0	19,365,283	211,363
Restricted for:			
Highways	486,837	0	0
Debt Service	4,477,646	0	0
Capital Projects	409,563	44,325	0
Drug Control	94,724	0	0
Solid Waste/Sanitation	55,189	0	0
State and Federal Financial Assistance Programs	32,043	531,145	0
Alcohol and Drug Treatment	12,198	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	17,182	0	0
Computer System - Register	15,875	0	0
Computer System - Circuit Court	17,238	0	0
Other Purposes	31,142	0	0
Unrestricted	(8,250,245)	2,620,078	581,870
Total Net Assets	\$ 1,181,730	\$ 22,560,831	\$ 793,233

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

Exhibit B

Johnson 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	Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Government Total	Johnson County School Department	Emergency Communications District
Primary Government:							
Governmental Activities:							
General Government	\$ 675,774	\$ 243,313	\$ 124,255	\$ 5,500	\$ (302,706)	\$ 0	\$ 0
Finance	726,662	377,879	8,657	0	(340,126)	0	0
Administration of Justice	589,185	335,712	11,550	0	(241,923)	0	0
Public Safety	2,661,422	984,939	44,733	32,043	(1,599,707)	0	0
Public Health and Welfare	908,132	406,178	258,123	60,750	(183,081)	0	0
Social, Cultural, and Recreational Services	252,259	0	539	91,046	(160,674)	0	0
Agriculture and Natural Resources	83,298	0	0	0	(83,298)	0	0
Other Operations	960,520	398,912	15,679	77,719	(468,210)	0	0
Highways	1,861,451	32,712	1,493,205	0	(335,534)	0	0
Education	213,287	0	0	0	(213,287)	0	0
Interest on Long-term Debt	602,390	0	319,717	0	(282,673)	0	0
Debt Service	53,558	0	0	0	(53,558)	0	0
Total Primary Government	\$ 9,587,938	\$ 2,779,645	\$ 2,276,458	\$ 267,058	\$ (4,264,777)	\$ 0	\$ 0
Component Units:							
Johnson County School Department	\$ 20,177,257	\$ 626,812	\$ 3,425,656	\$ 213,287	\$ 0	\$ (15,911,502)	\$ 0
Emergency Communications District	402,261	301,221	125,021	0	0	0	23,981
Total Component Units	\$ 20,579,518	\$ 928,033	\$ 3,550,677	\$ 213,287	\$ 0	\$ (15,911,502)	\$ 23,981

(Continued)

Exhibit B

Johnson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets				
	Program Revenues		Primary	Component Units	
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Johnson County School Department	Emergency Communications District
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes			\$ 1,976,165	\$ 2,634,903	\$ 0
Property Taxes Levied for Debt Service			737,771	0	0
Local Option Sales Taxes			296,632	737,951	0
Hotel/Motel Tax			15,025	0	0
Wheel Tax			471,481	0	0
Litigation Tax - General			72,314	0	0
Litigation Tax - Special Purpose			14,275	0	0
Litigation Tax - Jail, Workhouse, or Courthouse			14,773	0	0
Business Tax			69,783	0	0
Mineral Severance Tax			9,264	0	0
Wholesale Beer Tax			153,186	0	0
Other Local Taxes			2,379	3,791	0
Grants and Contributions Not Restricted to Specific Programs			547,642	12,606,184	0
Unrestricted Investment Income			295,346	5,909	10,372
Miscellaneous			74,164	137,231	4,617
Gain on Disposal of Capital Assets			10,137	0	950
Total General Revenues			\$ 4,760,337	\$ 16,125,969	\$ 15,939
Change in Net Assets			\$ 495,560	\$ 214,467	\$ 39,920
Net Assets, July 1, 2008			1,167,588	22,346,364	753,313
Prior-period Adjustment			(481,418)	0	0
Net Assets, June 30, 2009			\$ 1,181,730	\$ 22,560,831	\$ 793,233

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 22,583	\$ 6,920	\$ 0	\$ 974	\$ 30,477
Equity in Pooled Cash and Investments	2,155,167	257,959	4,126,565	483,394	7,023,085
Accounts Receivable	16,910	0	0	36,071	52,981
Due from Other Governments	287,351	258,599	164,080	34,315	744,345
Due from Other Funds	1,039	20,674	20,674	0	42,387
Property Taxes Receivable	1,869,041	0	844,083	391,896	3,105,020
Allowance for Uncollectible Property Taxes	(48,334)	0	(21,828)	(10,135)	(80,297)
Total Assets	\$ 4,303,757	\$ 544,152	\$ 5,133,574	\$ 936,515	\$ 10,917,998
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 15,913	\$ 10,336	\$ 0	\$ 23,556	\$ 49,805
Payroll Deductions Payable	48,565	13,304	0	0	61,869
Contracts Payable	18,663	0	0	0	18,663
Due to Other Funds	41,348	0	0	1,039	42,387
Due to State of Tennessee	1,158	2,055	0	0	3,213
Other Current Liabilities	22,583	6,920	0	0	29,503
Deferred Revenue - Current Property Taxes	1,680,887	0	759,110	352,444	2,792,441
Deferred Revenue - Delinquent Property Taxes	135,250	0	61,081	28,359	224,690
Other Deferred Revenues	51,606	127,129	91,985	0	270,720
Total Liabilities	\$ 2,015,973	\$ 159,744	\$ 912,176	\$ 405,398	\$ 3,493,291
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 529,680	\$ 75,452	\$ 0	\$ 106,808	\$ 711,940
Reserved for Alcohol and Drug Treatment	12,198	0	0	0	12,198
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	17,182	0	0	0	17,182
Reserved for Drug Court	3,901	0	0	0	3,901
Reserved for Sexual Offender Registration	4,070	0	0	0	4,070
Reserved for Courtroom Security	5,804	0	0	0	5,804
Reserved for Computer System - Register	15,875	0	0	0	15,875
Reserved for Automation Purposes - Circuit Court	17,238	0	0	0	17,238
Reserved for Automation Purposes - Sheriff	8,961	0	0	0	8,961
Reserved for Automation Purposes - County Clerk	8,406	0	0	0	8,406
Other Federal Reserves	32,043	0	0	0	32,043
Unreserved, Reported In:					
General Fund	1,632,426	0	0	0	1,632,426
Special Revenue Funds	0	308,956	0	137,705	446,661
Debt Service Funds	0	0	4,221,398	0	4,221,398
Capital Projects Funds	0	0	0	286,604	286,604
Total Fund Balances	\$ 2,287,784	\$ 384,408	\$ 4,221,398	\$ 531,117	\$ 7,424,707
Total Liabilities and Fund Balances	\$ 4,303,757	\$ 544,152	\$ 5,133,574	\$ 936,515	\$ 10,917,998

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

Exhibit C-2

Johnson 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)		\$	7,424,707
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	795,478	
Add: other capital assets net of accumulated depreciation		515,382	
Add: buildings and improvements net of accumulated depreciation		7,352,923	
Add: infrastructure net of accumulated depreciation		<u>1,012,369</u>	9,676,152
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(179,056)	
Less: other loans payable		(5,395,000)	
Less: bonds payable		(9,200,000)	
Add: deferred amount on refunding		210,319	
Add: deferred charges - discount on debt		9,888	
Add: deferred charges - debt issuance costs		182,889	
Less: compensated absences payable		(248,122)	
Less: landfill closure/postclosure care costs		(1,268,624)	
Less: other postemployment benefits liability		(419,696)	
Less: accrued interest on bonds, notes, and other loans payable		<u>(107,137)</u>	(16,414,539)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>495,410</u>
Net assets (deficit) of governmental activities (Exhibit A)		\$	<u><u>1,181,730</u></u>

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 2,548,992	\$ 9,264	\$ 893,905	\$ 336,428	\$ 3,788,589
Licenses and Permits	53,917	0	0	0	53,917
Fines, Forfeitures, and Penalties	87,157	0	0	17,443	104,600
Charges for Current Services	50,983	0	0	406,924	457,907
Other Local Revenues	812,090	10,511	0	69,047	891,648
Fees Received from County Officials	711,469	0	0	0	711,469
State of Tennessee	1,856,806	1,419,738	0	100,629	3,377,173
Federal Government	186,310	39,111	0	0	225,421
Other Governments and Citizens Groups	17,251	30,773	319,717	104,394	472,135
Total Revenues	<u>\$ 6,324,975</u>	<u>\$ 1,509,397</u>	<u>\$ 1,213,622</u>	<u>\$ 1,034,865</u>	<u>\$ 10,082,859</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 601,980	\$ 0	\$ 0	\$ 3,423	\$ 605,403
Finance	686,545	0	0	0	686,545
Administration of Justice	570,068	0	0	0	570,068
Public Safety	2,383,031	0	0	54,155	2,437,186
Public Health and Welfare	330,001	0	0	498,672	828,673
Social, Cultural, and Recreational Services	150,703	0	0	41,346	192,049
Agriculture and Natural Resources	81,286	0	0	0	81,286
Other Operations	836,262	0	0	0	836,262
Highways	49,771	1,779,003	0	0	1,828,774
Debt Service:					
Principal on Debt	0	56,347	525,000	0	581,347
Interest on Debt	0	5,549	566,576	0	572,125
Other Debt Service	0	0	53,558	0	53,558
Capital Projects	0	0	0	430,634	430,634
Total Expenditures	<u>\$ 5,689,647</u>	<u>\$ 1,840,899</u>	<u>\$ 1,145,134</u>	<u>\$ 1,028,230</u>	<u>\$ 9,703,910</u>
Excess (Deficiency) of Revenues Over Expenditures					
	<u>\$ 635,328</u>	<u>\$ (331,502)</u>	<u>\$ 68,488</u>	<u>\$ 6,635</u>	<u>\$ 378,949</u>
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 10,526	\$ 465	\$ 0	\$ 2,322	\$ 13,313
Transfers In	0	235,741	235,741	0	471,482
Transfers Out	(471,482)	0	0	0	(471,482)
Total Other Financing Sources (Uses)	<u>\$ (460,956)</u>	<u>\$ 236,206</u>	<u>\$ 235,741</u>	<u>\$ 2,322</u>	<u>\$ 13,313</u>
Net Change in Fund Balances					
Fund Balance, July 1, 2008	\$ 2,113,412	\$ (95,296)	\$ 304,229	\$ 8,957	\$ 392,262
Fund Balance, June 30, 2009	<u>\$ 2,287,784</u>	<u>\$ 384,408</u>	<u>\$ 4,221,398</u>	<u>\$ 531,117</u>	<u>\$ 7,424,707</u>

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

Exhibit C-4

Johnson 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)		\$ 392,262
<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	\$ 293,671	
Less: current year depreciation expense	<u>(511,443)</u>	(217,772)
<p>(2) 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	\$ 495,410	
Less: deferred delinquent property taxes and other deferred June 30, 2008	<u>(494,771)</u>	639
<p>(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, 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 related items:</p>		
Less: change in deferred debt issuance costs	\$ (11,381)	
Add: principal payments on bonds	410,000	
Add: principal payments on notes	86,347	
Add: principal payments on other loans	85,000	
Less: change in unamortized discount on debt	(555)	
Less: change in deferred amount on refunding debt	<u>(22,579)</u>	546,832
<p>(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.</p>		
Change in accrued interest payable	\$ 4,250	
Change in compensated absences payable	(6,164)	
Change in landfill closure/postclosure care costs	(10,434)	
Change in other postemployment benefits liability	<u>(214,053)</u>	(226,401)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 495,560</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 283,690
Accounts Receivable	685
Due from Other Governments	<u>78,230</u>
Total Assets	<u><u>\$ 362,605</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 78,230
Due to Litigants, Heirs, and Others	<u>284,375</u>
Total Liabilities	<u><u>\$ 362,605</u></u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Johnson 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 Johnson County:

A. Reporting Entity

Johnson County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Johnson 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 Johnson County School Department operates the public school system in the county, and the voters of Johnson 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 Johnson County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Johnson County, and the Johnson 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 Johnson County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Johnson County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Johnson County Emergency Communications District
999 Honeysuckle Street
Mountain City, TN 37683

Related Organization – The Johnson County Industrial Commission is a related organization of Johnson County. The county’s officials are responsible for appointing the members of the Johnson County Industrial Commission; however, the county’s accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. 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. Johnson County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

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

Johnson County reports the following major governmental funds:

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

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

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

Additionally, Johnson County reports the following fund types:

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

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 Johnson 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 Johnson County School Department reports the following major governmental fund:

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

Additionally, the Johnson 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 capital project expenditures of the School Department.

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

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Johnson County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Johnson County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized

cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. **Receivables and Payables**

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

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.45 percent of total taxes levied.

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

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

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

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

3. Capital Assets

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	7-39
Machinery and Equipment	5-15
Other Capital Assets	5-15
Infrastructure:	
Roads	9-20
Bridges	75
School Infrastructure	15

4. Compensated Absences

It is the county's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits, which will be paid to employees upon separation of service. All vacation and sick pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation and sick pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

It is the policy of the Johnson County School Department to permit noncertified employees to accumulate a limited amount of earned but

unused vacation benefits, which will be paid upon separation from service. All vacation pay is accrued when incurred in the government-wide financial statements for the School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. Also, the general policy of the School Department permits all professional personnel (teachers) to accumulate an unlimited amount of unused sick leave days. There is no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service.

5. Long-term Obligations

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

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

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

6. Net Assets and Fund Equity

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

- a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

As of June 30, 2009, Johnson County had \$8,861,825 in outstanding debt for capital purposes for the discretely presented Johnson County School Department. This debt is a liability of Johnson County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Johnson County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county’s capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2009:

<u>Fund</u>	<u>Purpose</u>	<u>Amount</u>
Discretely Presented Johnson County School Department:		
General Purpose School Fund	School Age Child Care	\$ 2,616

7. Prior-period Adjustment

Closure/postclosure care costs were restated \$481,418 in the government-wide financial statements due to a change in estimates.

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 Johnson County School Department

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

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

Primary Government

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

Discretely Presented Johnson County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the Community Development/Industrial Park, Other Capital Projects, and the School Department's Education Capital Projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

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

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Johnson County and the Johnson 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 and 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	\$ 795,478	\$ 0	\$ 0	\$ 795,478
Total Capital Assets Not Depreciated	<u>\$ 795,478</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 795,478</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 10,112,285	\$ 8,435	\$ 0	\$ 10,120,720
Other Capital Assets	2,682,878	218,232	(105,569)	2,795,541
Infrastructure	1,364,796	67,004	0	1,431,800
Total Capital Assets Depreciated	<u>\$ 14,159,959</u>	<u>\$ 293,671</u>	<u>\$ (105,569)</u>	<u>\$ 14,348,061</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,522,411	\$ 245,386	\$ 0	\$ 2,767,797
Other Capital Assets	2,207,259	178,469	(105,569)	2,280,159
Infrastructure	331,843	87,588	0	419,431
Total Accumulated Depreciation	<u>\$ 5,061,513</u>	<u>\$ 511,443</u>	<u>\$ (105,569)</u>	<u>\$ 5,467,387</u>
Total Capital Assets Depreciated, Net	<u>\$ 9,098,446</u>	<u>\$ (217,772)</u>	<u>\$ 0</u>	<u>\$ 8,880,674</u>
Governmental Activities Capital Assets, Net	<u>\$ 9,893,924</u>	<u>\$ (217,772)</u>	<u>\$ 0</u>	<u>\$ 9,676,152</u>

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

Governmental Activities:

General Government	\$ 44,368
Finance	1,402
Public Safety	176,583
Public Health and Welfare	55,243
Social, Cultural, and Recreational Services	16,274
Other Operations	35,454
Highways/Public Works	<u>182,119</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 511,443</u>

Discretely Presented Johnson County School Department

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
	<hr/>			
Capital Assets Not Depreciated:				
Land	\$ 946,939	\$ 0	\$ 0	\$ 946,939
Construction in Progress	1,819,484	381,481	(1,819,484)	381,481
Total Capital Assets Not Depreciated	<u>\$ 2,766,423</u>	<u>\$ 381,481</u>	<u>\$ (1,819,484)</u>	<u>\$ 1,328,420</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 21,381,295	\$ 1,819,484	\$ 0	\$ 23,200,779
Machinery and Equipment	2,323,309	213,288	(163,005)	2,373,592
Other Capital Assets	468,046	48,500	0	516,546
Infrastructure	2,160,277	0	0	2,160,277
Total Capital Assets Depreciated	<u>\$ 26,332,927</u>	<u>\$ 2,081,272</u>	<u>\$ (163,005)</u>	<u>\$ 28,251,194</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 6,937,265	\$ 558,282	\$ 0	\$ 7,495,547
Machinery and Equipment	1,112,372	201,561	(163,005)	1,150,928
Other Capital Assets	415,398	34,344	0	449,742
Infrastructure	976,853	141,261	0	1,118,114
Total Accumulated Depreciation	<u>\$ 9,441,888</u>	<u>\$ 935,448</u>	<u>\$ (163,005)</u>	<u>\$ 10,214,331</u>
Total Capital Assets Depreciated, Net	<u>\$ 16,891,039</u>	<u>\$ 1,145,824</u>	<u>\$ 0</u>	<u>\$ 18,036,863</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 19,657,462</u></u>	<u><u>\$ 1,527,305</u></u>	<u><u>\$ (1,819,484)</u></u>	<u><u>\$ 19,365,283</u></u>

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

Governmental Activities:

Instruction	\$ 713,216
Support Services	220,682
Operation of Non-Instructional Services	<u>1,550</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 935,448</u>

C. Construction Commitments

At June 30, 2009, Johnson County had uncompleted construction contracts of approximately \$444,163 in the General Fund for the construction of a hanger at the airport. Funding for these future expenditures is expected to be received from a federal grant.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 1,039
Highway/Public Works	General	20,674
General Debt Service	General	20,674
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	18,169

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

Interfund Transfers:

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

Primary Government

	<u>Transfers In</u>	
	Highway/ Public Works Fund	General Debt Service Fund
<u>Transfers Out</u>		
General Fund	\$ 235,741	\$ 235,741

Discretely Presented Johnson County School Department

	<u>Transfer In</u>
	General Purpose School Fund
<u>Transfer Out</u>	
Nonmajor governmental funds	\$ 18,037

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

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 23 years for bonds, up to ten years for notes, and up to 26 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and other loans included in long-term debt as of June 30, 2009, will be retired from the General Debt Service Fund. Notes included in long-term debt as of June 30, 2009, will be retired from various funds.

