



ANNUAL FINANCIAL REPORT OBION COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2009



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

*DEPARTMENT OF AUDIT
JUSTIN P. WILSON
Comptroller of the Treasury*

*DIVISION OF COUNTY AUDIT
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Assistant to the Comptroller*

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State Auditors*

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

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OBION COUNTY, TENNESSEE

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ Obion County does not have the resources to produce financial statements and notes to the financial statements.
- ◆ The General Debt Service Fund required material audit adjustments for proper financial statement presentation.
- ◆ The government-wide financial statements did not include other postemployment benefits information as required by generally accepted accounting principles.

OFFICE OF HIGHWAY SUPERINTENDENT

- ◆ The Highway Department did not have a system to account for some road materials.
- ◆ The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The office had deficiencies in accounting for employee health insurance transactions.
-

OFFICE OF TRUSTEE

- ◆ The office did not review software audit logs.
-

OTHER FINDINGS

- ◆ Duties were not segregated adequately among officials and employees in the Offices of Trustee; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; and Register.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.

INTRODUCTORY SECTION

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Obion County Officials

June 30, 2009

Officials

Benny McGuire, County Mayor
Gary Lofton, Highway Superintendent
David Huss, Director of Schools
Lori Seals, Trustee
Kathy Robertson, Assessor of Property
Vollie Jean Boehms, County Clerk
Harry Johnson, Circuit, General Sessions, and Juvenile Courts Clerk
Paula Rice, Clerk and Master
Vicky Long, Register
Jerry Vastbinder, Sheriff

Board of County Commissioners

Ralph Puckett, Chairman
Paul Albright
Richard Arnold
Perry Barfield
Kenneth Barnes
Donnie Braswell
Kenneth Cheatham
Tim Doyle
Norma Fowler
Polk Glover
Steve Goodrich

Jerry Grady
Dwayne Hensley
Danny Jowers
Dean Jowers
William Kane
Allen Nohsey
Steve Rice
Terry Roberts
Jimmy Seals
Trena Taylor

Highway Commission

Malcolm Cook, Chairman
Larry Gray
David Jacobs
Jerry Kendall
Jerry Lamastus
Baxter Sanders
James Thorpe

Board of Education

Roger Williams, Chairman
Glynn Giffin
David Lamb
Brian Rainey
Diane Sanderson
Jimmy Smith
Susan Williams

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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

February 23, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Obion County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Obion County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Obion 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 Obion County Public Library, which represent 4.6 percent and 49.5 percent, respectively, of the assets and revenues of the aggregate remaining fund information; the Obion County Nursing Home, a major fund and the entire business-type activities; and the Obion County Emergency Communications District, which represent 2.7 percent and 1.3 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Obion County Public Library, the Obion County Nursing Home, and the Obion County Emergency Communications District are based on the reports of the other auditors.

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

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Obion County, Tennessee, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 23, 2010, on our consideration of Obion 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., Obion County has implemented 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.

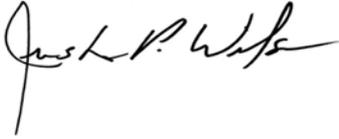
The management of Obion County did not prepare a management's discussion and analysis. The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

The budgetary comparison, pension, and other postemployment benefits information on pages 87 through 95 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 Obion 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 Obion County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements,

budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Obion 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, based on our audit, 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 fluid and cursive, with a long vertical stroke at the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

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BASIC FINANCIAL STATEMENTS

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

| | Primary Government | | Component Units | |
|---|-------------------------|--------------------------|--------------------------------|-----------------------------------|
| | Governmental Activities | Business-type Activities | Obion County School Department | Emergency Communications District |
| | | | Total | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 383,378 | \$ 441,037 | \$ 824,415 | \$ 0 |
| Equity in Pooled Cash and Investments | 14,574,106 | 0 | 14,574,106 | 0 |
| Inventories | 0 | 3,111 | 3,111 | 0 |
| Accounts Receivable | 13,256 | 152,212 | 165,468 | 15,017 |
| Due from Other Governments | 1,271,806 | 0 | 1,271,806 | 63,189 |
| Property Taxes Receivable | 3,960,715 | 0 | 3,960,715 | 0 |
| Allowance for Uncollectible Property Taxes | (173,312) | 0 | (173,312) | 0 |
| Prepaid Items | 0 | 0 | 0 | 30,075 |
| Accrued Interest Receivable | 76,133 | 0 | 76,133 | 0 |
| Deferred Charges - Debt Issuance Costs | 229,231 | 0 | 229,231 | 0 |
| Notes Receivable - Long-term | 4,504,103 | 0 | 4,504,103 | 0 |
| Capital Assets: | | | | |
| Assets Not Depreciated: | | | | |
| Land | 3,498,663 | 0 | 3,498,663 | 0 |
| Construction in Progress | 109,280 | 0 | 109,280 | 0 |
| Assets Net of Accumulated Depreciation: | | | | |
| Buildings and Improvements | 7,192,461 | 237,357 | 7,429,818 | 318,779 |
| Infrastructure | 8,034,673 | 0 | 8,034,673 | 0 |
| Other Capital Assets | 1,527,532 | 57,361 | 1,584,893 | 392,435 |
| Total Assets | \$ 45,202,025 | \$ 891,078 | \$ 46,093,103 | \$ 1,196,351 |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 49,793 | \$ 16,357 | \$ 66,150 | \$ 8,041 |
| Accrued Payroll | 0 | 68,138 | 68,138 | 0 |
| Payroll Deductions Payable | 285 | 0 | 285 | 0 |
| Accrued Leave | 0 | 62,340 | 62,340 | 0 |
| Accrued Interest Payable | 71,317 | 0 | 71,317 | 0 |
| Patients Trust Fund | 0 | 8,762 | 8,762 | 0 |
| Other Current Liabilities | 0 | 7,769 | 7,769 | 0 |
| Deferred Revenue - Current Property Taxes | 3,661,395 | 0 | 3,661,395 | 0 |
| Noncurrent Liabilities: | | | | |
| Due Within One Year | 589,497 | 0 | 589,497 | 0 |
| Due in More Than One Year (net of unamortized discount on debt) | 16,291,669 | 0 | 16,291,669 | 0 |
| Total Liabilities | \$ 20,663,956 | \$ 163,366 | \$ 20,827,322 | \$ 8,041 |

(Continued)