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

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation Bonds - Refunding	1.5 to 4.5	\$ 1,435,000	\$ 835,000
School Refunding Bonds	3 to 4.125	8,535,000	8,365,000
Capital Outlay Notes	0 to 5.25	577,000	179,056
Other Loans - Variable Rate	Variable	3,565,000	3,260,000
Other Loans - Variable Rate - Fixed by Swap	5.81	2,135,000	2,135,000

In prior years, Johnson County entered into a loan agreement with the Blount County Public Building Authority. Under this loan agreement, the authority loaned \$5,700,000 to Johnson County for jail construction. A portion of the loan is repayable at a tax-exempt synthetic fixed rate obtained through the execution of a swap agreement. The remaining portion is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with the loan. The following table summarizes loan agreements outstanding as of June 30, 2009:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-09	Interest Type	Interest Rates as of 6-30-09	Other Fees on Variable Rate Debt
Blount County PBA (Series A-5-B) - variable rate portion	\$ 3,565,000	\$ 3,260,000	Variable	2.1	% 0.533 %
Blount County PBA (Series A-5-B) - swapped portion	2,135,000	<u>2,135,000</u>	Fixed by Swap	5.81	0.533
Total		<u>\$ 5,395,000</u>			

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	\$ 435,000	\$ 357,744	\$ 792,744
2011	445,000	344,446	789,446
2012	465,000	329,431	794,431
2013	465,000	313,716	778,716
2014	480,000	297,501	777,501
2015-2019	2,740,000	1,186,236	3,926,236
2020-2024	3,345,000	595,842	3,940,842
2025-2027	825,000	39,081	864,081
Total	\$ 9,200,000	\$ 3,463,997	\$ 12,663,997

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	\$ 89,056	\$ 2,841	\$ 91,897
2011	30,000	0	30,000
2012	30,000	0	30,000
2013	30,000	0	30,000
Total	\$ 179,056	\$ 2,841	\$ 181,897

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2010	\$ 85,000	\$ 168,571	\$ 25,431	\$ 279,002
2011	90,000	166,658	25,031	281,689
2012	90,000	164,634	24,606	279,240
2013	115,000	162,609	24,182	301,791
2014-2018	660,000	771,755	112,260	1,544,015
2019-2023	835,000	690,193	95,174	1,620,367
2024-2028	3,520,000	509,821	62,200	4,092,021
Total	\$ 5,395,000	\$ 2,634,241	\$ 368,884	\$ 8,398,125

During the year, the Johnson County School Department contributed \$319,717 to the primary government's General Debt Service Fund to be applied toward the retirement of general obligation debt that was issued by the county for school capital purposes.

There is \$4,221,398 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$526, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans outstanding totaled \$844, based on the 2000 federal census.

Swap Agreement

Under its loan agreement, the Public Building Authority of Blount County, Tennessee, at the request of the county, entered into an interest rate swap agreement for outstanding Local Government Improvement Bonds, Series A-5-B.

Objective of the interest rate swap. To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an interest rate swap in connection with its \$5.7 million Series A-5-B variable-rate bonds. The intention of the swap was to effectively change the county's variable interest rate on the bonds to a synthetic fixed rate.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 3.935 percent and receives a variable payment computed as 70 percent of the one-month London Interbank Offered Rate (LIBOR). The swap has a notional amount of \$2.135 million, and the associated variable-rate bond has a \$2.135 million principal amount. The interest rate swap agreement is based on the same amortization schedule as the outstanding principal of the Series A-5-B Bonds. The bond's variable rates have historically approximated the Bond Market Association Municipal Index (BMA). The bonds and the related swap agreement mature on June 1, 2028. As of June 30, 2009, rates were as follows:

	<u>Terms</u>	<u>Rates</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	3.935 %
Variable payment from counterparty	70% of LIBOR	<u>-0.224</u>
Net interest rate swap payments		3.71 %
Variable rate bond payments		<u>2.10</u>
 Synthetic interest rate on bonds		 <u>5.81 %</u>

Fair value. As of June 30, 2009, the swap had a negative fair value of \$314,753. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable rate bond, creating lower synthetic rates. Because the rates on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2009, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap become positive, the county would be exposed to credit risk in the amount of the fair value of the swap. The swap counterparty was unrated at the time of the swap. To mitigate the potential

for credit risk, the authority, on behalf of the county, received a Financial Guarantee Insurance Policy for the swap agreement from Ambac Assurance Corporation, which was rated AAA by Standard and Poor's and Aaa by Moody's Investor Service at the time the interest rate swap agreement was entered into. As of June 30, 2009, Ambac's credit rating had been severely downgraded and was rated BBB by Standard and Poor's and Ba3 by Moody's Investor Service. Ambac has posted all collateral requirements with a third-party custodian.

Basis risk. As noted above, the swap exposes the county to basis risk if the BMA increases to above 70 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the BMA to be below 70 percent of LIBOR, then the synthetic rate on the bonds will decrease.

Termination risk. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an additional termination provision. The authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap's fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap's fair value.

Swap payments and associated debt. As of June 30, 2009, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Fiscal Year Ending June 30	Variable Rate Bonds		Net Interest	Total
	Principal	Interest	Rate Swap Payment	
2010	\$ 0	\$ 44,835	\$ 79,230	\$ 124,065
2011	0	44,835	79,230	124,065
2012	0	44,835	79,230	124,065
2013	0	44,835	79,230	124,065
2014	0	44,835	79,230	124,065
2015-2019	0	224,175	396,149	620,324
2020-2024	0	224,175	396,149	620,324
2025-2028	2,135,000	157,500	278,325	2,570,825
Total	\$ 2,135,000	\$ 830,025	\$ 1,466,773	\$ 4,431,798

Changes in Long-term Liabilities

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

Governmental Activities:	Bonds	Notes	Other Loans
Balance, July 1, 2008	\$ 9,610,000	\$ 265,403	\$ 5,480,000
Deductions	(410,000)	(86,347)	(85,000)
Balance, June 30, 2009	\$ 9,200,000	\$ 179,056	\$ 5,395,000
Balance Due Within One Year	\$ 435,000	\$ 89,056	\$ 85,000
	Compensated	Postclosure	Other
	Absences	Care Costs	Postemployment Benefits
Balance, July 1, 2008	\$ 241,958	\$ 1,258,190	\$ 205,643
Additions	106,253	29,733	227,317
Deductions	(100,089)	(19,299)	(13,264)
Balance, June 30, 2009	\$ 248,122	\$ 1,268,624	\$ 419,696
Balance Due Within One Year	\$ 102,612	\$ 66,221	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 16,710,498
Less: Balance Due Within One Year	(777,889)
Less: Deferred Amount on Refunding	(210,319)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 15,722,290

Compensated absences will be paid from the employing funds, primarily the General and Highway/Public Works funds. The landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented Johnson County School Department

Changes in Long-term Liabilities

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

Governmental Activities:	<u>Compensated Absences</u>
Balance, July 1, 2008	\$ 55,901
Additions	64,634
Deductions	<u>(64,482)</u>
Balance, June 30, 2009	<u>\$ 56,053</u>
Balance Due Within One Year	<u>\$ 56,053</u>

Compensated absences will be paid from the employing funds, primarily the General Purpose School Fund.

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

The State of Tennessee pays Medicare supplement premiums for retired teachers on-behalf of the Johnson County School Department. The plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2009, were \$7,048. 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

The county is exposed to various risks related to general liability, property, and casualty losses. During the 2006-07 year, the county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined 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.

Johnson County decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for workers' compensation coverage. The county joined the Local Government Workers' Compensation Fund (LGWCF). The county pays an annual premium to the

LGWCF for its workers' compensation coverage. The creation of the LGWCF provides for it to be self-sustaining through member premiums.

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

Discretely Presented Johnson County School Department

The School Department is exposed to various risks related to general liability, property, casualty, and workers' compensation losses. The School Department decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for these risks. The School Department joined the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays annual premiums to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of TN-RMT provides for it to be self-sustaining through member premiums.

It is the policy of the School Department to purchase commercial insurance for employees' health coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

B. Accounting Changes

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

GASB Statement No. 49 requires county governments to measure and report their pollution remediation liabilities. A county has a pollution remediation problem if one of five obligating events occurs. The statement requires governments to restate beginning net assets in government-wide and proprietary fund financial statements for pollution remediation liabilities that existed as of July 1, 2008. Previous to Statement No. 49, counties were not required to measure and record pollution remediation liabilities. GASB Statement No. 49 had no effect on the financial statements of Johnson

County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Johnson 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 Johnson County for the year ended June 30, 2009, since the county had no endowments, which had land and/or other real estate investments. However, it is reasonably expected that Johnson County could have endowment real estate investments in subsequent years.

C. Subsequent Event

On December 17, 2009, the County Commission approved the issuance of general obligation refunding bonds up to \$6,000,000 to refinance the outstanding Series A-5-B Public Building Authority of Blount County loan agreement and to terminate the interest rate swap agreement associated with that variable rate loan agreement.

D. Contingent Liabilities

There are several pending lawsuits in which the county is involved. Management has purchased insurance to provide for potential claims and judgments that may arise. Based on a letter from the county attorney, management believes that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the financial statements of the county.

E. Landfill Closure and Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its 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 operating expense in each period based on landfill capacity used as of each balance sheet date. Johnson County closed its sanitary landfill in 1997. The \$1,268,624 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 First Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the First Judicial District; Johnson, Carter, and Washington counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a Board of Directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Johnson County made no contributions to the DTF for the year ended June 30, 2009.

The Upper East Tennessee Juvenile Detention Center was formed through cooperative agreements between Johnson County and the counties of Carter, Johnson, Hawkins, Sullivan, Unicoi, and Washington for the operation of a program to divert youth from commitment to Department of Correction facilities. This program is governed by a Board of Directors designated by the counties. The Board of Directors has contracted with Universal Health Services, Inc., to undertake the management of this program. Operation costs to the counties are allocated according to percentages based on population. Johnson County's participation cost percentage is 3.7 percent. The county also pays a daily fee for each individual from the county using the facility.

Johnson County does not retain an equity interest in any of these joint ventures. Complete financial statements for the above-noted joint ventures can be obtained from their administrative offices at the following addressees:

Administrative Offices:

District Attorney General
First Judicial District
P.O. Box 38
Jonesborough, TN 37659

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

G. Jointly Governed Organizations

Primary Government

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64 of Tennessee Code Annotated (TCA), and includes the counties of Claiborne, Cocke, Grainger, Johnson, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Sullivan, Unicoi, and Washington. The purpose of the authority is to establish and operate a market for agricultural products of the region through a food distribution center. The authority is governed by a Board of Directors consisting of the county mayors/executives of each county or the county mayor's/executive's designee and one nonvoting member representing each of the following: the Tennessee Department of Agriculture and the University of Tennessee's Agriculture Extension Service. An executive committee, consisting of the chairman, vice-chairman, secretary, and treasurer of the Board of Directors, along with the center's manager as an ex-officio member, is in charge of the daily operations of the center.

Discretely Presented Johnson County School Department

The Upper East Tennessee Educational Cooperative was established through a contractual agreement between the boards of education of Johnson County and various other counties and cities in the upper East Tennessee area. The cooperative was authorized through Chapter 49 of TCA. The cooperative was established to provide the First Tennessee-Virginia Development District with educational programs and services of higher quality, greater scope, and greater accessibility. The cooperative is governed by a board of control, consisting of one board member and the directors of schools from each of the systems. The executive committee consists of the chairman and vice-chairman of the board of control and the member director of schools. Funding for the cooperative is provided through state grants and member schools' contributions.

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

H. Retirement Commitments

Employees

Plan Description

Employees of Johnson 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 Johnson 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

Johnson County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 10.76 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Johnson County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, Johnson County's annual pension cost of \$601,855 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the

July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Johnson 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 11 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	\$601,855	100%	\$0
6-30-08	585,212	100	0
6-30-07	562,456	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 83.33 percent funded. The actuarial accrued liability for benefits was \$13.93 million, and the actuarial value of assets was \$11.61 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.32 million. The covered payroll (annual payroll of active employees covered by the plan) was \$5 million, and the ratio of the UAAL to the covered payroll was 46.53 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 Johnson County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Johnson County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2009, was 6.42 percent of annual covered payroll. The employer contribution requirement for the Johnson County School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2009, 2008, and 2007, were \$536,906, \$531,825, and \$518,245, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Primary Government

Johnson County participates in the state-administered Local Government 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 8-27-207, Tennessee Code Annotated (TCA), for local governments. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants. During the year ended June 30, 2009, the county contributed \$13,264 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	<u>Local Government Group Plan</u>
ARC	\$ 227,070
Interest on the NPO	9,254
Adjustment to the ARC	(9,007)
Annual OPEB cost	<u>\$ 227,317</u>
Amount of contribution	<u>(13,264)</u>
Increase/decrease in NPO	\$ 214,053
Net OPEB obligation, 7-1-08	<u>205,643</u>
Net OPEB obligation, 6-30-09	<u><u>\$ 419,696</u></u>

Fiscal Year Ended*	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Government Group	\$ 225,000	9 %	\$ 205,643
6-30-09	"	227,317	6	419,696

*Data only available for two years.

Funding Status and Funding Progress

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

	<u>Local Government Group Plan</u>
Actuarial valuation date	7-1-07
Actuarial accrued liability (AAL)	\$ 1,623,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,623,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 3,067,596
UAAL as of % of covered payroll	53%

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 trend rate of 11 percent initially, reduced by decrements to an ultimate rate of six percent after ten years. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

Discretely Presented Johnson County School Department

As discussed in Note V.A., the School Department provides employees health coverage through commercial insurance. The Johnson County School Department provides postretirement health care benefits equal to the individual health insurance premium to all employees age 55 or older who retire with at least 30 years of service with the School Department. Benefit coverage is reduced for those retirees with less than 30 years of service based on a five-year scale, starting with at least 19 years of service. The School Department will continue to provide health insurance coverage to retirees until age 65. Currently, 35 individuals participate in the program. During the year, expenditures of \$144,299 were recognized for participants in the program. As a phase 3 county, the School Department will implement provisions of Governmental Accounting Standards Board Statement No. 45 for the year ended June 30, 2010.

J. Office of Central Accounting and Budgeting

Johnson County operates under provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting and budgeting covering funds administered by the county mayor, road superintendent, and director of schools. These funds were maintained in the Office of Central Accounting under the supervision of the director of accounts and budgets.

K. Purchasing Laws

Office of County Mayor and Road Superintendent

Purchasing procedures for the Offices of County Mayor and Road Superintendent are conducted under provisions of Section 5-14-101, et seq., Tennessee Code Annotated (TCA). Purchasing procedures for the Office of Road Superintendent are also governed by provisions of the Uniform Road Law, Section 54-7-113, TCA. These statutes provide for purchases exceeding \$5,000 for the County Mayor's Office and \$10,000 for the Office of Road Superintendent to be made on a competitive bid basis.

Office of Director of Schools

Purchasing procedures for the discretely presented Johnson 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 that competitive bids be solicited through newspaper advertisement on all purchases estimated to exceed \$10,000.

VI. OTHER NOTES – DISCRETELY PRESENTED JOHNSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

1. Introduction

The proprietary fund's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The organizations reporting entity applies to all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The organization's reporting entity does not apply FASB pronouncements or APB opinions after November 30, 1989.

2. Nature of Activities

The Johnson County Emergency Communications District 911 is an agency dedicated to providing emergency communications for enhancing "911" and selective routing services.

3. Basis of Accounting

The financial statements of the organization are reported using the accrual basis of accounting. In the accrual basis of accounting, revenues are generally recognized when earned, and expenses are recognized when incurred.

4. Financial Statement Presentation

The operations of the organization are accounted for in a proprietary fund. Proprietary funds are reported using a flow of economic resources measurement focus and the accrual basis of accounting. This is the same measurement focus and basis of accounting used by private business enterprises.

5. Budgetary Control

The budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenses are budgeted on a line-item basis. The director, along with three budget committee members, meets to discuss the budget. Budget amendments are approved by the board.

6. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with an initial maturity of three months or less, cash on hand, and all cash accounts, which are not subject to withdrawal restrictions or penalties.

7. Property and Equipment

Property and equipment are stated at cost, or in the case of contributed assets, at their fair value at the time of the gift. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. The organization's capitalization policy is to capitalize office and communication equipment costing \$1,000 or more and to capitalize any amount for vehicles, building, or land.

8. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

9. Advertising

The organization expenses advertising costs as incurred. Advertising expense for the year ended June 30, 2009, totaled \$800.

B. Property and Equipment

Property and equipment are carried at cost, or in the case of contributed assets, at their fair market value at the time of the gift. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Buildings are depreciated over 40 years; vehicles, furniture, and equipment are depreciated between three to ten years. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. Depreciation expense at June 30, 2009, totaled \$39,950.

Property and equipment are composed of the following:

	Capital Assets Not Depreciated		Capital Assets Depreciated		
	Land		Building	Furniture and Fixtures	Office Equipment
Balance, June 30, 2008	\$ 4,767	\$	70,822	\$ 5,590	\$ 9,742
Increases	0		0	0	6,611
Balance, June 30, 2009	<u>\$ 4,767</u>	<u>\$</u>	<u>70,822</u>	<u>\$ 5,590</u>	<u>\$ 16,353</u>
Accumulated Depreciation:					
Balance, June 30, 2008	\$ 0	\$	23,371	\$ 3,087	\$ 6,697
Increases	0		2,391	529	1,143
Balance, June 30, 2009	<u>\$ 0</u>	<u>\$</u>	<u>25,762</u>	<u>\$ 3,616</u>	<u>\$ 7,840</u>
Capital Assets, Net	<u>\$ 4,767</u>	<u>\$</u>	<u>45,060</u>	<u>\$ 1,974</u>	<u>\$ 8,513</u>

(Cont.)	Capital Assets Depreciated			
	Equipment	Communi- cations	Vehicles	Total
Balance, June 30, 2008	\$ 293,721	\$	32,362	\$ 417,004
Increases	0		4,604	11,215
Decreases	0		(14,600)	(14,600)
Balance, June 30, 2009	<u>\$ 293,721</u>	<u>\$</u>	<u>22,366</u>	<u>\$ 413,619</u>
Accumulated Depreciation:				
Balance, June 30, 2008	\$ 125,155	\$	18,596	\$ 176,906
Increases	31,567		4,320	39,950
Decreases	0		(14,600)	(14,600)
Balance, June 30, 2009	<u>\$ 156,722</u>	<u>\$</u>	<u>8,316</u>	<u>\$ 202,256</u>
Capital Assets, Net	<u>\$ 136,999</u>	<u>\$</u>	<u>14,050</u>	<u>\$ 211,363</u>

C. Accounts Receivable

The organization's accounts receivable at June 30, 2009, is comprised of \$14,341 from E-911 surcharges. Accounts Receivable due from the Tennessee Emergency Communications consists of \$23,577 from ECB wireless revenue.

D. Component Unit

Johnson County Emergency Communications District 911 is a component unit of Johnson County, Tennessee. Johnson County, Tennessee, is the primary government and exercises influence. Positions on the board of the Johnson County Emergency Communications District 911 are appointed by the primary government. The primary government controls the borrowing power of the Johnson County Emergency Communications District 911 and sets the rate for the E-911 surcharge income.

E. Risk Management

Significant losses are covered by commercial insurance for all major programs. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

F. Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2009, consist of the following:

	<u>2009</u>
Balance at June 30:	
Cash - Checking	\$ 354,638
Cash - Savings	<u>101,514</u>
Cash and Cash Equivalents	<u><u>\$ 456,152</u></u>

The organization maintains deposit accounts at two commercial banks in Mountain City, Tennessee. In May 2007, the board approved the adoption of the State of Tennessee's investment policy.

Various restrictions on deposits are imposed by state statutes. All deposits with financial institutions must be collateralized in an amount equal to 105 percent of the market value of uninsured deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the organization.

Custodial Credit Risk of Bank Deposits – Custodial credit risk is the risk that in the event of a bank failure, the organization's deposits may not be returned to it. The organization does not have a policy related to such risk. At June 30, 2009, the carrying amount of the organization's deposits was \$551,827, and the bank balance was \$552,550. At June 30, 2009, all deposits were fully insured.