Exhibit B

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

| Functions/Programs | Program Revenues | | | | | | Primary Government | | | Obion County School Department | | Emergency Communications District |
|---|----------------------|----------------------|------------------------------------|----------------------------------|-------------------------|--------------------------|------------------------|-------------------------|--------------------------|--------------------------------|--------------------|-----------------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total | Governmental Activities | Business-type Activities | Total | Department | District |
| | | | | | | | | | | | | |
| Primary Government: | | | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | | | |
| General Government | \$ 781,317 | \$ 156,766 | \$ 30,246 | \$ 0 | \$ (594,305) | \$ 0 | \$ (594,305) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Finance | 678,391 | 759,064 | 12,901 | 0 | 93,574 | 0 | 93,574 | 0 | 0 | 93,574 | 0 | 0 |
| Administration of Justice | 1,038,816 | 637,324 | 59,000 | 0 | (342,492) | 0 | (342,492) | 0 | 0 | (342,492) | 0 | 0 |
| Public Safety | 3,734,568 | 1,511,064 | 90,650 | 361,759 | (1,771,095) | 0 | (1,771,095) | 0 | 0 | (1,771,095) | 0 | 0 |
| Public Health and Welfare | 514,058 | 397,876 | 124,272 | 0 | 8,090 | 0 | 8,090 | 0 | 0 | 8,090 | 0 | 0 |
| Social, Cultural, and Recreational Services | 775,551 | 21,702 | 259,394 | 0 | (494,455) | 0 | (494,455) | 0 | 0 | (494,455) | 0 | 0 |
| Agriculture and Natural Resources | 149,810 | 0 | 0 | 0 | (149,810) | 0 | (149,810) | 0 | 0 | (149,810) | 0 | 0 |
| Other Operations | 899,397 | 0 | 0 | 1,103,400 | 204,003 | 0 | 204,003 | 0 | 0 | 204,003 | 0 | 0 |
| Highways/Public Works | 3,842,626 | 48,505 | 2,018,943 | 86,755 | (1,688,423) | 0 | (1,688,423) | 0 | 0 | (1,688,423) | 0 | 0 |
| Education | 79,150 | 0 | 200,000 | 0 | 120,850 | 0 | 120,850 | 0 | 0 | 120,850 | 0 | 0 |
| Interest on Long-term Debt | 509,694 | 0 | 0 | 0 | (509,694) | 0 | (509,694) | 0 | 0 | (509,694) | 0 | 0 |
| Other Debt Service | 115,050 | 0 | 0 | 0 | (115,050) | 0 | (115,050) | 0 | 0 | (115,050) | 0 | 0 |
| Total Governmental Activities | \$ 13,118,428 | \$ 3,532,301 | \$ 2,795,406 | \$ 1,551,914 | \$ (5,238,807) | \$ 0 | \$ (5,238,807) | \$ 0 | \$ 0 | \$ (5,238,807) | \$ 0 | 0 |
| Business-type Activities: | | | | | | | | | | | | |
| Nursing Home | \$ 2,346,125 | \$ 2,359,286 | \$ 0 | \$ 0 | \$ 0 | \$ 13,161 | \$ 13,161 | \$ 0 | \$ 0 | \$ 13,161 | \$ 0 | \$ 0 |
| Total Primary Government | \$ 15,464,553 | \$ 5,891,587 | \$ 2,795,406 | \$ 1,551,914 | \$ (5,238,807) | \$ 13,161 | \$ (5,225,646) | \$ 0 | \$ 0 | \$ (5,225,646) | \$ 0 | 0 |
| Component Units: | | | | | | | | | | | | |
| Obion County School Department | \$ 31,992,958 | \$ 1,007,116 | \$ 3,863,343 | \$ 38,495 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (27,084,004) | \$ 0 | 0 |
| Emergency Communications District | 400,089 | 356,705 | 11,431 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (31,953) |
| Total Component Units | \$ 32,393,047 | \$ 1,363,821 | \$ 3,874,774 | \$ 38,495 | \$ 0 | \$ 0 | \$ (27,084,004) | \$ 0 | \$ 0 | \$ (27,084,004) | \$ (31,953) | 0 |

(Continued)

Exhibit B

Obion County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | | |
|--|------------------|----------------------|------------------------------------|---|--------------------------|--------------------------------|-----------------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Primary Government | | Component Units | |
| | | | | Governmental Activities | Business-type Activities | Obion County School Department | Emergency Communications District |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes Levied for General Purposes | | | | \$ 1,532,993 | \$ 0 | \$ 1,532,993 | \$ 0 |
| Property Taxes Levied for Debt Service | | | | 1,587,622 | 0 | 1,587,622 | 0 |
| Local Option Sales Taxes | | | | 606,584 | 0 | 606,584 | 0 |
| Wheel Tax | | | | 1,090,425 | 0 | 1,090,425 | 0 |
| Litigation Tax | | | | 150,929 | 0 | 150,929 | 0 |
| Business Tax | | | | 276,832 | 0 | 276,832 | 0 |
| Other Local Taxes | | | | 70,423 | 0 | 70,423 | 0 |
| Grants and Contributions Not Restricted to Specific Programs | | | | 466,685 | 0 | 466,685 | 14,918 |
| Unrestricted Investment Income | | | | 853,909 | 8,098 | 862,007 | 12,061 |
| Miscellaneous | | | | 42,829 | 0 | 42,829 | 0 |
| Gain on Disposal of Capital Assets | | | | 67,905 | 0 | 67,905 | 0 |
| Total General Revenues | | | | \$ 6,747,136 | \$ 8,098 | \$ 6,755,234 | \$ 26,979 |
| Change in Net Assets | | | | \$ 1,508,329 | \$ 21,259 | \$ 1,529,588 | \$ (4,974) |
| Net Assets, July 1, 2008 | | | | 23,029,740 | 706,453 | 23,736,193 | 1,193,284 |
| Net Assets, June 30, 2009 | | | | \$ 24,538,069 | \$ 727,712 | \$ 25,265,781 | \$ 1,188,310 |

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

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

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|--|---------------------|-----------------------|------------------------|----------------------|--------------------------|----------------------|--------------------------|
| | General | Other Special Revenue | Highway / Public Works | General Debt Service | Other Governmental Funds | | |
| ASSETS | | | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 383,378 | \$ 383,378 | |
| Equity in Pooled Cash and Investments | 2,793,057 | 6,500,000 | 2,730,016 | 2,471,787 | 79,246 | 14,574,106 | |
| Accounts Receivable | 486 | 0 | 5,818 | 6,537 | 415 | 13,256 | |
| Due from Other Governments | 731,787 | 0 | 527,453 | 4,798 | 7,768 | 1,271,806 | |
| Due from Other Funds | 976 | 0 | 0 | 0 | 0 | 976 | |
| Property Taxes Receivable | 1,132,810 | 0 | 411,931 | 2,415,974 | 0 | 3,960,715 | |
| Allowance for Uncollectible Property Taxes | (49,569) | 0 | (18,025) | (105,718) | 0 | (173,312) | |
| Accrued Interest Receivable | 67,634 | 0 | 0 | 0 | 8,499 | 76,133 | |
| Advances to Other Funds | 0 | 995,897 | 0 | 0 | 0 | 995,897 | |
| Notes Receivable - Long-term | 0 | 4,504,103 | 0 | 0 | 0 | 4,504,103 | |
| Total Assets | \$ 4,677,181 | \$ 12,000,000 | \$ 3,657,193 | \$ 4,793,378 | \$ 479,306 | \$ 25,607,058 | |

LIABILITIES AND FUND BALANCES

| | | | | | | | |
|---|---------------------|-------------|-------------------|---------------------|------------------|---------------------|--|
| Liabilities | | | | | | | |
| Accounts Payable | \$ 44,286 | \$ 0 | \$ 0 | \$ 0 | \$ 5,507 | \$ 49,793 | |
| Payroll Deductions Payable | 0 | 0 | 0 | 0 | 285 | 285 | |
| Due to Other Funds | 0 | 0 | 0 | 0 | 976 | 976 | |
| Deferred Revenue - Current Property Taxes | 1,047,201 | 0 | 380,801 | 2,233,393 | 0 | 3,661,395 | |
| Deferred Revenue - Delinquent Property Taxes | 33,310 | 0 | 12,112 | 71,040 | 0 | 116,462 | |
| Other Deferred Revenues | 105,000 | 0 | 162,600 | 0 | 12,233 | 279,833 | |
| Advances from Other Funds | 0 | 0 | 0 | 995,897 | 0 | 995,897 | |
| Total Liabilities | \$ 1,229,797 | \$ 0 | \$ 555,513 | \$ 3,300,330 | \$ 19,001 | \$ 5,104,641 | |
| Fund Balances | | | | | | | |
| Reserved for Encumbrances | \$ 32,599 | \$ 0 | \$ 0 | \$ 0 | \$ 17,040 | \$ 49,639 | |
| Reserved for Alcohol and Drug Treatment | 18,802 | 0 | 0 | 0 | 0 | 18,802 | |
| Reserved for Drug Court | 15,521 | 0 | 0 | 0 | 0 | 15,521 | |
| Reserved for Computer System - Register | 33,617 | 0 | 0 | 0 | 0 | 33,617 | |
| Reserved for Automation Purposes - Circuit Court | 3,415 | 0 | 0 | 0 | 0 | 3,415 | |
| Reserved for Automation Purposes - General Sessions Court | 19,158 | 0 | 0 | 0 | 0 | 19,158 | |

(Continued)