G. Investments

Investments as of June 30, 2009, consist of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Certificates of Deposit	\$95,675	\$95,675	\$95,675

State statutes authorize the organization to invest in treasury bonds, notes, or bills of the United States; nonconvertible debt securities of the Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank, and the State Loan Marketing Association; other obligations not listed above, which are guaranteed as to principal and interest by the United States or any of its agencies; obligations of the United States or its agencies under a repurchase agreement, and money market funds whose portfolios consist of any of the foregoing investments if approved by the state director of Local Finance and made in accordance with procedures established by the State Funding Board; the State of Tennessee Local Government Investment Pool; obligations of the Public Housing Authority, and bonds of the Tennessee Valley Authority. The organization adopted the State of Tennessee's investment policy regarding authorized investments in May 2007.

H. Operating/Nonoperating Distinction

The organization distinguishes operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with the organization's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

I. ING Retirement Plan

On January 1, 2008, the organization adopted a 457(b) deferred compensation plan. The organization matches participating employee contributions in a four to one ratio. The organization's matching amount at June 30, 2009, totaled \$7,720, as reflected on the statement of revenues, expenses, and changes in net assets.

J. TCRS Retirement Plan

Plan Description

Employees of Johnson County 911 Emergency Communications District (ECD) 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 (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Johnson County 911 ECD participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Johnson County 911 ECD requires employees to contribute five percent of earnable compensation. Johnson County 911 ECD is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 6.03 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Johnson County 911 ECD is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, Johnson County 911 ECD's annual pension cost of \$9,740 to TCRS was equal to Johnson County 911 ECD's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base,

and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Johnson County 911 ECD'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 15 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	\$ 9,740	100 %	\$ 0
6-30-08	9,578	100	0
6-30-07	9,687	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 91.67 percent funded. The actuarial accrued liability for benefits was \$60 million, and the actuarial value of assets was \$55 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$5 million. The covered payroll (annual payroll of active employees covered by the plan) was \$113 million, and the ratio of the UAAL to the covered payroll was 4.42 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.

K. Leases

On November 26, 2003, the organization entered into a 15-year lease, renewable for an additional 15 years, with Johnson County, Tennessee, for a room in the Johnson County Jail facility. Annual rent of \$1 is due each December 1.

On November 18, 2004, the organization leased its property located at 158 Nine One One Avenue, Mountain City, Tennessee, to Johnson County for 15 years beginning December 1, 2004, with options to renew for annual terms. Annual rent of \$1 is due each December 1.

L. Fair Value Measurements

Effective June 30, 2009, we adopted Statement of Financial Accounting Standards Board No. 157, *Fair Value Measurements*, which provides a framework for measuring fair value under GAAP. SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair values of assets measured on a recurring basis at June 30, 2009, are as follows:

	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments - Unrestricted	<u>\$95,675</u>	<u>\$95,675</u>	<u>\$0</u>	<u>\$0</u>
Total Assets	<u>\$95,675</u>	<u>\$95,675</u>	<u>\$0</u>	<u>\$0</u>

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets using Level 3 inputs are primarily valued using management’s assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are applied using the market approach for investments. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

M. Subsequent Events

Management has evaluated subsequent events through December 14, 2009, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,548,992	\$ 0	\$ 0	\$ 2,548,992	\$ 2,576,212	\$ 2,591,804	\$ (42,812)
Licenses and Permits	53,917	0	0	53,917	32,000	42,218	11,699
Fines, Forfeitures, and Penalties	87,157	0	0	87,157	38,800	42,183	44,974
Charges for Current Services	50,983	0	0	50,983	3,000	3,000	47,983
Other Local Revenues	812,090	0	0	812,090	1,018,233	961,832	(149,742)
Fees Received from County Officials	711,469	0	0	711,469	728,000	728,000	(16,531)
State of Tennessee	1,856,806	0	0	1,856,806	1,579,430	2,168,385	(311,579)
Federal Government	186,310	0	0	186,310	40,000	40,000	146,310
Other Governments and Citizens Groups	17,251	0	0	17,251	2,000	4,500	12,751
Total Revenues	\$ 6,324,975	\$ 0	\$ 0	\$ 6,324,975	\$ 6,017,675	\$ 6,581,922	\$ (256,947)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 106,281	\$ 0	\$ 728	\$ 107,009	\$ 113,936	\$ 115,436	\$ 8,427
Board of Equalization	850	0	0	850	1,200	1,200	350
Other Boards and Committees	4,300	0	0	4,300	5,688	5,688	1,388
County Mayor/Executive	119,976	0	0	119,976	130,745	130,745	10,769
County Attorney	5,603	0	0	5,603	9,500	9,700	4,097
Election Commission	153,322	(1,213)	30	152,139	149,732	155,232	3,093
Register of Deeds	111,020	0	0	111,020	107,943	117,942	6,922
Development	9,258	0	0	9,258	9,250	9,300	42
County Buildings	91,370	(4,760)	1,105	87,715	88,498	91,370	3,655
<u>Finance</u>							
Accounting and Budgeting	173,038	0	0	173,038	170,040	173,043	5
Purchasing	46,980	(700)	1,038	47,318	48,939	48,939	1,621
Property Assessor's Office	135,063	0	0	135,063	152,339	152,340	17,277
Reappraisal Program	29,699	0	0	29,699	32,223	32,223	2,524

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Trustee's Office	\$ 108,143	\$ 0	\$ 90	\$ 108,233	\$ 110,171	\$ 110,171	\$ 1,938
County Clerk's Office	193,622	(8)	0	193,614	199,875	199,876	6,262
<u>Administration of Justice</u>							
Circuit Court	234,870	(1,196)	3,732	237,406	229,071	239,696	2,290
General Sessions Court	118,196	0	489	118,685	119,639	119,639	954
Chancery Court	125,526	0	0	125,526	133,081	133,081	7,555
Juvenile Court	91,476	(178)	599	91,897	78,188	93,688	1,791
<u>Public Safety</u>							
Sheriff's Department	1,074,233	(23,510)	9,750	1,060,473	1,087,974	1,162,133	101,660
Administration of the Sexual Offender Registry	600	0	0	600	0	600	0
Jail	1,001,357	(27,131)	43,160	1,017,386	1,114,288	1,162,265	144,879
Fire Prevention and Control	151,000	0	0	151,000	151,000	151,000	0
Civil Defense	86,959	0	978	87,937	83,803	91,378	3,441
Other Emergency Management	66,600	0	0	66,600	66,600	66,600	0
County Coroner/Medical Examiner	2,282	0	0	2,282	2,293	2,293	11
<u>Public Health and Welfare</u>							
Local Health Center	305,814	(672)	2,774	307,916	328,333	328,333	20,417
Regional Mental Health Center	10,300	0	0	10,300	10,300	10,300	0
Appropriation to State	13,843	0	0	13,843	15,051	15,051	1,208
General Welfare Assistance	44	0	0	44	1,500	1,500	1,456
Sanitation Management	0	0	0	0	71,012	0	0
<u>Social, Cultural, and Recreational Services</u>							
Social, Cultural, and Recreational Services	91,023	0	0	91,023	82,768	100,965	9,942
Senior Citizens Assistance	30,960	0	0	30,960	30,960	30,960	0
Libraries	28,720	0	0	28,720	30,875	30,875	2,155
Other Social, Cultural, and Recreational							

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	\$ 60,379	\$ 0	\$ 129	\$ 60,508	\$ 71,337	\$ 71,337	\$ 10,829
Soil Conservation	20,907	0	0	20,907	21,793	21,793	886
<u>Other Operations</u>							
Tourism	20,485	(4,696)	0	15,789	550	16,142	353
Airport	152,921	(160)	444,163	596,924	16,868	606,345	9,421
Veterans' Services	9,315	0	0	9,315	9,958	9,958	643
Other Charges	410,502	(31,233)	16,992	396,261	635,000	632,109	235,848
Contributions to Other Agencies	21,518	0	0	21,518	21,518	21,518	0
Employee Benefits	14,374	0	0	14,374	23,100	22,907	8,533
Miscellaneous	207,147	(200)	3,619	210,566	196,250	219,974	9,408
<u>Highways</u>							
Litter and Trash Collection	49,771	(1,884)	304	48,191	43,313	53,187	4,996
Total Expenditures	\$ 5,689,647	\$ (97,541)	\$ 529,680	\$ 6,121,786	\$ 6,006,502	\$ 6,768,832	\$ 647,046
Excess (Deficiency) of Revenues Over Expenditures	\$ 635,328	\$ 97,541	\$ (529,680)	\$ 203,189	\$ 11,173	\$ (186,910)	\$ 390,099
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 10,526	\$ 0	\$ 0	\$ 10,526	\$ 0	\$ 4,017	\$ 6,509
Transfers Out	(471,482)	0	0	(471,482)	(500,000)	(500,000)	28,518
Total Other Financing Sources (Uses)	\$ (460,956)	\$ 0	\$ 0	\$ (460,956)	\$ (500,000)	\$ (495,983)	\$ 35,027
Net Change in Fund Balance	\$ 174,372	\$ 97,541	\$ (529,680)	\$ (257,767)	\$ (488,827)	\$ (682,893)	\$ 425,126
Fund Balance, July 1, 2008	2,113,412	(97,541)	0	2,015,871	2,003,923	2,003,923	11,948
Fund Balance, June 30, 2009	\$ 2,287,784	\$ 0	\$ (529,680)	\$ 1,758,104	\$ 1,515,096	\$ 1,321,030	\$ 437,074

Exhibit E-2

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 9,264	\$ 0	\$ 0	\$ 9,264	\$ 0	\$ 0	\$ 9,264
Other Local Revenues	10,511	0	0	10,511	0	0	10,511
State of Tennessee	1,419,738	0	0	1,419,738	1,425,734	1,425,734	(5,996)
Federal Government	39,111	0	0	39,111	11,000	11,000	28,111
Other Governments and Citizens Groups	30,773	0	0	30,773	0	0	30,773
Total Revenues	\$ 1,509,397	\$ 0	\$ 0	\$ 1,509,397	\$ 1,436,734	\$ 1,436,734	\$ 72,663
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 141,267	(325)	325	141,267	147,416	147,416	6,149
Highway and Bridge Maintenance	968,085	(56,177)	52,210	964,118	984,726	1,129,426	165,308
Operation and Maintenance of Equipment	321,946	(24,000)	22,197	320,143	271,050	352,550	32,407
Other Charges	86,832	0	120	86,952	88,850	92,321	5,369
Employee Benefits	69,127	0	0	69,127	69,800	69,800	673
Capital Outlay	191,746	(9,530)	600	182,816	82,621	221,200	38,384
Principal on Debt							
Highways and Streets	56,347	0	0	56,347	36,358	56,348	1
Interest on Debt							
Highways and Streets	5,549	0	0	5,549	3,918	5,549	0
Total Expenditures	\$ 1,840,899	\$ (90,032)	\$ 75,452	\$ 1,826,319	\$ 1,684,739	\$ 2,074,610	\$ 248,291
Excess (Deficiency) of Revenues Over Expenditures	\$ (331,502)	\$ 90,032	\$ (75,452)	\$ (316,922)	\$ (248,005)	\$ (637,876)	\$ 320,954
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 465	\$ 0	\$ 0	\$ 465	\$ 0	\$ 0	\$ 465
Transfers In	235,741	0	0	235,741	250,000	250,000	(14,259)
Total Other Financing Sources (Uses)	\$ 236,206	\$ 0	\$ 0	\$ 236,206	\$ 250,000	\$ 250,000	\$ (13,794)
Net Change in Fund Balance	\$ (95,296)	\$ 90,032	\$ (75,452)	\$ (80,716)	\$ 1,995	\$ (387,876)	\$ 307,160
Fund Balance, July 1, 2008	479,704	(90,032)	0	389,672	367,211	392,211	(2,539)
Fund Balance, June 30, 2009	\$ 384,408	\$ 0	\$ (75,452)	\$ 308,956	\$ 369,206	\$ 4,335	\$ 304,621

Exhibit E-3

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

(Dollar amounts in thousands)

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Plan 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)
6-30-09	7-1-07	\$ 11,613	\$ 13,936	\$ 2,323	83.33 %	\$ 4,992	46.53 %
6-30-08	7-1-07	11,613	13,936	2,323	83.33	4,992	46.53

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

Exhibit E-4

Johnson County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Johnson County Emergency Communications District
June 30, 2009

(Dollar amounts in thousands)

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL)		Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
			Entry Age (b)	Entry Age (b)				
6-30-09	7-1-07	\$ 55	\$ 60	\$ 5	91.67 %	\$ 113	4.42 %	
6-30-08	7-1-07	55	60	5	91.67	113	4.42	

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

Exhibit E-5

Johnson County, Tennessee
 Schedule of Funding Progress – Other Postemployment Benefits Plan
June 30, 2009

(Dollar amounts in thousands)

Fiscal Year Ended*	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Government Group Plan	6-30-08	\$ 0	\$ 1,623	\$ 1,623	0 %	\$ 3,025	53.65 %
"	6-30-09	0	1,623	1,623	0	3,025	53.65

*Data available for only two years.

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

BUDGETARY INFORMATION

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

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

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

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

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Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Capital Projects Funds

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

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

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for community development and industrial expansion in the county.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for the accumulation of revenues for library expansion.

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Exhibit F-1

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

	Special Revenue Funds				Capital Projects Funds				Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation	Drug Control	Constiti- tional Officers - Fees	Total	General Capital Projects	Community		Other Capital Projects	
						Development/ Industrial Park			
Cash	\$ 0	\$ 0	\$ 974	\$ 974	\$ 0	\$ 0	\$ 0	\$ 0	\$ 974
Equity in Pooled Cash and Investments	55,429	94,724	0	150,153	202,303	128,530	2,408	333,241	483,394
Accounts Receivable	6,006	0	65	6,071	30,000	0	0	30,000	36,071
Due from Other Governments	0	0	0	0	0	34,315	0	34,315	34,315
Property Taxes Receivable	120,583	0	0	120,583	271,313	0	0	271,313	391,896
Allowance for Uncollectible Property Taxes	(3,119)	0	0	(3,119)	(7,016)	0	0	(7,016)	(10,135)
Total Assets	\$ 178,899	\$ 94,724	\$ 1,039	\$ 274,662	\$ 496,600	\$ 162,845	\$ 2,408	\$ 661,853	\$ 936,515

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities	\$ 15,266	\$ 0	\$ 0	\$ 15,266	\$ 0	\$ 8,290	\$ 0	\$ 8,290	\$ 23,556
Accounts Payable	0	0	1,039	1,039	0	0	0	0	1,039
Due to Other Funds	108,444	0	0	108,444	244,000	0	0	244,000	352,444
Deferred Revenue - Current Property Taxes	8,725	0	0	8,725	19,634	0	0	19,634	28,359
Deferred Revenue - Delinquent Property Taxes	\$ 132,435	\$ 0	\$ 1,039	\$ 133,474	\$ 263,634	\$ 8,290	\$ 0	\$ 271,924	\$ 405,398
Total Liabilities	\$ 1,665	\$ 1,818	\$ 0	\$ 3,483	\$ 103,325	\$ 0	\$ 0	\$ 103,325	\$ 106,808
Fund Balances	44,799	92,906	0	137,705	129,641	154,555	2,408	286,604	424,309
Reserved for Encumbrances	46,464	94,724	0	141,188	232,966	154,555	2,408	389,929	531,117
Unreserved	\$ 178,899	\$ 94,724	\$ 1,039	\$ 274,662	\$ 496,600	\$ 162,845	\$ 2,408	\$ 661,853	\$ 936,515
Total Liabilities and Fund Balances									

Exhibit F-2

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

	Special Revenue Funds				Capital Projects Funds				Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	Total	
Revenues									
Local Taxes	\$ 103,514	\$ 0	\$ 0	\$ 103,514	\$ 232,914	\$ 0	\$ 0	\$ 232,914	\$ 336,428
Fines, Forfeitures, and Penalties Charges for Current Services	0	17,443	0	17,443	0	0	0	0	17,443
Other Local Revenues	403,501	0	3,423	406,924	0	0	0	0	406,924
State of Tennessee	3,442	1,455	0	4,897	0	61,408	2,742	64,150	69,047
Other Governments and Citizens Groups	0	0	0	0	69,340	30,750	539	100,629	100,629
Total Revenues	\$ 510,657	\$ 18,898	\$ 3,423	\$ 532,978	\$ 332,254	\$ 101,208	\$ 68,425	\$ 501,887	\$ 1,034,865
Expenditures									
Current:									
General Government	\$ 0	\$ 0	\$ 3,423	\$ 3,423	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,423
Public Safety	0	54,155	0	54,155	0	0	0	0	54,155
Public Health and Welfare	498,672	0	0	498,672	0	0	0	0	498,672
Social, Cultural, and Recreational Services	0	0	0	0	0	0	41,346	41,346	41,346
Capital Projects	0	0	0	0	341,806	88,804	24	430,634	430,634
Total Expenditures	\$ 498,672	\$ 54,155	\$ 3,423	\$ 556,250	\$ 341,806	\$ 88,804	\$ 41,370	\$ 471,980	\$ 1,028,230
Excess (Deficiency) of Revenues Over Expenditures	\$ 11,985	\$ (35,257)	\$ 0	\$ (23,272)	\$ (9,552)	\$ 12,404	\$ 27,055	\$ 29,907	\$ 6,635
Other Financing Sources (Uses)									
Insurance Recovery	\$ 2,322	\$ 0	\$ 0	\$ 2,322	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,322
Total Other Financing Sources (Uses)	\$ 2,322	\$ 0	\$ 0	\$ 2,322	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,322
Net Change in Fund Balances Fund Balance, July 1, 2008	\$ 14,307	\$ (35,257)	\$ 0	\$ (20,950)	\$ (9,552)	\$ 12,404	\$ 27,055	\$ 29,907	\$ 8,957
Fund Balance, July 1, 2008	32,157	129,981	0	162,138	242,518	142,151	(24,647)	360,022	522,160
Fund Balance, June 30, 2009	\$ 46,464	\$ 94,724	\$ 0	\$ 141,188	\$ 232,966	\$ 154,555	\$ 2,408	\$ 389,929	\$ 531,117

Exhibit F-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 103,514	\$ 0	\$ 0	\$ 103,514	\$ 104,054	\$ 104,054	\$ (540)
Charges for Current Services	403,501	0	0	403,501	411,060	411,060	(7,559)
Other Local Revenues	3,442	0	0	3,442	0	0	3,442
Other Governments and Citizens Groups	200	0	0	200	0	0	200
Total Revenues	\$ 510,657	\$ 0	\$ 0	\$ 510,657	\$ 515,114	\$ 515,114	\$ (4,457)
<u>Expenditures</u>							
Public Health and Welfare							
Sanitation Management	\$ 498,672	\$ (6,655)	\$ 1,665	\$ 493,682	\$ 509,768	\$ 514,700	\$ 21,018
Total Expenditures	\$ 498,672	\$ (6,655)	\$ 1,665	\$ 493,682	\$ 509,768	\$ 514,700	\$ 21,018
Excess (Deficiency) of Revenues Over Expenditures	\$ 11,985	\$ 6,655	\$ (1,665)	\$ 16,975	\$ 5,346	\$ 414	\$ 16,561
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 2,322	\$ 0	\$ 0	\$ 2,322	\$ 0	\$ 0	\$ 2,322
Total Other Financing Sources (Uses)	\$ 2,322	\$ 0	\$ 0	\$ 2,322	\$ 0	\$ 0	\$ 2,322
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 14,307	\$ 6,655	\$ (1,665)	\$ 19,297	\$ 5,346	\$ 414	\$ 18,883
	32,157	(6,655)	0	25,502	25,463	25,463	39
Fund Balance, June 30, 2009	\$ 46,464	\$ 0	\$ (1,665)	\$ 44,799	\$ 30,809	\$ 25,877	\$ 18,922