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

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|---|--------------|-----------------------|------------------------|----------------------|--------------------------|---------------|--------------------------|
| | General | Other Special Revenue | Highway / Public Works | General Debt Service | Other Governmental Funds | | |
| \$ | 7,245 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 7,245 |
| Reserved for Automation Purposes - Chancery Court | 10 | 0 | 0 | 0 | 0 | 0 | 10 |
| Reserved for Automation Purposes - Sheriff | 2,020 | 0 | 0 | 0 | 0 | 0 | 2,020 |
| Reserved for Automation Purposes - County Clerk | 29,037 | 0 | 0 | 0 | 0 | 0 | 29,037 |
| Reserved for Archives and Records Management - County Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserved for Endowments | 0 | 0 | 0 | 0 | 0 | 205,250 | 205,250 |
| Reserved for Long-term Notes Receivable | 0 | 5,500,000 | 0 | 0 | 0 | 0 | 5,500,000 |
| Reserved for Capital Outlay | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| Reserved for Other General Purposes | 966 | 0 | 0 | 0 | 0 | 0 | 966 |
| Unreserved, Reported In: | | | | | | | |
| General Fund | 2,284,994 | 0 | 0 | 0 | 0 | 0 | 2,284,994 |
| Special Revenue Funds | 0 | 6,500,000 | 3,101,680 | 0 | 0 | 238,015 | 9,839,695 |
| Debt Service Funds | 0 | 0 | 0 | 1,493,048 | 0 | 0 | 1,493,048 |
| Total Fund Balances | \$ 3,447,384 | \$ 12,000,000 | \$ 3,101,680 | \$ 1,493,048 | \$ 460,305 | \$ 20,502,417 | |
| Total Liabilities and Fund Balances | \$ 4,677,181 | \$ 12,000,000 | \$ 3,657,193 | \$ 4,793,378 | \$ 479,306 | \$ 25,607,058 | |

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

Exhibit C-2

Obion 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) | | \$ | 20,502,417 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | | |
| Add: land | \$ | 3,498,663 | |
| Add: construction in progress | | 109,280 | |
| Add: buildings and improvements net of accumulated depreciation | | 7,192,461 | |
| Add: infrastructure net of accumulated depreciation | | 8,034,673 | |
| Add: other capital assets net of accumulated depreciation | | <u>1,527,532</u> | 20,362,609 |
| (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 | \$ | (833,334) | |
| Less: other loans payable | | (7,797,000) | |
| Less: bonds payable | | (8,040,000) | |
| Add: deferred charges - discount on debt | | 47,667 | |
| Add: deferred charges - debt issuance costs | | 229,231 | |
| Less: compensated absences payable | | (258,499) | |
| Less: accrued interest on notes, other loans, and bonds | | <u>(71,317)</u> | (16,723,252) |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | | <u>396,295</u> |
| Net assets of governmental activities (Exhibit A) | | \$ | <u><u>24,538,069</u></u> |

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

Exhibit C-3

Obion 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 | Other Special Revenue | Highway/ Public Works | General Debt Service | | |
| <u>Revenues</u> | | | | | | |
| Local Taxes | \$ 2,217,169 | \$ 0 | \$ 1,548,098 | \$ 1,797,063 | \$ 0 | \$ 5,562,330 |
| Licenses and Permits | 22,267 | 0 | 0 | 0 | 0 | 22,267 |
| Fines, Forfeitures, and Penalties | 110,214 | 0 | 0 | 0 | 30,143 | 140,357 |
| Charges for Current Services | 59,425 | 0 | 294 | 0 | 25,806 | 85,525 |
| Other Local Revenues | 954,904 | 0 | 33,045 | 57,570 | 39,557 | 1,085,076 |
| Fees Received from County Officials | 1,369,437 | 0 | 0 | 0 | 0 | 1,369,437 |
| State of Tennessee | 1,064,568 | 0 | 1,903,362 | 172,721 | 22,275 | 3,162,926 |
| Federal Government | 351,940 | 0 | 197,103 | 0 | 836 | 549,879 |
| Other Governments and Citizens Groups | 1,287,198 | 0 | 42,331 | 200,000 | 236,286 | 1,755,815 |
| Total Revenues | \$ 7,437,122 | \$ 0 | \$ 3,724,233 | \$ 2,227,354 | \$ 344,903 | \$ 13,733,612 |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| General Government | \$ 764,625 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 764,625 |
| Finance | 563,173 | 0 | 0 | 0 | 0 | 563,173 |
| Administration of Justice | 831,018 | 0 | 0 | 0 | 0 | 831,018 |
| Public Safety | 3,166,651 | 0 | 0 | 0 | 16,800 | 3,183,451 |
| Public Health and Welfare | 324,476 | 0 | 0 | 0 | 135,873 | 460,349 |
| Social, Cultural, and Recreational Services | 44,000 | 0 | 0 | 0 | 596,166 | 640,166 |
| Agriculture and Natural Resources | 143,404 | 0 | 0 | 0 | 0 | 143,404 |
| Other Operations | 1,363,097 | 0 | 0 | 0 | 0 | 1,363,097 |
| Highways | 0 | 0 | 3,612,728 | 0 | 0 | 3,612,728 |
| Instruction | 79,150 | 0 | 0 | 0 | 0 | 79,150 |
| Debt Service: | | | | | | |
| Principal on Debt | 0 | 0 | 0 | 2,096,333 | 0 | 2,096,333 |
| Interest on Debt | 0 | 0 | 0 | 524,281 | 0 | 524,281 |
| Other Debt Service | 0 | 0 | 0 | 99,689 | 0 | 99,689 |
| Capital Projects | 37,744 | 0 | 0 | 0 | 0 | 37,744 |
| Total Expenditures | \$ 7,317,338 | \$ 0 | \$ 3,612,728 | \$ 2,720,303 | \$ 748,839 | \$ 14,399,208 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 119,784 | \$ 0 | \$ 111,505 | \$ (492,949) | \$ (403,936) | \$ (665,596) |

(Continued)

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

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|---|---------------------|-----------------------|------------------------|----------------------|--------------------------|--------------------|--------------------------|
| | General | Other Special Revenue | Highway / Public Works | General Debt Service | Other Governmental Funds | Governmental Funds | |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Proceeds from Sale of Capital Assets | \$ 0 | \$ 0 | \$ 68,031 | \$ 0 | \$ 0 | \$ 0 | \$ 68,031 |
| Insurance Recovery | 0 | 0 | 38,047 | 0 | 0 | 0 | 38,047 |
| Transfers In | 0 | 0 | 0 | 0 | 0 | 364,487 | 364,487 |
| Transfers Out | (364,487) | 0 | 0 | 0 | 0 | 0 | (364,487) |
| <u>Total Other Financing Sources (Uses)</u> | <u>\$ (364,487)</u> | <u>\$ 0</u> | <u>\$ 106,078</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 364,487</u> | <u>\$ 106,078</u> |
| <u>Net Change in Fund Balances</u> | <u>\$ (244,703)</u> | <u>\$ 0</u> | <u>\$ 217,583</u> | <u>\$ (492,949)</u> | <u>\$ (39,449)</u> | <u>\$ (39,449)</u> | <u>\$ (559,518)</u> |
| <u>Fund Balance, July 1, 2008</u> | <u>3,692,087</u> | <u>12,000,000</u> | <u>2,884,097</u> | <u>1,985,997</u> | <u>499,754</u> | <u>499,754</u> | <u>21,061,935</u> |
| <u>Fund Balance, June 30, 2009</u> | <u>\$ 3,447,384</u> | <u>\$ 12,000,000</u> | <u>\$ 3,101,680</u> | <u>\$ 1,493,048</u> | <u>\$ 460,305</u> | <u>\$ 460,305</u> | <u>\$ 20,502,417</u> |

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

Exhibit C-4

Obion 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) | | \$ (559,518) |
| <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 | \$ 942,624 | |
| Less: current year depreciation expense | <u>(1,773,321)</u> | (830,697) |
| <p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.</p> | | |
| Add: assets donated and capitalized | \$ 911,578 | |
| Less: net book value of assets disposed | <u>(11,741)</u> | 899,837 |
| <p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p> | | |
| Add: deferred delinquent property taxes and other deferred June 30, 2009 | \$ 396,295 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2008 | <u>(477,035)</u> | (80,740) |
| <p>(4) The issuance of long-term debt (e.g. bonds, notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p> | | |
| Less: change in discount on debt issuances | \$ (2,177) | |
| Less: change in deferred debt issuance costs | (13,184) | |
| Add: principal payments on notes | 83,333 | |
| Add: principal payments on other loans | 2,003,000 | |
| Add: principal payments on bonds | <u>10,000</u> | 2,080,972 |
| <p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p> | | |
| Change in accrued interest payable | \$ 14,587 | |
| Change in compensated absences payable | <u>(16,112)</u> | (1,525) |
| Change in net assets of governmental activities (Exhibit B) | | <u>\$ 1,508,329</u> |