Exhibit F-4

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 17,443 \$	0 \$	17,443 \$	14,000 \$	14,000 \$	3,443
Other Local Revenues	1,455	0	1,455	0	0	1,455
Total Revenues	\$ 18,898 \$	0 \$	18,898 \$	14,000 \$	14,000 \$	4,898
<u>Expenditures</u>						
Public Safety						
Drug Enforcement	\$ 54,155 \$	1,818 \$	55,973 \$	37,000 \$	73,250 \$	17,277
Total Expenditures	\$ 54,155 \$	1,818 \$	55,973 \$	37,000 \$	73,250 \$	17,277
Excess (Deficiency) of Revenues Over Expenditures	\$ (35,257) \$	(1,818) \$	(37,075) \$	(23,000) \$	(59,250) \$	22,175
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (35,257) \$	(1,818) \$	(37,075) \$	(23,000) \$	(59,250) \$	22,175
	129,981	0	129,981	129,981	129,981	0
Fund Balance, June 30, 2009	\$ 94,724 \$	(1,818) \$	92,906 \$	106,981 \$	70,731 \$	22,175

Exhibit F-5

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital 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>							
Local Taxes	\$ 232,914	\$ 0	\$ 0	\$ 232,914	\$ 231,458	\$ 231,458	\$ 1,456
State of Tennessee	69,340	0	0	69,340	0	162,079	(92,739)
Federal Government	0	0	0	0	0	38,500	(38,500)
Other Governments and Citizens Groups	30,000	0	0	30,000	0	30,000	0
Total Revenues	\$ 332,254	\$ 0	\$ 0	\$ 332,254	\$ 231,458	\$ 462,037	\$ (129,783)
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 86,547	\$ (33,000)	\$ 100,154	\$ 153,701	\$ 203,000	\$ 192,426	\$ 38,725
Social, Cultural, and Recreation Projects	41,972	(400)	3,171	44,743	0	162,079	117,336
Education Capital Projects	213,287	0	0	213,287	0	213,287	0
Total Expenditures	\$ 341,806	\$ (33,400)	\$ 103,325	\$ 411,731	\$ 203,000	\$ 567,792	\$ 156,061
Excess (Deficiency) of Revenues Over Expenditures	\$ (9,552)	\$ 33,400	\$ (103,325)	\$ (79,477)	\$ 28,458	\$ (105,755)	\$ 26,278
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,116	\$ (45,116)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,116	\$ (45,116)
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (9,552)	\$ 33,400	\$ (103,325)	\$ (79,477)	\$ 28,458	\$ (60,639)	\$ (18,838)
	242,518	(33,400)	0	209,118	119,240	119,240	89,878
Fund Balance, June 30, 2009	\$ 232,966	\$ 0	\$ (103,325)	\$ 129,641	\$ 147,698	\$ 58,601	\$ 71,040

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Major Governmental Fund

General Debt Service Fund

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

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Exhibit G

Johnson 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	\$ 893,905	\$ 1,523,624	\$ 803,673	\$ 90,232
Other Governments and Citizens Groups	319,717	0	319,717	0
Total Revenues	<u>\$ 1,213,622</u>	<u>\$ 1,523,624</u>	<u>\$ 1,123,390</u>	<u>\$ 90,232</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 115,000	\$ 50,000	\$ 125,000	\$ 10,000
Education	410,000	785,772	410,000	0
<u>Interest on Debt</u>				
General Government	190,805	19,053	239,794	48,989
Education	375,771	0	375,772	1
<u>Other Debt Service</u>				
General Government	49,363	346,600	50,859	1,496
Education	4,195	725,000	5,049	854
Total Expenditures	<u>\$ 1,145,134</u>	<u>\$ 1,926,425</u>	<u>\$ 1,206,474</u>	<u>\$ 61,340</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 68,488</u>	<u>\$ (402,801)</u>	<u>\$ (83,084)</u>	<u>\$ 151,572</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 235,741	\$ 569,717	\$ 250,000	\$ (14,259)
Total Other Financing Sources (Uses)	<u>\$ 235,741</u>	<u>\$ 569,717</u>	<u>\$ 250,000</u>	<u>\$ (14,259)</u>
Net Change in Fund Balance	\$ 304,229	\$ 166,916	\$ 166,916	\$ 137,313
Fund Balance, July 1, 2008	<u>3,917,169</u>	<u>3,911,508</u>	<u>3,911,508</u>	<u>5,661</u>
Fund Balance, June 30, 2009	<u>\$ 4,221,398</u>	<u>\$ 4,078,424</u>	<u>\$ 4,078,424</u>	<u>\$ 142,974</u>

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Fiduciary Funds

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

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

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

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Exhibit H-1

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

	<u>Agency Funds</u>		
	Cities -	Constitu-	
	Sales	tional	
	Tax	Officers -	
		Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 283,690	\$ 283,690
Accounts Receivable	0	685	685
Due from Other Governments	78,230	0	78,230
Total Assets	<u>\$ 0</u>	<u>\$ 284,375</u>	<u>\$ 362,605</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 78,230	\$ 0	\$ 78,230
Due to Litigants, Heirs, and Others	0	284,375	284,375
Total Liabilities	<u>\$ 78,230</u>	<u>\$ 284,375</u>	<u>\$ 362,605</u>

Exhibit H-2

Johnson 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	\$ 449,482	\$ 449,482	\$ 0
Due from Other Governments	80,875	78,230	80,875	78,230
Total Assets	<u>\$ 80,875</u>	<u>\$ 527,712</u>	<u>\$ 530,357</u>	<u>\$ 78,230</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 80,875	\$ 527,712	\$ 530,357	\$ 78,230
Total Liabilities	<u>\$ 80,875</u>	<u>\$ 527,712</u>	<u>\$ 530,357</u>	<u>\$ 78,230</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 419,274	\$ 4,078,048	\$ 4,213,632	\$ 283,690
Accounts Receivable	3,642	685	3,642	685
Total Assets	<u>\$ 422,916</u>	<u>\$ 4,078,733</u>	<u>\$ 4,217,274</u>	<u>\$ 284,375</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 422,916	\$ 4,078,733	\$ 4,217,274	\$ 284,375
Total Liabilities	<u>\$ 422,916</u>	<u>\$ 4,078,733</u>	<u>\$ 4,217,274</u>	<u>\$ 284,375</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 419,274	\$ 4,078,048	\$ 4,213,632	\$ 283,690
Equity in Pooled Cash and Investments	0	449,482	449,482	0
Accounts Receivable	3,642	685	3,642	685
Due from Other Governments	80,875	78,230	80,875	78,230
Total Assets	<u>\$ 503,791</u>	<u>\$ 4,606,445</u>	<u>\$ 4,747,631</u>	<u>\$ 362,605</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 80,875	\$ 527,712	\$ 530,357	\$ 78,230
Due to Litigants, Heirs, and Others	422,916	4,078,733	4,217,274	284,375
Total Liabilities	<u>\$ 503,791</u>	<u>\$ 4,606,445</u>	<u>\$ 4,747,631</u>	<u>\$ 362,605</u>

Johnson County School Department

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

Other Education Special Revenue Fund – The Other Education Special Revenue Fund is used to account for a Headstart grant.

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 I-1

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

Functions/Programs	Program Revenues			Charges for Services	Expenses	Net (Expense) Revenue and Changes in Net Assets
	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities			
Governmental Activities:						
Instruction	\$ 11,269,118	\$ 27,485	\$ 2,365,344	\$ 0	\$ 0	\$ (8,876,289)
Support Services	6,817,168	150,600	59,348	213,287		(6,393,933)
Operation of Non-Instructional Services	1,771,254	448,727	1,000,964	0		(321,563)
Other Debt Service	319,717	0	0	0		(319,717)
Total Governmental Activities	\$ 20,177,257	\$ 626,812	\$ 3,425,656	\$ 213,287	\$ 213,287	\$ (15,911,502)
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes						\$ 2,634,903
Local Option Sales Taxes						737,951
Interstate Telecommunications Tax						3,791
Grants and Contributions Not Restricted for Specific Programs						12,606,184
Unrestricted Investment Income						5,909
Miscellaneous						137,231
Total General Revenues						\$ 16,125,969
Change in Net Assets						\$ 214,467
Net Assets, July 1, 2008						22,346,364
Net Assets, June 30, 2009						\$ 22,560,831

Exhibit I-2

Johnson County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Johnson 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>			
Cash	\$ 61,965	\$ 0	\$ 61,965
Equity in Pooled Cash and Investments	2,469,494	386,878	2,856,372
Due from Other Governments	98,997	109,063	208,060
Due from Other Funds	18,169	0	18,169
Property Taxes Receivable	3,014,583	0	3,014,583
Allowance for Uncollectible Property Taxes	(77,959)	0	(77,959)
Total Assets	<u>\$ 5,585,249</u>	<u>\$ 495,941</u>	<u>\$ 6,081,190</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 32,375	\$ 2,918	\$ 35,293
Payroll Deductions Payable	5,875	1,776	7,651
Due to Other Funds	0	18,169	18,169
Due to State of Tennessee	460	213	673
Other Current Liabilities	56,695	0	56,695
Deferred Revenue - Current Property Taxes	2,711,108	0	2,711,108
Deferred Revenue - Delinquent Property Taxes	218,146	0	218,146
Other Deferred Revenues	226	0	226
Total Liabilities	<u>\$ 3,024,885</u>	<u>\$ 23,076</u>	<u>\$ 3,047,961</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 360,974	\$ 23,547	\$ 384,521
Reserved for Vocational Projects	28,288	0	28,288
Other Local Education Reserves	49,687	0	49,687
Reserved for Career Ladder - Extended Contract	6,090	0	6,090
Reserved for Career Ladder Program	10,104	0	10,104
Reserved for Early Childhood Education	226	0	226
Reserved for Basic Education Program	8,210	0	8,210
Reserved for Title I Grants to Local Education Agencies	0	38,923	38,923
Reserved for Special Education - Grants to States	0	38,333	38,333
Other Federal Reserves	0	11,122	11,122
Unreserved, Reported In:			
General Fund	2,096,785	0	2,096,785
Special Revenue Funds	0	316,615	316,615
Capital Projects Funds	0	44,325	44,325
Total Fund Balances	<u>\$ 2,560,364</u>	<u>\$ 472,865</u>	<u>\$ 3,033,229</u>
Total Liabilities and Fund Balances	<u>\$ 5,585,249</u>	<u>\$ 495,941</u>	<u>\$ 6,081,190</u>

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	3,033,229
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	946,939	
Add: construction in progress		381,481	
Add: buildings and improvements net of accumulated depreciation		15,705,232	
Add: other capital assets net of accumulated depreciation		1,289,468	
Add: infrastructure net of accumulated depreciation		<u>1,042,163</u>	19,365,283
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable			(56,053)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			<u>218,372</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>22,560,831</u></u>

Exhibit I-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 3,329,872	\$ 0	\$ 3,329,872
Licenses and Permits	2,476	0	2,476
Charges for Current Services	240,081	350,731	590,812
Other Local Revenues	198,330	9,509	207,839
State of Tennessee	12,437,781	0	12,437,781
Federal Government	429,068	2,505,455	2,934,523
Other Governments and Citizens Groups	0	483,017	483,017
Total Revenues	<u>\$ 16,637,608</u>	<u>\$ 3,348,712</u>	<u>\$ 19,986,320</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 9,113,663	\$ 1,654,942	\$ 10,768,605
Support Services	6,179,701	440,155	6,619,856
Operation of Non-Instructional Services	521,111	1,134,139	1,655,250
Capital Outlay	235,897	0	235,897
Debt Service:			
Other Debt Service	319,717	0	319,717
Capital Projects	0	5,618	5,618
Total Expenditures	<u>\$ 16,370,089</u>	<u>\$ 3,234,854</u>	<u>\$ 19,604,943</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 267,519</u>	<u>\$ 113,858</u>	<u>\$ 381,377</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 46,940	\$ 0	\$ 46,940
Transfers In	18,037	0	18,037
Transfers Out	0	(18,037)	(18,037)
Total Other Financing Sources (Uses)	<u>\$ 64,977</u>	<u>\$ (18,037)</u>	<u>\$ 46,940</u>
Net Change in Fund Balances	\$ 332,496	\$ 95,821	\$ 428,317
Fund Balance, July 1, 2008	<u>2,227,868</u>	<u>377,044</u>	<u>2,604,912</u>
Fund Balance, June 30, 2009	<u>\$ 2,560,364</u>	<u>\$ 472,865</u>	<u>\$ 3,033,229</u>

Exhibit I-5

Johnson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Johnson 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 changes in fund balances - total governmental funds (Exhibit I-4)		\$	428,317
(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		\$	429,981
Less: current year depreciation expense			<u>(935,448)</u>
			(505,467)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.			
Add: assets donated and capitalized			213,287
(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		\$	218,372
Less: deferred delinquent property taxes and other deferred June 30, 2008			<u>(139,890)</u>
			78,482
(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 compensated absences payable			<u>(152)</u>
Change in net assets of governmental activities (Exhibit B)		\$	<u>214,467</u>

Exhibit I-6

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

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Other		Education Capital Projects		
			Education Special Revenue				
\$ 63,057 \$	279,100 \$	396 \$	342,553 \$	44,325 \$		386,878	
70,065	37,107	1,891	109,063	0		109,063	
\$ 133,122 \$	316,207 \$	2,287 \$	451,616 \$	44,325 \$		495,941	

ASSETS

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

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>						
Accounts Payable	2,918 \$	0 \$	0 \$	2,918 \$	0 \$	2,918
Payroll Deductions Payable	0	0	1,776	1,776	0	1,776
Due to Other Funds	18,169	0	0	18,169	0	18,169
Due to State of Tennessee	110	59	44	213	0	213
Total Liabilities	\$ 21,197 \$	59 \$	1,820 \$	23,076 \$	0 \$	23,076
<u>Fund Balances</u>						
Reserved for Encumbrances	23,547 \$	0 \$	0 \$	23,547 \$	0 \$	23,547
Reserved for Title I Grants to Local Education Agencies	38,923	0	0	38,923	0	38,923
Reserved for Special Education - Grants to States	38,333	0	0	38,333	0	38,333
Other Federal Reserves	11,122	0	0	11,122	0	11,122
Unreserved	0	316,148	467	316,615	44,325	360,940
Total Fund Balances	\$ 111,925 \$	316,148 \$	467 \$	428,540 \$	44,325 \$	472,865
Total Liabilities and Fund Balances	\$ 133,122 \$	316,207 \$	2,287 \$	451,616 \$	44,325 \$	495,941

Exhibit I-7

Johnson County, Tennessee
Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances -
 Nonmajor Governmental Funds
Discretely Presented Johnson 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	Other Education Special Revenue		Education Capital Projects	Total	
<u>Revenues</u>							
Charges for Current Services	\$ 0	\$ 350,731	\$ 0	\$ 0	\$ 350,731	\$ 0	\$ 350,731
Other Local Revenues	0	5,883	3,600		9,483	26	9,509
Federal Government	1,648,587	856,868	0	2,505,455	0	0	2,505,455
Other Governments and Citizens Groups	0	0	483,017	483,017	0	0	483,017
Total Revenues	\$ 1,648,587	\$ 1,213,482	\$ 486,617	\$ 3,348,686	\$ 26	\$ 26	\$ 3,348,712
<u>Expenditures</u>							
Current:							
Instruction	\$ 1,301,071	\$ 0	\$ 353,871	\$ 1,654,942	\$ 0	\$ 0	\$ 1,654,942
Support Services	293,283	9,922	136,950	440,155	0	0	440,155
Operation of Non-Instructional Services	0	1,134,139	0	1,134,139	0	0	1,134,139
Capital Projects	0	0	0	0	5,618	5,618	5,618
Total Expenditures	\$ 1,594,354	\$ 1,144,061	\$ 490,821	\$ 3,229,236	\$ 5,618	\$ 5,618	\$ 3,234,854
Excess (Deficiency) of Revenues Over Expenditures	\$ 54,233	\$ 69,421	\$ (4,204)	\$ 119,450	\$ (5,592)	\$ 113,858	
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (18,037)	\$ 0	\$ 0	\$ (18,037)	\$ 0	\$ 0	\$ (18,037)
Total Other Financing Sources (Uses)	\$ (18,037)	\$ 0	\$ 0	\$ (18,037)	\$ 0	\$ 0	\$ (18,037)
Net Change in Fund Balances Fund Balance, July 1, 2008	\$ 36,196	\$ 69,421	\$ (4,204)	\$ 101,413	\$ (5,592)	\$ 95,821	\$ 95,821
Fund Balance, June 30, 2009	75,729	246,727	4,671	327,127	49,917	377,044	377,044
	\$ 111,925	\$ 316,148	\$ 467	\$ 428,540	\$ 44,325	\$ 472,865	\$ 472,865

Exhibit I-8

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Johnson 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	\$ 3,329,872	\$ 0	\$ 0	\$ 3,329,872	\$ 3,339,587	\$ 3,339,587	\$ (9,715)
Licenses and Permits	2,476	0	0	2,476	2,000	2,000	476
Charges for Current Services	240,081	0	0	240,081	159,705	282,360	(42,279)
Other Local Revenues	198,330	0	0	198,330	123,581	186,342	11,988
State of Tennessee	12,437,781	0	0	12,437,781	12,435,573	12,466,150	(28,369)
Federal Government	429,068	0	0	429,068	275,228	452,978	(23,910)
Total Revenues	\$ 16,637,608	\$ 0	\$ 0	\$ 16,637,608	\$ 16,335,674	\$ 16,729,417	\$ (91,809)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 6,711,186	\$ (153,806)	\$ 170,418	\$ 6,727,798	\$ 6,750,131	\$ 6,876,843	\$ 149,045
Alternative Instruction Program	170,123	(3,701)	2,000	168,422	180,228	179,344	10,922
Special Education Program	989,830	(1,127)	1,503	990,206	1,023,624	1,022,793	32,587
Vocational Education Program	1,043,879	(5,333)	10,041	1,048,587	1,063,663	1,106,010	57,423
Student Body Education Program	137,302	(8,603)	21,431	150,130	68,809	159,672	9,542
Adult Education Program	61,343	0	535	61,878	58,028	63,178	1,300
<u>Support Services</u>							
Attendance	65,994	0	0	65,994	69,718	69,334	3,340
Health Services	282,913	(11,987)	5,457	276,383	298,314	298,828	22,445
Other Student Support	355,533	(6,662)	1,293	350,164	328,523	353,324	3,160
Regular Instruction Program	673,488	(16,132)	37,784	695,140	714,024	744,540	49,400
Alternative Instruction Program	500	0	0	500	1,500	1,500	1,000
Special Education Program	110,185	0	2,731	112,916	157,799	157,854	44,938
Vocational Education Program	88,679	0	37	88,716	93,995	93,911	5,195