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

Exhibit D-1

Obion County, Tennessee
Balance Sheet
Proprietary Fund
June 30, 2009

| | Business-type Activities |
|---|-----------------------------|
| | <u>Major Fund</u> |
| | Nursing Home |
| <u>ASSETS</u> | |
| Current Assets: | |
| Cash | \$ 441,037 |
| Inventories | 3,111 |
| Accounts Receivable | 152,212 |
| Total Current Assets | <u>\$ 596,360</u> |
| Noncurrent Assets: | |
| Capital Assets: | |
| Assets Net of Accumulated Depreciation: | |
| Buildings and Improvements | \$ 237,357 |
| Other Capital Assets | 57,361 |
| Total Noncurrent Assets | <u>\$ 294,718</u> |
| Total Assets | <u>\$ 891,078</u> |
| <u>LIABILITIES</u> | |
| Current Liabilities: | |
| Accounts Payable | \$ 16,357 |
| Accrued Payroll | 68,138 |
| Accrued Leave | 62,340 |
| Patients Trust Fund | 8,762 |
| Other Current Liabilities | 7,769 |
| Total Liabilities | <u>\$ 163,366</u> |
| <u>NET ASSETS</u> | |
| Invested in Capital Assets | \$ 294,718 |
| Unrestricted | <u>432,994</u> |
| Net Assets | <u>\$ 727,712</u> |

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

Exhibit D-2

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

| | Business-type Activities |
|---|-----------------------------|
| | <u>Major Fund</u> |
| | Nursing |
| | <u>Home</u> |
| <u>Operating Revenues</u> | |
| Medicaid Patients | \$ 1,975,784 |
| Private Patients | 382,087 |
| Other Revenue | 1,415 |
| Total Operating Revenues | <u>\$ 2,359,286</u> |
| <u>Operating Expenses</u> | |
| Salaries | \$ 1,446,286 |
| Insurance | 144,811 |
| Taxes and Licenses | 125,844 |
| Payroll Taxes | 107,320 |
| Food | 115,919 |
| Utilities | 94,596 |
| Retirement Plan | 49,000 |
| Repairs and Maintenance | 45,547 |
| Medical Supplies | 46,541 |
| Minor Equipment | 26,453 |
| Legal and Audit Fees | 5,586 |
| Medical Directors and Advisory Board Fees | 14,900 |
| Linen and Laundry Supplies | 12,496 |
| Dietary Supplies | 8,980 |
| Travel and Seminars | 3,690 |
| Other Departmental Supplies and Expense | 10,452 |
| Contract Services | 9,073 |
| Administrative Supplies and Expenses | 7,720 |
| Housekeeping Supplies | 6,508 |
| Miscellaneous Expense | 6,486 |
| Dues and Subscriptions | 4,225 |
| Advertising and Promotion | 1,423 |
| Maintenance Supplies | 2,033 |
| Depreciation | 50,236 |
| Total Operating Expenses | <u>\$ 2,346,125</u> |
| Operating Income (Loss) | <u>\$ 13,161</u> |
| <u>Nonoperating Revenues</u> | |
| Investment Income | \$ 8,098 |
| Total Nonoperating Revenues | <u>\$ 8,098</u> |
| Change in Net Assets | \$ 21,259 |
| Net Assets, July 1, 2008 | <u>706,453</u> |
| Net Assets, June 30, 2009 | <u><u>\$ 727,712</u></u> |

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

Exhibit D-3

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

| | <u>Business-type</u> <u>Activities</u> <u>Major Fund</u> <u>Nursing</u> <u>Home</u> |
|---|---|
| <u>Cash Flows from Operating Activities</u> | |
| Cash Received from Patients | \$ 2,357,271 |
| Cash Paid to Suppliers | (854,047) |
| Cash Paid to Employees | (1,430,014) |
| Other Operating Revenue | 1,415 |
| Net Cash Provided By (Used In) Operating Activities | <u>\$ 74,625</u> |
| <u>Cash Flows from Capital and Related Financing Activities</u> | |
| Purchase of Capital Assets | \$ (35,134) |
| Net Cash Provided By (Used In) Capital and Related Financing Activities | <u>\$ (35,134)</u> |
| <u>Cash Flows from Investing Activities</u> | |
| Interest on Investments | \$ 8,098 |
| Net Cash Provided By (Used In) Investing Activities | <u>\$ 8,098</u> |
| Increase (Decrease) in Cash | \$ 47,589 |
| Cash, July 1, 2008 | <u>393,448</u> |
| Cash, June 30, 2009 | <u><u>\$ 441,037</u></u> |
| <u>Reconciliation of Operating Income</u> | |
| <u>to Net Cash Provided By (Used In) Operating Activities</u> | |
| Operating Income (Loss) | \$ 13,161 |
| Adjustments to Reconcile Net Operating Income (Loss) | |
| to Net Cash Provided By (Used In) Operating Activities: | |
| Depreciation | 50,236 |
| Changes in Assets and Liabilities: | |
| (Increase) Decrease in Accounts Receivable | 98,784 |
| (Increase) Decrease in Inventory | (236) |
| Increase (Decrease) in Accounts Payable | (4,208) |
| Increase (Decrease) in Patients' Trust Fund | 4,563 |
| Increase (Decrease) in Salaries Payable | 4,932 |
| Increase (Decrease) in Accrued Annual and Sick Leave | 11,340 |
| Increase (Decrease) in Advances from Medicaid | <u>(103,947)</u> |
| Net Cash Provided By (Used In) Operating Activities | <u><u>\$ 74,625</u></u> |