(Continued)

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Johnson 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>							
Adult Programs	\$ 65,529	\$ 0	\$ 0	\$ 65,529	\$ 66,348	\$ 66,348	\$ 819
Other Programs	7,048	0	0	7,048	0	7,048	0
Board of Education	395,767	(600)	158	395,325	434,587	451,026	55,701
Director of Schools	187,079	(1,184)	183	186,078	191,192	202,935	16,857
Office of the Principal	1,105,786	(4,761)	12,271	1,113,296	1,092,993	1,136,825	23,529
Fiscal Services	89,561	0	0	89,561	91,442	91,442	1,881
Human Services/Personnel	58,346	0	104	58,450	59,845	59,845	1,395
Operation of Plant	1,707,987	(3,610)	6,305	1,710,682	1,637,321	1,786,942	76,260
Maintenance of Plant	205,654	(7,029)	24,162	222,787	247,282	267,345	44,558
Transportation	730,707	(15,567)	17,214	732,354	843,350	875,814	143,460
Central and Other	48,945	(1,878)	0	47,067	56,582	56,582	9,515
<u>Operation of Non-Instructional Services</u>							
Food Service	97,918	0	124	98,042	100,346	99,424	1,382
Community Services	131,223	(159)	0	131,064	69,720	140,403	9,339
Early Childhood Education	291,970	(9,948)	15,623	297,645	292,538	298,702	1,057
Capital Outlay							
Regular Capital Outlay	235,897	(232,460)	31,600	35,037	62,500	62,500	27,463
Other Debt Service							
Education	319,717	0	0	319,717	319,717	319,717	0
Total Expenditures	\$ 16,370,089	\$ (484,547)	\$ 360,974	\$ 16,246,516	\$ 16,374,119	\$ 17,050,029	\$ 803,513
Excess (Deficiency) of Revenues Over Expenditures	\$ 267,519	\$ 484,547	\$ (360,974)	\$ 391,092	\$ (38,445)	\$ (320,612)	\$ 711,704

(Continued)

Exhibit I-8

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Johnson 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>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 46,940	\$ 0	\$ 0	\$ 46,940	\$ 0	\$ 46,940	\$ 0
Transfers In	18,037	0	0	18,037	38,445	12,848	5,189
Total Other Financing Sources (Uses)	\$ 64,977	\$ 0	\$ 0	\$ 64,977	\$ 38,445	\$ 59,788	\$ 5,189
Net Change in Fund Balance	\$ 332,496	\$ 484,547	\$ (360,974)	\$ 456,069	\$ 0	\$ (260,824)	\$ 716,893
Fund Balance, July 1, 2008	2,227,868	(484,547)	0	1,743,321	1,645,057	1,645,057	98,264
Fund Balance, June 30, 2009	\$ 2,560,364	\$ 0	\$ (360,974)	\$ 2,199,390	\$ 1,645,057	\$ 1,384,233	\$ 815,157

Exhibit I-9

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Johnson 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>							
Federal Government	\$ 1,648,587	\$ 0	\$ 0	\$ 1,648,587	\$ 1,718,335	\$ 1,772,050	\$ (123,463)
Total Revenues	\$ 1,648,587	\$ 0	\$ 0	\$ 1,648,587	\$ 1,718,335	\$ 1,772,050	\$ (123,463)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 865,474	\$ (8,876)	\$ 17,681	\$ 874,279	\$ 933,025	\$ 957,968	\$ 83,689
Special Education Program	392,401	0	3,637	396,038	438,003	448,727	52,689
Vocational Education Program	43,196	(6,831)	882	37,247	39,047	37,756	509
<u>Support Services</u>							
Health Services	10,846	0	0	10,846	12,427	10,846	0
Other Student Support	44,938	0	0	44,938	65,675	49,067	4,129
Regular Instruction Program	165,664	(1,101)	250	164,813	176,185	192,396	27,583
Special Education Program	3,808	0	0	3,808	6,261	3,819	11
Vocational Education Program	11,534	0	1,097	12,631	10,500	12,631	0
Board of Education	2,399	0	0	2,399	3,223	2,869	470
Transportation	54,094	0	0	54,094	55,458	54,094	0
Total Expenditures	\$ 1,594,354	\$ (16,808)	\$ 23,547	\$ 1,601,093	\$ 1,739,804	\$ 1,770,173	\$ 169,080
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ 54,233	\$ 16,808	\$ (23,547)	\$ 47,494	\$ (21,469)	\$ 1,877	\$ 45,617
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (18,037)	\$ 0	\$ 0	\$ (18,037)	\$ (37,452)	\$ (20,192)	\$ 2,155
Total Other Financing Sources (Uses)	\$ (18,037)	\$ 0	\$ 0	\$ (18,037)	\$ (37,452)	\$ (20,192)	\$ 2,155
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 36,196	\$ 16,808	\$ (23,547)	\$ 29,457	\$ (58,921)	\$ (18,315)	\$ 47,772
	\$ 75,729	\$ (16,808)	\$ 0	\$ 58,921	\$ 58,921	\$ 58,921	\$ 0
Fund Balance, June 30, 2009	\$ 111,925	\$ 0	\$ (23,547)	\$ 88,378	\$ 0	\$ 40,606	\$ 47,772

Exhibit I-10

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Johnson 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	\$ 350,731	\$ 420,000	\$ 420,000	\$ (69,269)
Other Local Revenues	5,883	7,000	7,000	(1,117)
Federal Government	856,868	892,492	892,492	(35,624)
Total Revenues	<u>\$ 1,213,482</u>	<u>\$ 1,319,492</u>	<u>\$ 1,319,492</u>	<u>\$ (106,010)</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 9,922	\$ 9,922	\$ 9,922	\$ 0
<u>Operation of Non-Instructional Services</u>				
Food Service	1,134,139	1,309,570	1,309,570	175,431
Total Expenditures	<u>\$ 1,144,061</u>	<u>\$ 1,319,492</u>	<u>\$ 1,319,492</u>	<u>\$ 175,431</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 69,421</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 69,421</u>
Net Change in Fund Balance	\$ 69,421	\$ 0	\$ 0	\$ 69,421
Fund Balance, July 1, 2008	<u>246,727</u>	<u>246,726</u>	<u>246,726</u>	<u>1</u>
Fund Balance, June 30, 2009	<u>\$ 316,148</u>	<u>\$ 246,726</u>	<u>\$ 246,726</u>	<u>\$ 69,422</u>

Exhibit I-11

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Johnson County School Department
Other Education Special Revenue Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 3,600	\$ 3,600	\$ 3,600	\$ 0
Federal Government	0	492,186	0	0
Other Governments and Citizens Groups	483,017	0	633,386	(150,369)
Total Revenues	<u>\$ 486,617</u>	<u>\$ 495,786</u>	<u>\$ 636,986</u>	<u>\$ (150,369)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 353,871	\$ 352,476	\$ 461,890	\$ 108,019
<u>Support Services</u>				
Attendance	60,006	56,039	72,981	12,975
Health Services	12,922	6,227	18,596	5,674
Regular Instruction Program	62,836	77,435	82,080	19,244
Board of Education	1,186	1,439	1,439	253
Total Expenditures	<u>\$ 490,821</u>	<u>\$ 493,616</u>	<u>\$ 636,986</u>	<u>\$ 146,165</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,204)	\$ 2,170	\$ 0	\$ (4,204)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (2,170)	\$ 0	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (2,170)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (4,204)	\$ 0	\$ 0	\$ (4,204)
Fund Balance, July 1, 2008	4,671	4,672	4,672	(1)
Fund Balance, June 30, 2009	<u>\$ 467</u>	<u>\$ 4,672</u>	<u>\$ 4,672</u>	<u>\$ (4,205)</u>

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MISCELLANEOUS SCHEDULES

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Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Paid and/or Matured During Period	Outstanding 6-30-09
<u>NOTES PAYABLE</u>							
<u>Payable through Highway/Public Works Fund</u>							
Highway Equipment	\$ 307,000	5.25 %	12-6-1999	12-6-09	\$ 74,624	\$ 36,357	\$ 38,267
Quarry Land	60,000	4	1-18-07	1-8-10	40,779	19,990	20,789
Total Payable through Highway/Public Works Fund					\$ 115,403	\$ 56,347	\$ 59,056
<u>Payable through General Debt Service Fund</u>							
Energy Loan	210,000	0	3-31-06	5-1-13	\$ 150,000	\$ 30,000	\$ 120,000
Total Payable through General Debt Service Fund					\$ 150,000	\$ 30,000	\$ 120,000
Total Notes Payable					\$ 265,403	\$ 86,347	\$ 179,056
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Blount County PBA Loan Program, Series A-5-B	3,565,000	Variable	6-27-02	6-1-28	\$ 3,345,000	\$ 85,000	\$ 3,260,000
Blount County PBA Loan Program, Series A-5-B	2,135,000	Synthetic Fixed by Swap	6-27-02	6-1-28	2,135,000	0	2,135,000
Total Other Loans Payable					\$ 5,480,000	\$ 85,000	\$ 5,395,000
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Refunding (2004) School Bonds	1,435,000	1.5 to 4.5	3-3-04	4-1-27	\$ 970,000	\$ 135,000	\$ 835,000
School Refunding Bonds, Series 2005	9,925,000	4.1 to 5.5	2-1-1999	4-1-09	245,000	245,000	0
School Refunding Bonds, Series 2005	8,535,000	3 to 4.125	5-27-05	4-1-25	8,395,000	30,000	8,365,000
Total Bonds Payable					\$ 9,610,000	\$ 410,000	\$ 9,200,000

Exhibit J-2

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

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2010	\$ 89,056	\$ 2,841	\$ 91,897
2011	30,000	0	30,000
2012	30,000	0	30,000
2013	30,000	0	30,000
Total	<u>\$ 179,056</u>	<u>\$ 2,841</u>	<u>\$ 181,897</u>

Year Ending June 30	Other Loan Principal	Other Loan Interest	Other Loan Fees	Total Other Loan Requirements
2010	\$ 85,000	\$ 192,525	\$ 28,780	\$ 306,305
2011	90,000	190,740	28,327	309,067
2012	90,000	188,850	27,846	306,696
2013	115,000	186,960	27,366	329,326
2014	120,000	184,545	26,753	331,298
2015	125,000	182,025	26,113	333,138
2016	135,000	179,400	25,446	339,846
2017	135,000	176,565	24,726	336,291
2018	145,000	173,730	24,005	342,735
2019	150,000	170,685	23,232	343,917
2020	160,000	167,535	22,432	349,967
2021	165,000	164,175	21,578	350,753
2022	175,000	160,710	20,698	356,408
2023	185,000	157,035	19,765	361,800
2024	195,000	153,150	18,778	366,928
2025	205,000	149,055	17,737	371,792
2026	985,000	144,749	16,644	1,146,393
2027	1,040,000	124,064	11,389	1,175,453
2028	1,095,000	63,630	5,841	1,164,471
Total	<u>\$ 5,395,000</u>	<u>\$ 3,110,128</u>	<u>\$ 417,456</u>	<u>\$ 8,922,584</u>

(Continued)

Exhibit J-2

Johnson County, Tennessee

Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2010	\$ 435,000	\$ 357,744	\$ 792,744
2011	445,000	344,446	789,446
2012	465,000	329,431	794,431
2013	465,000	313,716	778,716
2014	480,000	297,501	777,501
2015	505,000	280,721	785,721
2016	525,000	257,046	782,046
2017	550,000	237,396	787,396
2018	570,000	216,509	786,509
2019	590,000	194,564	784,564
2020	610,000	170,964	780,964
2021	645,000	146,564	791,564
2022	670,000	120,734	790,734
2023	695,000	93,234	788,234
2024	725,000	64,346	789,346
2025	755,000	34,373	789,373
2026	35,000	3,133	38,133
2027	35,000	1,575	36,575
Total	<u>\$ 9,200,000</u>	<u>\$ 3,463,997</u>	<u>\$ 12,663,997</u>

Exhibit J-3

Johnson County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Johnson 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	Highway/Public Works	Allocate wheel tax	\$ 235,741
General	General Debt Service	Allocate wheel tax	235,741
Total Transfers Primary Government			<u>\$ 471,482</u>
<u>DISCRETELY PRESENTED JOHNSON</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 18,037</u>
Total Transfers Discretely Presented Johnson County School Department			<u>\$ 18,037</u>

Exhibit J-4

Johnson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Johnson 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>		67,302		50,000	Western Surety Company
Road Superintendent	Section 8-24-102, <u>TCA</u>		63,527		100,000	"
Director of Schools	State Board of Education and County Board of Education		88,412 (1)		50,000	"
Trustee	Section 8-24-102, <u>TCA</u>		57,751		647,000	"
Assessor of Property	Section 8-24-102, <u>TCA</u>		57,751		10,000	"
Director of Accounts and Budgets	County Commission		49,489		100,000	"
County Clerk	Section 8-24-102, <u>TCA</u>		57,751		50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <u>TCA</u>		57,751		50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u>		57,751 (2)		30,000	"
Register	Section 8-24-102, <u>TCA</u>		57,751		25,000	"
Sheriff	Section 8-24-102, <u>TCA</u>		63,527 (3)		25,000	"
Purchasing Agent	County Commission		28,138		25,000	"
Employee Blanket Bonds:						
Public Employees Dishonesty - County Departments					150,000	Local Government Insurance Pool
Public Employees Dishonesty - School Department					150,000	Tennessee Risk Management Trust

(1) Includes chief executive officer's training supplement of \$1,000.
(2) Does not include special commissioner fees of \$3,376.
(3) Does not include \$600 for a law enforcement training supplement.

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,452,686	\$ 93,719	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	87,253	5,629	0	0	0
Circuit/Clerk & Master Collections - Prior Years	25,318	1,634	0	0	0
Interest and Penalty	16,450	1,060	0	0	0
Pick-up Taxes	3,171	204	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	2,430	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	128,808	0	0	0	0
Hotel/Motel Tax	15,025	0	0	0	0
Wheel Tax	471,481	0	0	0	0
Litigation Tax - General	72,314	0	0	0	0
Litigation Tax - Special Purpose	14,275	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	14,773	0	0	0	0
Business Tax	69,783	0	0	0	0
Mineral Severance Tax	0	0	0	0	9,264
Other County Local Option Taxes	2,379	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	19,660	1,268	0	0	0
Wholesale Beer Tax	153,186	0	0	0	0
Total Local Taxes	\$ 2,548,992	\$ 103,514	\$ 0	\$ 0	\$ 9,264
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 51,702	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>					
Beer Permits	2,104	0	0	0	0
Other Permits	111	0	0	0	0
Total Licenses and Permits	\$ 53,917	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 7,021	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	1,218	0	0	0	0
Drug Control Fines	0	0	2,763	0	0
Jail Fees	357	0	0	0	0
DUI Treatment Fines	1,120	0	0	0	0
Data Entry Fee - Circuit Court	83	0	0	0	0
Courtroom Security Fee	544	0	0	0	0
<u>Criminal Court</u>					
Drug Court Fees	3,892	0	0	0	0
Data Entry Fee - Criminal Court	114	0	0	0	0
<u>General Sessions Court</u>					
Fines	27,564	0	0	0	0
Officers Costs	10,144	0	0	0	0
Game and Fish Fines	299	0	0	0	0
Drug Control Fines	0	0	6,117	0	0
Drug Court Fees	9	0	0	0	0
Jail Fees	3,445	0	0	0	0
DUI Treatment Fines	5,368	0	0	0	0
Data Entry Fee - General Sessions Court	4,541	0	0	0	0
Courtroom Security Fee	2,910	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	475	0	0	0	0
Data Entry Fee - Chancery Court	1,016	0	0	0	0
Courtroom Security Fee	60	0	0	0	0
<u>Judicial District Drug Program</u>					
Fines	0	0	4,657	0	0
Drug Task Force Forfeitures and Seizures	0	0	1,058	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	16,977	0	2,848	0	0
Total Fines, Forfeitures, and Penalties	\$ 87,157	\$ 0	\$ 17,443	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Self-Insurance Premiums/Contributions	\$ 5,231	\$ 0	\$ 0	\$ 0	\$ 0
Tippling Fees	0	403,501	0	0	0
<u>Fees</u>					
Airport Fees	1,904	0	0	0	0
Copy Fees	4,397	0	0	0	0
Telephone Commissions	13,069	0	0	0	0
Vending Machine Collections	4	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	47	0
Special Commissioner Fees/Special Master Fees	0	0	0	3,376	0
Data Processing Fee - Register	7,262	0	0	0	0
Data Processing Fee - Sheriff	4,218	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,900	0	0	0	0
Data Processing Fee - County Clerk	8,406	0	0	0	0
<u>Other Charges for Services</u>					
Other Charges for Services	4,592	0	0	0	0
<u>Total Charges for Current Services</u>	<u>\$ 50,983</u>	<u>\$ 403,501</u>	<u>\$ 0</u>	<u>\$ 3,423</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 295,346	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	82,200	400	0	0	0
Sale of Materials and Supplies	2,000	2,077	0	0	1,939
Commissary Sales	9,407	0	0	0	0
Sale of Gasoline	339,621	0	0	0	0
Sale of Recycled Materials	100	0	0	0	0
Retirees' Insurance Payments	1,537	0	0	0	395
Miscellaneous Refunds	56,192	965	135	0	8,177
<u>Nonrecurring Items</u>					
Sale of Equipment	10,137	0	0	0	0
Sale of Property	15,550	0	1,320	0	0
<u>Total Other Local Revenues</u>	<u>\$ 812,090</u>	<u>\$ 3,442</u>	<u>\$ 1,455</u>	<u>\$ 0</u>	<u>\$ 10,511</u>

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 182,421	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	55,454	0	0	0	0
General Sessions Court Clerk	148,574	0	0	0	0
Clerk and Master	58,913	0	0	0	0
Register	78,919	0	0	0	0
Sheriff	294	0	0	0	0
Trustee	186,894	0	0	0	0
Total Fees Received from County Officials	\$ 711,469	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 11,550	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	72,348	0	0	0	0
Aging Programs	32,863	0	0	0	0
State Reappraisal Grant	8,657	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	6,000	0	0	0	0
<u>Public Works Grants</u>					
Litter Program	30,236	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	61,304	0	0	0	0
Beer Tax	18,701	0	0	0	0
Alcoholic Beverage Tax	30,308	0	0	0	0
State Revenue Sharing - T.V.A.	404,989	0	0	0	0
Contracted Prisoner Boarding	930,195	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	1,405,684
Petroleum Special Tax	0	0	0	0	14,054
Registrar's Salary Supplement	14,912	0	0	0	0
Other State Grants	19,000	0	0	0	0
Other State Revenues	215,743	0	0	0	0
Total State of Tennessee	\$ 1,856,806	\$ 0	\$ 0	\$ 0	\$ 1,419,738

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Federal Government</u>					
<u>Federal Through State</u>					
Other Federal through State	\$ 64,756	\$ 0	\$ 0	\$ 0	\$ 0
<u>Direct Federal Revenue</u>					
Forest Service	0	0	0	0	39,111
Other Direct Federal Revenue	121,554	0	0	0	0
<u>Total Federal Government</u>	\$ 186,310	\$ 0	\$ 0	\$ 0	\$ 39,111
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	0	0	0	0	0
Contracted Services	4,925	200	0	0	30,773
<u>Citizens Groups</u>					
Donations	1,826	0	0	0	0
<u>Other</u>					
Other	10,500	0	0	0	0
<u>Total Other Governments and Citizens Groups</u>	\$ 17,251	\$ 200	\$ 0	\$ 0	\$ 30,773
<u>Total</u>	\$ 6,324,975	\$ 510,657	\$ 18,898	\$ 3,423	\$ 1,509,397

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

	Debt Service Fund		Capital Projects Funds					Total
	General Debt Service		General Capital Projects	Community Development/Industrial Park			Other Capital Projects	
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 656,051	\$ 210,873	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,413,329
Trustee's Collections - Prior Year	39,405	12,666	0	0	0	0	0	144,953
Circuit/Clerk & Master Collections - Prior Years	11,433	3,676	0	0	0	0	0	42,061
Interest and Penalty	7,429	2,387	0	0	0	0	0	27,326
Pick-up Taxes	1,433	458	0	0	0	0	0	5,266
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	0	2,430
<u>County Local Option Taxes</u>								
Local Option Sales Tax	169,275	0	0	0	0	0	0	298,083
Hotel/Motel Tax	0	0	0	0	0	0	0	15,025
Wheel Tax	0	0	0	0	0	0	0	471,481
Litigation Tax - General	0	0	0	0	0	0	0	72,314
Litigation Tax - Special Purpose	0	0	0	0	0	0	0	14,275
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	14,773
Business Tax	0	0	0	0	0	0	0	69,783
Mineral Severance Tax	0	0	0	0	0	0	0	9,264
Other County Local Option Taxes	0	0	0	0	0	0	0	2,379
<u>Statutory Local Taxes</u>								
Bank Excise Tax	8,879	2,854	0	0	0	0	0	32,661
Wholesale Beer Tax	0	0	0	0	0	0	0	153,186
Total Local Taxes	\$ 893,905	\$ 232,914	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,788,589
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 51,702
<u>Permits</u>								
Beer Permits	0	0	0	0	0	0	0	2,104
Other Permits	0	0	0	0	0	0	0	111
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 53,917

(Continued)

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

	Debt Service Fund		Capital Projects Funds				Total
	General Debt Service	General Capital Projects	Community Development/Industrial Park	Other Capital Projects			
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,021
Officers Costs	0	0	0	0	0	0	1,218
Drug Control Fines	0	0	0	0	0	0	2,763
Jail Fees	0	0	0	0	0	0	357
DUI Treatment Fines	0	0	0	0	0	0	1,120
Data Entry Fee - Circuit Court	0	0	0	0	0	0	83
Courtroom Security Fee	0	0	0	0	0	0	544
<u>Criminal Court</u>							
Drug Court Fees	0	0	0	0	0	0	3,892
Data Entry Fee - Criminal Court	0	0	0	0	0	0	114
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	27,564
Officers Costs	0	0	0	0	0	0	10,144
Game and Fish Fines	0	0	0	0	0	0	299
Drug Control Fines	0	0	0	0	0	0	6,117
Drug Court Fees	0	0	0	0	0	0	9
Jail Fees	0	0	0	0	0	0	3,445
DUI Treatment Fines	0	0	0	0	0	0	5,368
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	4,541
Courtroom Security Fee	0	0	0	0	0	0	2,910
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	475
Data Entry Fee - Chancery Court	0	0	0	0	0	0	1,016
Courtroom Security Fee	0	0	0	0	0	0	60
<u>Judicial District Drug Program</u>							
Fines	0	0	0	0	0	0	4,657
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	1,058
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	19,825
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	104,600

(Continued)

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

	Debt Service Fund		Capital Projects Funds				Total
	General Debt Service	General Capital Projects	General Capital Projects	Community Development/Industrial Park	Other Capital Projects		
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Self-Insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	5,231
Tipping Fees	0	0	0	0	0	0	403,501
<u>Fees</u>							
Airport Fees	0	0	0	0	0	0	1,904
Copy Fees	0	0	0	0	0	0	4,397
Telephone Commissions	0	0	0	0	0	0	13,069
Vending Machine Collections	0	0	0	0	0	0	4
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	47
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0	3,376
Data Processing Fee - Register	0	0	0	0	0	0	7,262
Data Processing Fee - Sheriff	0	0	0	0	0	0	4,218
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	1,900
Data Processing Fee - County Clerk	0	0	0	0	0	0	8,406
<u>Other Charges for Services</u>							
Other Charges for Services	0	0	0	0	0	0	4,592
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	457,907
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	0	0	0	0	0	0	295,346
Lease/Rentals	0	0	0	57,387	0	0	139,987
Sale of Materials and Supplies	0	0	0	0	0	0	6,016
Commissary Sales	0	0	0	0	0	0	9,407
Sale of Gasoline	0	0	0	0	0	0	339,621
Sale of Recycled Materials	0	0	0	0	0	0	100
Retirees' Insurance Payments	0	0	0	0	0	0	1,932
Miscellaneous Refunds	0	0	0	4,021	2,742	0	72,232
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	0	10,137
Sale of Property	0	0	0	0	0	0	16,870
Total Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 61,408	\$ 2,742	\$ 0	891,648

(Continued)

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

	Debt Service Fund		Capital Projects Funds				Total
	General Debt Service	General Capital Projects	General Capital Projects	Community Development/Industrial Park	Other Capital Projects		
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	182,421	
Circuit Court Clerk	0	0	0	0	0	55,454	
General Sessions Court Clerk	0	0	0	0	0	148,574	
Clerk and Master	0	0	0	0	0	58,913	
Register	0	0	0	0	0	78,919	
Sheriff	0	0	0	0	0	294	
Trustee	0	0	0	0	0	186,894	
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0 \$	711,469	
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	11,550	
Airport Maintenance Program	0	0	0	0	0	72,348	
Aging Programs	0	0	0	0	0	32,863	
State Reappraisal Grant	0	0	0	0	0	8,657	
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	6,000	
<u>Public Works Grants</u>							
Litter Program	0	0	0	0	0	30,236	
<u>Other State Revenues</u>							
Income Tax	0	0	0	0	0	61,304	
Beer Tax	0	0	0	0	0	18,701	
Alcoholic Beverage Tax	0	0	0	0	0	30,308	
State Revenue Sharing - T.V.A.	0	0	0	0	0	404,989	
Contracted Prisoner Boarding	0	0	0	0	0	930,195	
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,405,684	
Petroleum Special Tax	0	0	0	0	0	14,054	
Registrar's Salary Supplement	0	0	0	0	0	14,912	
Other State Grants	0	69,340	30,750	539	0	119,629	
Other State Revenues	0	0	0	0	0	215,743	
Total State of Tennessee	0 \$	69,340 \$	30,750 \$	539 \$	539 \$	3,377,173	

(Continued)

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

	Debt Service Fund	Capital Projects Funds					Total
		General Debt Service	General Capital Projects	Community Development/Industrial Park	Other Capital Projects		
<u>Federal Government</u>							
<u>Federal Through State</u>							
Other Federal through State	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 64,756	
<u>Direct Federal Revenue</u>							
Forest Service	0	0	0	0	0	39,111	
Other Direct Federal Revenue	0	0	0	0	0	121,554	
<u>Total Federal Government</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 225,421	
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 319,717	\$ 30,000	\$ 0	\$ 0	\$ 0	\$ 349,717	
Contracted Services	0	0	0	0	0	35,898	
<u>Citizens Groups</u>							
Donations	0	0	9,050	64,554	75,430		
<u>Other</u>							
Other	0	0	0	590	11,090		
<u>Total Other Governments and Citizens Groups</u>	\$ 319,717	\$ 30,000	\$ 9,050	\$ 65,144	\$ 472,135		
<u>Total</u>	\$ 1,213,622	\$ 332,254	\$ 101,208	\$ 68,425	\$ 10,082,859		

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

	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Education Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 2,343,040	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,343,040
Trustee's Collections - Prior Year	140,731	0	0	0	0	140,731
Circuit/Clerk & Master Collections - Prior Years	40,836	0	0	0	0	40,836
Interest and Penalty	26,531	0	0	0	0	26,531
Pick-up Taxes	5,125	0	0	0	0	5,125
<u>County Local Option Taxes</u>						
Local Option Sales Tax	737,951	0	0	0	0	737,951
<u>Statutory Local Taxes</u>						
Bank Excise Tax	31,709	0	0	0	0	31,709
Interstate Telecommunications Tax	3,949	0	0	0	0	3,949
Total Local Taxes	\$ 3,329,872	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,329,872
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,301	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,301
<u>Permits</u>						
Other Permits	1,175	0	0	0	0	1,175
Total Licenses and Permits	\$ 2,476	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,476
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Summer School	\$ 1,466	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,466
Tuition - Other	200	0	0	0	0	200
Lunch Payments - Children	0	0	205,349	0	0	205,349
Lunch Payments - Adults	0	0	36,898	0	0	36,898
Income from Breakfast	0	0	197	0	0	197
A la carte Sales	0	0	108,287	0	0	108,287
Contract for Instructional Services with Other LEAs	25,819	0	0	0	0	25,819
Receipts from Individual Schools	76,902	0	0	0	0	76,902
Community Service Fees - Children	97,996	0	0	0	0	97,996
TBI Criminal Background Fees	3,000	0	0	0	0	3,000
<u>Other Charges for Services</u>						
Other Charges for Services	34,698	0	0	0	0	34,698
Total Charges for Current Services	\$ 240,081	\$ 0	\$ 350,731	\$ 0	\$ 0	\$ 590,812

(Continued)

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

	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Education Capital Projects	Total
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0 \$	0 \$	5,883 \$	0 \$	26 \$	5,909
Lease/Rentals	32,400	0	0	3,600	0	36,000
Refund of Telecommunication and Internet Fees (E-Rate)	43,137	0	0	0	0	43,137
Retirees' Insurance Payments	78,887	0	0	0	0	78,887
Miscellaneous Refunds	14,032	0	0	0	0	14,032
<u>Nonrecurring Items</u>						
Sale of Equipment	18,146	0	0	0	0	18,146
Contributions and Gifts	11,728	0	0	0	0	11,728
Total Other Local Revenues	198,330 \$	0 \$	5,883 \$	3,600 \$	26 \$	207,839
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-Behalf Contributions for OPEB	7,048 \$	0 \$	0 \$	0 \$	0 \$	7,048
<u>State Education Funds</u>						
Basic Education Program	11,673,180	0	0	0	0	11,673,180
Early Childhood Education	290,451	0	0	0	0	290,451
School Food Service	14,487	0	0	0	0	14,487
Driver Education	1,220	0	0	0	0	1,220
Other State Education Funds	264,220	0	0	0	0	264,220
Career Ladder Program	116,075	0	0	0	0	116,075
Career Ladder - Extended Contract	71,100	0	0	0	0	71,100
Total State of Tennessee	12,437,781 \$	0 \$	0 \$	0 \$	0 \$	12,437,781
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	0 \$	0 \$	611,477 \$	0 \$	0 \$	611,477
Breakfast	0	0	193,515	0	0	193,515
USDA - Other	0	0	51,876	0	0	51,876
Adult Education State Grant Program	78,078	0	0	0	0	78,078
Vocational Education - Basic Grants to States	0	55,378	0	0	0	55,378
Title I Grants to Local Education Agencies	0	769,348	0	0	0	769,348
Special Education - Grants to States	15,992	482,510	0	0	0	498,502
Special Education Preschool Grants	0	12,629	0	0	0	12,629

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Education Capital Projects	Total
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Safe and Drug-free Schools - State Grants	\$ 152,248	\$ 10,549	\$ 0	\$ 0	\$ 0	\$ 162,797
Rural Education	0	25,066	0	0	0	25,066
Eisenhower Professional Development State Grants	0	168,169	0	0	0	168,169
Other Federal through State	65,416	124,938	0	0	0	190,354
<u>Direct Federal Revenue</u>	117,334	0	0	0	0	117,334
Forest Service						
Total Federal Government	\$ 429,068	\$ 1,648,587	\$ 856,868	\$ 0	\$ 0	\$ 2,934,523
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contracted Services	\$ 0	\$ 0	\$ 0	\$ 483,017	\$ 0	\$ 483,017
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 483,017	\$ 0	\$ 483,017
Total	\$ 16,637,608	\$ 1,648,587	\$ 1,213,482	\$ 486,617	\$ 26	\$ 19,986,320

Exhibit J-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	36,000	
Social Security		1,860	
State Retirement		2,032	
Medical Insurance		36,552	
Employer Medicare		470	
Audit Services		5,250	
Dues and Memberships		4,094	
Financial Advisory Services		1,250	
Travel		17,344	
Other Supplies and Materials		1,429	
Total County Commission			\$ 106,281

Board of Equalization

Board and Committee Members Fees	\$	850	
Total Board of Equalization			850

Other Boards and Committees

Board and Committee Members Fees	\$	4,200	
Social Security		49	
State Retirement		38	
Unemployment Compensation		2	
Employer Medicare		11	
Total Other Boards and Committees			4,300

County Mayor/Executive

County Official/Administrative Officer	\$	67,302	
Secretary(ies)		22,629	
Bonus Payments		400	
Social Security		5,329	
State Retirement		8,262	
Medical Insurance		9,771	
Unemployment Compensation		56	
Employer Medicare		1,246	
Communication		891	
Dues and Memberships		1,295	
Printing, Stationery, and Forms		74	
Office Supplies		558	
Other Charges		2,163	
Total County Mayor/Executive			119,976

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

Other Salaries and Wages	\$	4,800	
Advertising		603	
Other Charges		200	
Total County Attorney			\$ 5,603

Election Commission

County Official/Administrative Officer	\$	51,976	
Deputy(ies)		24,325	
Clerical Personnel		588	
Bonus Payments		400	
Other Salaries and Wages		963	
Election Commission		7,000	
Election Workers		17,880	
In-Service Training		2,400	
Social Security		4,423	
State Retirement		8,090	
Medical Insurance		10,497	
Unemployment Compensation		61	
Employer Medicare		1,034	
Data Processing Services		7,550	
Dues and Memberships		400	
Legal Notices, Recording, and Court Costs		4,243	
Printing, Stationery, and Forms		4,978	
Rentals		50	
Equipment Parts - Light		522	
Office Supplies		442	
Voting Machines		5,500	
Total Election Commission			153,322

Register of Deeds

County Official/Administrative Officer	\$	57,751
Deputy(ies)		24,081
Bonus Payments		400
Social Security		4,969
State Retirement		8,667
Medical Insurance		4,793
Unemployment Compensation		56
Employer Medicare		1,162
Data Processing Services		3,939
Dues and Memberships		200

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Printing, Stationery, and Forms	\$	1,520	
Office Supplies		266	
Office Equipment		3,216	
Total Register of Deeds			\$ 111,020

Development

Other Contracted Services	\$	9,250	
Other Charges		8	
Total Development			9,258

County Buildings

Custodial Personnel	\$	20,654	
Bonus Payments		400	
Social Security		1,231	
State Retirement		2,219	
Medical Insurance		3,017	
Unemployment Compensation		56	
Employer Medicare		288	
Maintenance and Repair Services - Buildings		8,983	
Custodial Supplies		5,778	
Electricity		36,136	
Natural Gas		4,460	
Uniforms		1,178	
Water and Sewer		3,381	
Other Supplies and Materials		1,219	
Other Charges		145	
Building Improvements		2,225	
Total County Buildings			91,370

Finance

Accounting and Budgeting

Supervisor/Director	\$	49,489	
Data Processing Personnel		70,573	
Bonus Payments		1,200	
Social Security		6,935	
State Retirement		12,852	
Medical Insurance		15,048	
Unemployment Compensation		168	
Employer Medicare		1,622	
Data Processing Services		9,507	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Printing, Stationery, and Forms	\$	2,158	
Office Supplies		2,480	
Office Equipment		1,006	
Total Accounting and Budgeting			\$ 173,038

Purchasing

County Official/Administrative Officer	\$	28,138	
Bonus Payments		400	
Social Security		1,414	
State Retirement		3,008	
Medical Insurance		10,323	
Unemployment Compensation		56	
Employer Medicare		331	
Advertising		188	
Office Supplies		3,122	
Total Purchasing			46,980

Property Assessor's Office

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		8,323	
Secretary(ies)		20,273	
Bonus Payments		400	
Social Security		4,840	
State Retirement		8,268	
Medical Insurance		16,078	
Unemployment Compensation		115	
Employer Medicare		1,132	
Advertising		104	
Contracts with Government Agencies		6,800	
Data Processing Services		567	
Postal Charges		581	
Printing, Stationery, and Forms		522	
Other Contracted Services		7,578	
Office Supplies		155	
Office Equipment		1,576	
Total Property Assessor's Office			135,063

Reappraisal Program

Clerical Personnel	\$	18,739	
Bonus Payments		400	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Social Security	\$	1,004	
State Retirement		2,017	
Medical Insurance		4,293	
Unemployment Compensation		56	
Employer Medicare		235	
Data Processing Services		2,955	
Total Reappraisal Program			\$ 29,699

County Trustee's Office

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		21,311	
Bonus Payments		400	
Other Salaries and Wages		2,807	
Social Security		4,946	
State Retirement		7,988	
Medical Insurance		4,338	
Unemployment Compensation		87	
Employer Medicare		1,157	
Advertising		170	
Dues and Memberships		100	
Printing, Stationery, and Forms		1,183	
Office Supplies		412	
Data Processing Equipment		5,456	
Office Equipment		37	
Total County Trustee's Office			108,143

County Clerk's Office

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		43,645	
Bonus Payments		1,600	
Other Salaries and Wages		26,740	
Social Security		7,096	
State Retirement		12,667	
Medical Insurance		26,054	
Unemployment Compensation		226	
Employer Medicare		1,659	
Dues and Memberships		1,995	
Printing, Stationery, and Forms		2,434	
Office Supplies		393	
Data Processing Equipment		9,967	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Office Equipment	\$ 1,395	
Total County Clerk's Office		\$ 193,622

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 57,751	
Bonus Payments	1,200	
Other Salaries and Wages	93,175	
Jury and Witness Fees	11,616	
Social Security	9,214	
State Retirement	16,121	
Medical Insurance	12,200	
Unemployment Compensation	224	
Employer Medicare	2,154	
Dues and Memberships	60	
Printing, Stationery, and Forms	7,051	
Office Supplies	5,953	
Fines, Assessments, and Penalties	8,125	
Data Processing Equipment	8,246	
Office Equipment	1,780	
Total Circuit Court		234,870

General Sessions Court

Judge(s)	\$ 79,310	
Bonus Payments	800	
Other Salaries and Wages	11,686	
Social Security	5,602	
State Retirement	8,359	
Medical Insurance	4,858	
Unemployment Compensation	100	
Employer Medicare	1,310	
Dues and Memberships	120	
Printing, Stationery, and Forms	5,378	
Office Supplies	673	
Total General Sessions Court		118,196

Chancery Court

County Official/Administrative Officer	\$ 57,751
Deputy(ies)	23,741
Bonus Payments	400

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Social Security	\$	4,281	
State Retirement		8,631	
Medical Insurance		21,136	
Unemployment Compensation		56	
Employer Medicare		1,001	
Data Processing Services		6,534	
Dues and Memberships		60	
Printing, Stationery, and Forms		507	
Office Supplies		1,428	
Total Chancery Court			\$ 125,526

Juvenile Court

Social Workers	\$	25,711	
Secretary(ies)		8,784	
Bonus Payments		400	
Social Security		2,037	
State Retirement		3,591	
Medical Insurance		5,150	
Unemployment Compensation		112	
Employer Medicare		477	
Other Contracted Services		41,837	
Office Supplies		384	
Other Supplies and Materials		2,993	
Total Juvenile Court			91,476

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	64,127	
Deputy(ies)		285,936	
Investigator(s)		64,786	
Captain(s)		7,530	
Guards		111,308	
Secretary(ies)		51,306	
Overtime Pay		66,836	
Bonus Payments		8,400	
In-Service Training		5,400	
Social Security		38,823	
State Retirement		68,506	
Medical Insurance		84,492	
Unemployment Compensation		1,601	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Employer Medicare	\$	9,136	
Communication		24,243	
Maintenance and Repair Services - Buildings		3,000	
Maintenance and Repair Services - Vehicles		91,316	
Postal Charges		1,908	
Printing, Stationery, and Forms		2,085	
Travel		6,522	
Other Contracted Services		8,383	
Law Enforcement Supplies		6,169	
Office Supplies		3,038	
Uniforms		10,386	
Other Supplies and Materials		4,152	
Judgments		975	
Other Charges		2,965	
Data Processing Equipment		944	
Law Enforcement Equipment		34,808	
Office Equipment		5,152	
Total Sheriff's Department			\$ 1,074,233

Administration of the Sexual Offender Registry

Other Charges	\$	600	
Total Administration of the Sexual Offender Registry			600

Jail

Medical Personnel	\$	29,850	
Guards		345,729	
Maintenance Personnel		23,199	
Overtime Pay		350	
Bonus Payments		5,600	
In-Service Training		887	
Social Security		23,644	
State Retirement		32,927	
Medical Insurance		82,135	
Unemployment Compensation		1,303	
Employer Medicare		5,530	
Maintenance and Repair Services - Buildings		12,902	
Printing, Stationery, and Forms		1,250	
Other Contracted Services		32	
Custodial Supplies		21,714	
Drugs and Medical Supplies		134,155	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Electricity	\$	53,280	
Food Supplies		139,262	
Natural Gas		20,046	
Office Supplies		2,309	
Uniforms		3,712	
Water and Sewer		23,363	
Other Supplies and Materials		4,718	
Food Service Equipment		109	
Office Equipment		3,440	
Other Equipment		9,211	
Other Construction		20,700	
Total Jail			\$ 1,001,357

Fire Prevention and Control

Contracts with Other Public Agencies	\$	1,000	
Contributions		150,000	
Total Fire Prevention and Control			151,000

Civil Defense

Supervisor/Director	\$	34,271	
Secretary(ies)		23,742	
Part-time Personnel		260	
Bonus Payments		800	
Social Security		3,243	
State Retirement		5,882	
Medical Insurance		8,490	
Unemployment Compensation		112	
Employer Medicare		802	
Other Supplies and Materials		8,862	
Liability Insurance		310	
Other Charges		185	
Total Civil Defense			86,959

Other Emergency Management

Other Contracted Services	\$	66,600	
Total Other Emergency Management			66,600

County Coroner/Medical Examiner

Medical Personnel	\$	1,800	
Social Security		74	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner (Cont.)

Employer Medicare	\$	17	
Other Supplies and Materials		391	
Total County Coroner/Medical Examiner			\$ 2,282

Public Health and Welfare

Local Health Center

Salary Supplements	\$	4,657	
Custodial Personnel		15,134	
Bonus Payments		2,000	
Other Salaries and Wages		162,676	
Social Security		10,476	
State Retirement		17,061	
Medical Insurance		19,702	
Unemployment Compensation		295	
Employer Medicare		2,450	
Communication		3,335	
Contracts with Other Public Agencies		35,107	
Travel		2,960	
Custodial Supplies		2,420	
Drugs and Medical Supplies		2,928	
Office Supplies		419	
Utilities		15,171	
Other Supplies and Materials		6,973	
Other Charges		271	
Office Equipment		1,779	
Total Local Health Center			305,814

Regional Mental Health Center

Other Charges	\$	10,300	
Total Regional Mental Health Center			10,300

Appropriation to State

Contributions	\$	1,800	
Other Contracted Services		12,043	
Total Appropriation to State			13,843

General Welfare Assistance

Other Contracted Services	\$	44	
Total General Welfare Assistance			44

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	19,198	
Social Workers		8,695	
Bus Drivers		12,480	
Bonus Payments		1,600	
Other Salaries and Wages		9,408	
Social Security		3,004	
State Retirement		3,100	
Medical Insurance		4,293	
Unemployment Compensation		231	
Employer Medicare		703	
Communication		1,892	
Travel		1,082	
Other Contracted Services		840	
Utilities		6,463	
Other Supplies and Materials		95	
Building Improvements		15,724	
Health Equipment		2,215	
Total Senior Citizens Assistance			\$ 91,023

Libraries

Contributions	\$	30,960	
Total Libraries			30,960

Other Social, Cultural, and Recreational

Contributions	\$	2,000	
Other Contracted Services		25,000	
Other Charges		1,720	
Total Other Social, Cultural, and Recreational			28,720

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	27,889	
Secretary(ies)		5,981	
Social Security		2,591	
State Retirement		4,644	
Medical Insurance		4,957	
Unemployment Compensation		49	
Communication		4,952	
Travel		6,800	
Other Supplies and Materials		1,487	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Office Equipment	\$ 1,029	
Total Agriculture Extension Service		\$ 60,379

Soil Conservation

Secretary(ies)	\$ 13,711	
Bonus Payments	400	
Social Security	778	
State Retirement	1,487	
Medical Insurance	4,293	
Unemployment Compensation	56	
Employer Medicare	182	
Total Soil Conservation		20,907

Other Operations

Tourism

Contributions	\$ 13,197	
Other Charges	7,288	
Total Tourism		20,485

Airport

Communication	\$ 1,685	
Maintenance and Repair Services - Buildings	4,200	
Travel	873	
Other Contracted Services	69,222	
Electricity	1,536	
Liability Insurance	1,869	
Airport Improvement	68,081	
Site Development	5,455	
Total Airport		152,921

Veterans' Services

Bonus Payments	\$ 400	
Other Salaries and Wages	8,748	
Unemployment Compensation	38	
Employer Medicare	129	
Total Veterans' Services		9,315

Other Charges

Diesel Fuel	\$ 220,163
Gasoline	101,115

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges (Cont.)

Trustee's Commission	\$	50,920	
Workers' Compensation Insurance		36,488	
Other Charges		1,816	
Total Other Charges			\$ 410,502

Contributions to Other Agencies

Contracts with Other Public Agencies	\$	15,000	
Contributions		6,518	
Total Contributions to Other Agencies			21,518

Employee Benefits

Life Insurance	\$	1,768	
Medical Insurance		54	
Other Fringe Benefits		12,552	
Total Employee Benefits			14,374

Miscellaneous

Foremen	\$	2,462	
Social Security		153	
Employer Medicare		36	
Advertising		2,282	
Communication		30,185	
Legal Notices, Recording, and Court Costs		249	
Maintenance and Repair Services - Buildings		1,824	
Postal Charges		25,495	
Other Contracted Services		7,855	
Duplicating Supplies		12,607	
Electricity		7,970	
Water and Sewer		2,139	
Liability Insurance		91,529	
Premiums on Corporate Surety Bonds		8,473	
Other Charges		13,888	
Total Miscellaneous			207,147

Highways

Litter and Trash Collection

Bonus Payments	\$	400	
Other Salaries and Wages		18,720	
Social Security		1,266	
State Retirement		2,183	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection (Cont.)

Medical Insurance	\$ 5,150	
Unemployment Compensation	71	
Employer Medicare	296	
Communication	853	
Travel	1,309	
Other Contracted Services	4,344	
Other Supplies and Materials	2,411	
Other Charges	8,751	
Other Equipment	4,017	
Total Litter and Trash Collection	\$ 49,771	

Total General Fund \$ 5,689,647

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Equipment Operators	\$ 56,484	
Social Security	3,406	
State Retirement	5,805	
Medical Insurance	5,489	
Unemployment Compensation	191	
Employer Medicare	796	
Communication	1,395	
Maintenance and Repair Services - Equipment	16,944	
Printing, Stationery, and Forms	1,594	
Other Contracted Services	337,309	
Custodial Supplies	1,365	
Diesel Fuel	4,828	
Electricity	3,752	
Gasoline	3,034	
Office Supplies	186	
Uniforms	1,960	
Water and Sewer	893	
Other Supplies and Materials	194	
Liability Insurance	8,460	
Trustee's Commission	6,129	
Workers' Compensation Insurance	6,890	
Other Charges	19,138	
Data Processing Equipment	9,865	
Site Development	2,565	
Total Sanitation Management	\$ 498,672	

Total Solid Waste/Sanitation Fund 498,672

(Continued)

Exhibit J-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Deputy(ies)	\$	28,541	
Other Fringe Benefits		12,252	
Maintenance and Repair Services - Vehicles		3,791	
Travel		128	
Other Contracted Services		5,000	
Drugs and Medical Supplies		2,452	
Other Supplies and Materials		194	
Trustee's Commission		169	
Other Charges		508	
Other Equipment		1,120	
Total Drug Enforcement			\$ 54,155

Total Drug Control Fund \$ 54,155

Constitutional Officers - Fees Fund

General Government

Other General Administration

Special Commissioner Fees/Special Master Fees	\$	3,376	
Other Charges		47	
Total Other General Administration			\$ 3,423

Total Constitutional Officers - Fees Fund 3,423

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	63,527	
Supervisor/Director		38,972	
Board and Committee Members Fees		2,431	
Social Security		6,110	
State Retirement		10,829	
Medical Insurance		12,800	
Unemployment Compensation		210	
Employer Medicare		1,429	
Travel		1,513	
Office Supplies		2,549	
Office Equipment		897	
Total Administration			\$ 141,267

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Laborers	\$	498,830	
Bonus Payments		11,600	
Social Security		28,772	
State Retirement		50,355	
Medical Insurance		116,583	
Unemployment Compensation		5,629	
Employer Medicare		6,895	
Asphalt - Liquid		140,337	
Crushed Stone		93,678	
Pipe		9,449	
Road Signs		2,536	
Wood Products		3,421	
Total Highway and Bridge Maintenance	\$		968,085

Operation and Maintenance of Equipment

Laundry Service	\$	7,401	
Diesel Fuel		97,208	
Equipment and Machinery Parts		130,517	
Garage Supplies		32,600	
Gasoline		26,554	
Lubricants		6,800	
Tires and Tubes		20,866	
Total Operation and Maintenance of Equipment			321,946

Other Charges

Communication	\$	5,980	
Electricity		6,769	
Water and Sewer		1,003	
Liability Insurance		49,556	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		14,262	
Other Charges		8,912	
Total Other Charges			86,832

Employee Benefits

Life Insurance	\$	801	
Medical Insurance		6,608	
Other Fringe Benefits		2,910	
Workers' Compensation Insurance		58,808	
Total Employee Benefits			69,127

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Engineering Services	\$ 25,200	
Other Contracted Services	308	
Other Supplies and Materials	8,013	
Other Charges	2,185	
Building Construction	392	
Highway Equipment	155,648	
Total Capital Outlay		\$ 191,746

Principal on Debt

Highways and Streets

Principal on Notes	\$ 56,347	
Total Highways and Streets		56,347

Interest on Debt

Highways and Streets

Interest on Notes	\$ 5,549	
Total Highways and Streets		5,549

Total Highway/Public Works Fund \$ 1,840,899

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$ 30,000	
Principal on Other Loans	85,000	
Total General Government		\$ 115,000

Education

Principal on Bonds	\$ 410,000	
Total Education		410,000

Interest on Debt

General Government

Interest on Other Loans	\$ 190,805	
Total General Government		190,805

Education

Interest on Bonds	\$ 375,771	
Total Education		375,771

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Other Debt Service

Education

Other Debt Service	\$ 2	
Total Education		\$ 4,195

General Government

Trustee's Commission	\$ 23,504	
Other Debt Service	<u>25,859</u>	
Total General Government		49,363

Education

Other Debt Service	\$ 4,193	
Total Education		<u>4,195</u>

Total General Debt Service Fund		\$ 1,145,134
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General Capital Projects Fund

Capital Projects

General Administration Projects

Trustee's Commission	\$ 4,621	
Other Charges	810	
Law Enforcement Equipment	<u>81,116</u>	
Total General Administration Projects		\$ 86,547

Social, Cultural, and Recreation Projects

Engineering Services	\$ 17,133	
Electricity	72	
Other Charges	22,401	
Bridge Construction	500	
Other Construction	<u>1,866</u>	
Total Social, Cultural, and Recreation Projects		41,972

Education Capital Projects

Transportation Equipment	\$ 213,287	
Total Education Capital Projects		<u>213,287</u>

Total General Capital Projects Fund		341,806
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Community Development/Industrial Park Fund

Capital Projects

General Administration Projects

Contracts with Government Agencies	\$ 28,189	
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(Continued)

Exhibit J-7

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

Community Development/Industrial Park Fund (Cont.)

Capital Projects (Cont.)

General Administration Projects (Cont.)

Other Contracted Services	\$	54,000	
Electricity		680	
Water and Sewer		1,327	
Other Charges		3,169	
Building Improvements		1,439	
Total General Administration Projects			\$ 88,804

Total Community Development/Industrial Park Fund \$ 88,804

Other Capital Projects Fund

Social, Cultural, and Recreational Services

Libraries

Other Salaries and Wages	\$	19,475	
Social Security		4,464	
Unemployment Compensation		193	
Employer Medicare		357	
Communication		1,415	
Data Processing Services		3,577	
Maintenance and Repair Services - Buildings		2,613	
Electricity		6,132	
Library Books/Media		620	
Office Supplies		2,182	
Water and Sewer		228	
Office Equipment		90	
Total Libraries			\$ 41,346

Capital Projects

Other General Government Projects

Building Construction	\$	24	
Total Other General Government Projects			24

Total Other Capital Projects Fund 41,370

Total Governmental Funds - Primary Government \$ 9,703,910

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 4,367,251	
Career Ladder Program	67,812	
Career Ladder Extended Contracts	66,505	
Homebound Teachers	41,972	
Educational Assistants	93,943	
Certified Substitute Teachers	6,421	
Non-certified Substitute Teachers	82,690	
Social Security	279,661	
State Retirement	299,199	
Medical Insurance	812,118	
Unemployment Compensation	5,168	
Employer Medicare	65,987	
Operating Lease Payments	17,897	
Maintenance and Repair Services - Equipment	1,382	
Tuition	73,272	
Other Contracted Services	13,229	
Instructional Supplies and Materials	163,133	
Textbooks	118,094	
Other Supplies and Materials	2,888	
Other Charges	19,645	
Regular Instruction Equipment	112,919	
Total Regular Instruction Program		\$ 6,711,186

Alternative Instruction Program

Teachers	\$ 96,289	
Career Ladder Program	1,000	
Clerical Personnel	13,351	
Educational Assistants	10,528	
Non-certified Substitute Teachers	1,566	
Social Security	7,435	
State Retirement	8,773	
Medical Insurance	21,494	
Unemployment Compensation	159	
Employer Medicare	1,759	
Operating Lease Payments	1,920	
Other Contracted Services	1,100	
Instructional Supplies and Materials	2,749	
Textbooks	2,000	
Total Alternative Instruction Program		170,123

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	528,759	
Career Ladder Program		9,495	
Homebound Teachers		15,626	
Educational Assistants		67,496	
Speech Pathologist		86,335	
Non-certified Substitute Teachers		11,825	
Social Security		42,299	
State Retirement		48,452	
Medical Insurance		98,768	
Unemployment Compensation		754	
Employer Medicare		9,916	
Contracts with Private Agencies		10,000	
Maintenance and Repair Services - Equipment		365	
Other Contracted Services		45,077	
Instructional Supplies and Materials		10,197	
Other Charges		4,466	
Total Special Education Program			\$ 989,830

Vocational Education Program

Teachers	\$	634,629	
Career Ladder Program		5,000	
Clerical Personnel		15,961	
Other Salaries and Wages		98,199	
Non-certified Substitute Teachers		13,067	
Social Security		45,838	
State Retirement		52,800	
Medical Insurance		117,490	
Unemployment Compensation		877	
Employer Medicare		10,724	
Operating Lease Payments		3,280	
Maintenance and Repair Services - Equipment		3,058	
Other Contracted Services		2,491	
Instructional Supplies and Materials		6,830	
T&I Construction Materials		17,122	
Other Supplies and Materials		7,662	
Other Charges		5,273	
Vocational Instruction Equipment		3,578	
Total Vocational Education Program			1,043,879

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Student Body Education Program

Other Salaries and Wages	\$	67,561	
Non-certified Substitute Teachers		481	
Social Security		4,141	
State Retirement		4,543	
Medical Insurance		3,733	
Unemployment Compensation		29	
Employer Medicare		969	
Other Contracted Services		1,755	
Instructional Supplies and Materials		10,487	
Other Supplies and Materials		5,497	
Other Charges		16,472	
Other Equipment		21,634	
Total Student Body Education Program	\$		137,302

Adult Education Program

Teachers	\$	46,121	
Career Ladder Program		1,000	
Social Security		2,718	
State Retirement		2,925	
Medical Insurance		6,385	
Unemployment Compensation		43	
Employer Medicare		636	
Instructional Supplies and Materials		1,343	
Other Charges		172	
Total Adult Education Program			61,343

Support Services

Attendance

Supervisor/Director	\$	50,857	
Career Ladder Program		1,000	
Social Security		3,032	
State Retirement		3,329	
Medical Insurance		5,694	
Unemployment Compensation		35	
Employer Medicare		709	
Travel		175	
Other Supplies and Materials		191	
In Service/Staff Development		972	
Total Attendance			65,994

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Medical Personnel	\$	95,807	
Other Salaries and Wages		76,923	
Social Security		10,114	
State Retirement		17,136	
Medical Insurance		27,799	
Unemployment Compensation		296	
Employer Medicare		2,365	
Travel		1,234	
Other Contracted Services		519	
Drugs and Medical Supplies		5,061	
Other Supplies and Materials		19,934	
In Service/Staff Development		7,819	
Other Charges		17,906	
Total Health Services			\$ 282,913

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		207,914	
Other Salaries and Wages		288	
Social Security		12,807	
State Retirement		13,495	
Medical Insurance		25,040	
Unemployment Compensation		166	
Employer Medicare		2,995	
Evaluation and Testing		11,036	
Travel		531	
Other Contracted Services		32,483	
Other Supplies and Materials		11,494	
In Service/Staff Development		711	
Other Charges		34,573	
Total Other Student Support			355,533

Regular Instruction Program

Supervisor/Director	\$	133,988	
Career Ladder Program		3,000	
Librarians		237,702	
Instructional Computer Personnel		49,473	
Clerical Personnel		17,102	
Other Salaries and Wages		30,790	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

In-Service Training	\$	1,975	
Social Security		28,832	
State Retirement		33,729	
Medical Insurance		47,556	
Unemployment Compensation		441	
Employer Medicare		6,743	
Operating Lease Payments		3,372	
Travel		6,816	
Other Contracted Services		7,310	
Library Books/Media		23,999	
Periodicals		6,000	
Other Supplies and Materials		551	
In Service/Staff Development		20,293	
Other Charges		84	
Other Equipment		13,732	
Total Regular Instruction Program			\$ 673,488

Alternative Instruction Program

Travel	\$	500	
Total Alternative Instruction Program			500

Special Education Program

Supervisor/Director	\$	34,028	
Career Ladder Program		1,000	
Secretary(ies)		13,315	
Clerical Personnel		2,105	
In-Service Training		5,480	
Social Security		3,143	
State Retirement		4,369	
Medical Insurance		10,235	
Unemployment Compensation		63	
Employer Medicare		735	
Travel		8,679	
Other Contracted Services		18,828	
Other Supplies and Materials		4,577	
In Service/Staff Development		3,431	
Other Charges		197	
Total Special Education Program			110,185

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Supervisor/Director	\$	64,828	
Career Ladder Program		1,000	
Social Security		3,862	
State Retirement		4,226	
Medical Insurance		9,688	
Unemployment Compensation		36	
Employer Medicare		903	
Travel		216	
In Service/Staff Development		3,920	
Total Vocational Education Program			\$ 88,679

Adult Programs

Supervisor/Director	\$	46,535	
Clerical Personnel		2,000	
Social Security		2,961	
State Retirement		5,134	
Medical Insurance		5,055	
Unemployment Compensation		36	
Employer Medicare		692	
Travel		202	
In Service/Staff Development		2,726	
Other Charges		188	
Total Adult Programs			65,529

Other Programs

On-Behalf Payments to OPEB	\$	7,048	
Total Other Programs			7,048

Board of Education

Secretary to Board	\$	3,280	
Other Salaries and Wages		4,320	
Board and Committee Members Fees		12,000	
Social Security		1,197	
State Retirement		1,139	
Life Insurance		6,790	
Medical Insurance		1,091	
Unemployment Compensation		4	
Employer Medicare		280	
Other Fringe Benefits		20,844	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Audit Services	\$	10,999	
Dues and Memberships		9,934	
Legal Services		3,336	
Other Contracted Services		3,000	
Liability Insurance		138,721	
Trustee's Commission		82,795	
Workers' Compensation Insurance		78,999	
In Service/Staff Development		10,425	
Criminal Investigation of Applicants - TBI		3,720	
Other Charges		2,893	
Total Board of Education			\$ 395,767

Director of Schools

County Official/Administrative Officer	\$	83,412	
Clerical Personnel		20,580	
Social Security		6,147	
State Retirement		7,532	
Medical Insurance		11,061	
Unemployment Compensation		69	
Employer Medicare		1,438	
Communication		27,199	
Operating Lease Payments		4,047	
Postal Charges		5,088	
Other Contracted Services		2,952	
Office Supplies		7,617	
In Service/Staff Development		4,447	
Other Charges		5,490	
Total Director of Schools			187,079

Office of the Principal

Principals	\$	436,154	
Career Ladder Program		10,000	
Assistant Principals		147,061	
Secretary(ies)		181,775	
Social Security		45,954	
State Retirement		54,578	
Medical Insurance		101,190	
Unemployment Compensation		792	
Employer Medicare		10,934	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Communication	\$	81,138	
Dues and Memberships		3,850	
Operating Lease Payments		4,649	
Postal Charges		386	
Travel		426	
Other Contracted Services		3,245	
Office Supplies		4,183	
In Service/Staff Development		6,055	
Other Charges		42	
Administration Equipment		13,374	
Total Office of the Principal			\$ 1,105,786

Fiscal Services

Supervisor/Director	\$	32,663	
Accountants/Bookkeepers		30,553	
Social Security		3,712	
State Retirement		6,688	
Medical Insurance		13,454	
Unemployment Compensation		60	
Employer Medicare		868	
Travel		250	
Office Supplies		498	
In Service/Staff Development		661	
Other Charges		154	
Total Fiscal Services			89,561

Human Services/Personnel

Supervisor/Director	\$	10,888	
Clerical Personnel		30,397	
Social Security		2,444	
State Retirement		4,368	
Medical Insurance		8,534	
Unemployment Compensation		44	
Employer Medicare		572	
Travel		269	
Office Supplies		500	
In Service/Staff Development		316	
Other Charges		14	
Total Human Services/Personnel			58,346

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Guards	\$	58,078	
Custodial Personnel		324,732	
Other Salaries and Wages		10,035	
Social Security		23,802	
State Retirement		38,511	
Medical Insurance		91,797	
Unemployment Compensation		918	
Employer Medicare		5,567	
Other Contracted Services		186,127	
Custodial Supplies		59,037	
Electricity		640,240	
Natural Gas		188,553	
Water and Sewer		35,583	
Other Supplies and Materials		13,115	
Other Charges		1,637	
Plant Operation Equipment		30,255	
Total Operation of Plant			\$ 1,707,987

Maintenance of Plant

Maintenance Personnel	\$	102,545	
Social Security		6,235	
State Retirement		10,849	
Medical Insurance		16,467	
Unemployment Compensation		125	
Employer Medicare		1,458	
Maintenance and Repair Services - Buildings		3,440	
Maintenance and Repair Services - Equipment		4,993	
Other Contracted Services		3,863	
General Construction Materials		3,207	
Other Supplies and Materials		47,736	
In Service/Staff Development		770	
Other Charges		2,613	
Maintenance Equipment		1,353	
Total Maintenance of Plant			205,654

Transportation

Supervisor/Director	\$	42,536	
Mechanic(s)		63,764	
Bus Drivers		217,784	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Clerical Personnel	\$	20,419	
Social Security		20,433	
State Retirement		34,749	
Medical Insurance		101,097	
Unemployment Compensation		909	
Employer Medicare		4,779	
Communication		2,728	
Contracts with Parents		2,000	
Operating Lease Payments		170	
Medical and Dental Services		2,439	
Rentals		2,063	
Travel		236	
Other Contracted Services		2,022	
Diesel Fuel		109,216	
Equipment and Machinery Parts		720	
Garage Supplies		2,630	
Gasoline		27,743	
Lubricants		2,922	
Tires and Tubes		17,477	
Vehicle Parts		44,248	
Other Supplies and Materials		2,457	
In Service/Staff Development		1,033	
Other Charges		4,133	
Total Transportation			\$ 730,707

Central and Other

Data Processing Personnel	\$	33,828	
Social Security		2,062	
State Retirement		3,579	
Medical Insurance		4,655	
Unemployment Compensation		50	
Employer Medicare		482	
Travel		32	
Other Contracted Services		1,788	
Data Processing Supplies		216	
Other Supplies and Materials		597	
Data Processing Equipment		1,656	
Total Central and Other			48,945

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	54,802	
Accountants/Bookkeepers		20,695	
Social Security		4,591	
State Retirement		5,708	
Medical Insurance		9,529	
Unemployment Compensation		68	
Employer Medicare		1,074	
Travel		768	
Other Contracted Services		308	
Other Supplies and Materials		375	
Total Food Service			\$ 97,918

Community Services

Other Salaries and Wages	\$	97,295	
Social Security		5,910	
State Retirement		5,843	
Medical Insurance		7,712	
Unemployment Compensation		337	
Employer Medicare		1,395	
Travel		57	
Food Supplies		3,621	
Other Supplies and Materials		2,122	
In Service/Staff Development		506	
Other Charges		6,425	
Total Community Services			131,223

Early Childhood Education

Supervisor/Director	\$	11,583	
Teachers		122,432	
Educational Assistants		39,486	
Other Salaries and Wages		16,650	
Certified Substitute Teachers		1,815	
Non-certified Substitute Teachers		4,042	
Social Security		11,321	
State Retirement		14,712	
Medical Insurance		29,317	
Unemployment Compensation		339	
Employer Medicare		2,648	
Operating Lease Payments		1,032	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Travel	\$	1,207	
Other Contracted Services		395	
Instructional Supplies and Materials		6,220	
In Service/Staff Development		7,240	
Other Charges		7,929	
Other Equipment		13,602	
Total Early Childhood Education			\$ 291,970

Capital Outlay

Regular Capital Outlay

Architects	\$	2,537	
Engineering Services		1,876	
Building Construction		75,803	
Building Improvements		11,277	
Site Development		97,263	
Other Capital Outlay		47,141	
Total Regular Capital Outlay			235,897

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	319,717	
Total Education			319,717

Total General Purpose School Fund \$ 16,370,089

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	388,917	
Educational Assistants		141,946	
Other Salaries and Wages		27,024	
Non-certified Substitute Teachers		14,015	
Social Security		33,734	
State Retirement		40,251	
Medical Insurance		100,010	
Unemployment Compensation		885	
Employer Medicare		8,065	
Other Contracted Services		14,049	
Instructional Supplies and Materials		73,674	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Regular Instruction Equipment	\$ 22,904	
Total Regular Instruction Program		\$ 865,474

Special Education Program

Teachers	\$ 80,126	
Educational Assistants	157,659	
Non-certified Substitute Teachers	31,797	
Social Security	15,233	
State Retirement	18,614	
Medical Insurance	69,286	
Unemployment Compensation	753	
Employer Medicare	3,569	
Other Contracted Services	1,938	
Instructional Supplies and Materials	12,246	
Other Charges	1,180	
Total Special Education Program		392,401

Vocational Education Program

Instructional Supplies and Materials	\$ 13,568	
Vocational Instruction Equipment	29,628	
Total Vocational Education Program		43,196

Support Services

Health Services

Medical Personnel	\$ 8,978	
Social Security	557	
State Retirement	946	
Unemployment Compensation	15	
Employer Medicare	130	
Other Charges	220	
Total Health Services		10,846

Other Student Support

Social Workers	\$ 20,025	
Social Security	1,134	
State Retirement	1,286	
Medical Insurance	3,574	
Unemployment Compensation	34	
Employer Medicare	265	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Travel	\$	10,558	
Other Supplies and Materials		5,759	
Other Charges		2,303	
Total Other Student Support			\$ 44,938

Regular Instruction Program

Supervisor/Director	\$	72,274	
Secretary(ies)		8,610	
Other Salaries and Wages		1,992	
In-Service Training		22,500	
Social Security		6,394	
State Retirement		9,472	
Medical Insurance		7,132	
Unemployment Compensation		127	
Employer Medicare		1,530	
Operating Lease Payments		1,605	
Travel		553	
Other Contracted Services		900	
Other Supplies and Materials		1,162	
In Service/Staff Development		29,686	
Other Charges		877	
Other Equipment		850	
Total Regular Instruction Program			165,664

Special Education Program

In Service/Staff Development	\$	3,808	
Total Special Education Program			3,808

Vocational Education Program

In-Service Training	\$	3,375	
Social Security		209	
State Retirement		222	
Unemployment Compensation		7	
Employer Medicare		49	
In Service/Staff Development		7,672	
Total Vocational Education Program			11,534

Board of Education

Workers' Compensation Insurance	\$	2,399	
Total Board of Education			2,399

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation

Bus Drivers	\$	26,350	
Social Security		1,552	
State Retirement		2,794	
Medical Insurance		14,081	
Unemployment Compensation		99	
Employer Medicare		363	
Other Charges		1,291	
Transportation Equipment		7,564	
Total Transportation			\$ 54,094

Total School Federal Projects Fund \$ 1,594,354

Central Cafeteria Fund

Support Services

Board of Education

Workers' Compensation Insurance	\$	9,922	
Total Board of Education			\$ 9,922

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	364,119	
Social Security		20,765	
State Retirement		35,731	
Medical Insurance		121,507	
Unemployment Compensation		1,195	
Employer Medicare		4,856	
Communication		1,408	
Maintenance and Repair Services - Equipment		17,953	
Transportation - Other than Students		8,500	
Travel		4,619	
Other Contracted Services		52,634	
Food Preparation Supplies		55,019	
Food Supplies		406,827	
Uniforms		4,025	
Other Supplies and Materials		1,689	
Other Charges		24,099	
Food Service Equipment		9,193	
Total Food Service			1,134,139

Total Central Cafeteria Fund 1,144,061

(Continued)

Exhibit J-8

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

Other Education Special Revenue Fund

Instruction

Regular Instruction Program

Teachers	\$	195,463	
Educational Assistants		44,610	
Non-certified Substitute Teachers		14,658	
Social Security		15,099	
State Retirement		17,285	
Medical Insurance		40,897	
Unemployment Compensation		395	
Employer Medicare		3,532	
Instructional Supplies and Materials		14,753	
Other Charges		7,179	
Total Regular Instruction Program			\$ 353,871

Support Services

Attendance

Social Workers	\$	39,696	
Other Salaries and Wages		1,327	
Social Security		2,251	
State Retirement		3,938	
Medical Insurance		9,311	
Unemployment Compensation		90	
Employer Medicare		581	
Travel		1,456	
Other Supplies and Materials		1,176	
Other Charges		180	
Total Attendance			60,006

Health Services

Medical Personnel	\$	8,793	
Social Security		545	
State Retirement		927	
Unemployment Compensation		7	
Employer Medicare		128	
Other Contracted Services		2,058	
Drugs and Medical Supplies		464	
Total Health Services			12,922

Regular Instruction Program

Supervisor/Director	\$	44,731	
Social Security		2,690	

(Continued)

Exhibit J-8

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

Other Education Special Revenue Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

State Retirement	\$	2,872	
Medical Insurance		4,873	
Unemployment Compensation		31	
Employer Medicare		629	
Travel		357	
Other Supplies and Materials		2,404	
In Service/Staff Development		4,189	
Other Charges		60	
Total Regular Instruction Program			\$ 62,836

Board of Education

Workers' Compensation Insurance	\$	1,186	
Total Board of Education			1,186

Total Other Education Special Revenue Fund \$ 490,821

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Other Capital Outlay	\$	5,618	
Total Education Capital Projects			\$ 5,618

Total Education Capital Projects Fund 5,618

Total Governmental Funds - Johnson County School Department \$ 19,604,943

Exhibit J-9

Johnson 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	\$ 449,482
Total Cash Receipts	<u>\$ 449,482</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 444,987
Trustee's Commissions	4,495
Total Cash Disbursements	<u>\$ 449,482</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

December 30, 2009

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Johnson County's basic financial statements and have issued our report thereon dated December 30, 2009. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Johnson County Emergency Communications District as described in our report on Johnson 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 Johnson 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 Johnson County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Johnson 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 a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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 deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting: 09.01.

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 Johnson County's internal control.

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

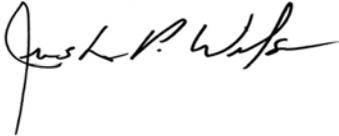
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Johnson 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 also noted certain matters that we reported to management of Johnson County in separate communications.

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

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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
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

December 30, 2009

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

To the County Mayor and Board of County Commissioners:

Compliance

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

In our opinion, Johnson 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 Johnson 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 Johnson 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 Johnson County's internal control over compliance.

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

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

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

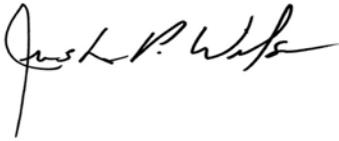
Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County as of and for the year ended June 30, 2009, and have issued our report thereon dated December 30, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Johnson County's basic financial statements. The accompanying Schedule of Expenditures of

Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the county mayor, director of schools, road superintendent, director of accounts and budgets, County Commission, Board of Education, others within Johnson 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 fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Programs:			
Schools and Roads - Grants to States	10.665	N/A	\$ 156,445
Community Facilities Loans and Grants	10.766	N/A	30,750
Rural Business Enterprise Grants	10.769	N/A	12,000
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	193,515
National School Lunch Program	10.555	N/A	611,477 (5)
Summer Food Service Program for Children	10.559	N/A	24,115
Fresh Fruit and Vegetable Program	10.582	HQ9 AAX	27,761
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	113,635 (5)
Total U.S. Department of Agriculture			<u>\$ 1,169,698</u>
U.S. Bureau of Land Management, Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 106,517
Total U.S. Department of Land Management, Department of the Interior			<u>\$ 106,517</u>
U.S. Department of Justice Assistance:			
Direct Program:			
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2007-MO-BX-0007	\$ 11,437
Total U.S. Department of Justice Assistance			<u>\$ 11,437</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	Z-07-037577-00	\$ 56,669
Passed-through State Department of Environment and Conservation:			
Recreational Trails Program	20.219	(3)	69,341
Total U.S. Department of Transportation			<u>\$ 126,010</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 757,359
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	471,906
Special Education - Preschool Grants	84.173	N/A	12,148
Vocational Education - Basic Grants to States	84.048	N/A	60,230
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	10,549
Twenty-first Century Community Learning Centers	84.287	(2)	152,248
State Grants for Innovative Programs	84.298	N/A	33
Education Technology State Grants	84.318	(2)	5,535
Rural Education	84.358	N/A	33,404
Improving Teacher Quality State Grants	84.367	N/A	157,247
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(4)	78,078
Passed-through State Higher Education Commission:			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	GG-08-21817-00	119,971
Total U.S. Department of Education			<u>\$ 1,858,708</u>

Johnson 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:			
Emergency Management Performance Grants	97.042	GG-08-26018-00	\$ 32,713
Total U.S. Department of Homeland Security			<u>\$ 32,713</u>
Total Expenditures of Federal Awards			<u>\$ 3,305,083</u>

State Grants	Contract Number		Expenditures
Juvenile Services Program - State Commission on Children and Youth	N/A	(2)	\$ 11,550
Airport Maintenance - State Department of Transportation	N/A	(2)	15,679
Aging Program - First Tennessee Development District	N/A	(2)	32,863
State Reappraisal - Comptroller of the Treasury	N/A	(2)	8,657
Health Department Program - State Department of Health	N/A	(2)	213,823
Litter Program - State Department of Transportation	N/A	(2)	30,236
Adult Basic Education - State Department of Education	N/A	(2)	33,066
Family Resource Center Grant - State Department of Education	N/A	(2)	33,300
Safe Schools Act Grant - State Department of Education	N/A	(2)	14,800
Smoking Prevention Grant - State Higher Education Commission	N/A	(2)	65,416
Early Childhood Education Pilot Project - State Department of Education	N/A	(2)	96,629
Early Childhood Education Project - State Department of Education	N/A	(2)	193,822
Coordinated School Health Program - State Department of Education	N/A	(2)	<u>99,196</u>
Total State Grants			<u>\$ 849,037</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) GG-08-23308-00: \$34,355; GG-08-23482-00: \$34,986.
- (4) Z-08-020796-00: \$5,059; Z-09-213479-00: \$73,019.
- (5) Total for CFDA No. 10.555 is \$725,112.

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

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

OTHER FINDING

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.03	193	Duties were not segregated adequately in the Offices of Clerk and Master, Register, and Sheriff

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JOHNSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2009

PART I, SUMMARY OF AUDITOR'S RESULTS

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

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

A finding and recommendation, as a result of our examination, is presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response; however, management did not provide a response for inclusion in this report.

OTHER FINDING AND RECOMMENDATION

FINDING 09.01 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF CLERK AND MASTER, REGISTER, AND SHERIFF**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Offices of Clerk and Master, Register, and Sheriff. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

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

There were no findings and questioned costs for federal programs.

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**JOHNSON 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.