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

Exhibit E-1

Obion County, Tennessee
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

| | Other Trust Fund | |
|---|---------------------------|---------------------|
| | Indigent Care Trust | Agency Funds |
| <u>ASSETS</u> | | |
| Cash | \$ 0 | \$ 1,572,125 |
| Equity in Pooled Cash and Investments | 0 | 20,501 |
| Investments | 3,783,958 | 0 |
| Accounts Receivable | 0 | 16,962 |
| Due from Other Governments | 0 | 870,147 |
| Property Taxes Receivable | 0 | 1,601,109 |
| Allowance for Uncollectible Property Taxes | 0 | (70,061) |
| Notes Receivable - Long-term | 0 | 191,063 |
| Total Assets | <u>\$ 3,783,958</u> | <u>\$ 4,201,846</u> |
| <u>LIABILITIES</u> | | |
| Due to Other Taxing Units | \$ 0 | \$ 2,434,811 |
| Due to Litigants, Heirs, and Others | 0 | 1,767,035 |
| Total Liabilities | <u>\$ 0</u> | <u>\$ 4,201,846</u> |
| <u>NET ASSETS</u> | | |
| Held in Trust for Indigent Patients' Medical Claims | <u>\$ 3,783,958</u> | |

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

Exhibit E-2

Obion County, Tennessee
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Year Ended June 30, 2009

| | Other Trust Fund |
|-----------------------------|----------------------------|
| | Indigent Care Trust |
| <u>ADDITIONS</u> | |
| <u>Other Local Revenues</u> | |
| Investment Income | \$ 147,667 |
| Contributions and Gifts | 59,505 |
| Total Additions | <u>\$ 207,172</u> |
| <u>DEDUCTIONS</u> | |
| <u>Employee Benefits</u> | |
| Fiscal Agent Charges | \$ 7,738 |
| Medical Claims | 156,361 |
| Total Deductions | <u>\$ 164,099</u> |
| Change in Net Assets | \$ 43,073 |
| Net Assets, July 1, 2008 | <u>3,740,885</u> |
| Net Assets, June 30, 2009 | <u><u>\$ 3,783,958</u></u> |

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Obion 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 Obion County:

A. Reporting Entity

Obion County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Obion 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 Obion County School Department operates the public school system in the county, and the voters of Obion 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 Obion County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Obion County, and the Obion 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 Obion 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 Obion County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Obion County Emergency Communications District
P.O. Box 866
Union City, TN 38261-0866

B. Government-wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and

expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus (except for agency funds, which have no measurement focus) and the accrual basis of accounting. Revenues are

recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Obion 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.

Other Special Revenue Fund – This fund is used to account for the major portion of the proceeds received by the county from the sale of the county’s hospital. The principal may only be expended by a three-fourths majority vote of the County Commission. Interest earnings are to be used at the direction of the County Commission.

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.

Obion County reports the following major proprietary fund:

Nursing Home Fund – This fund accounts for the operations of the Obion County Nursing Home.

Additionally, Obion County reports the following fund types:

Capital Projects Fund – The Public Library Capital Projects Fund is used to account for contributions and gifts used to fund the construction of a new Obion County Public Library.

Other Trust Fund – The Indigent Care Trust Fund is used to account for a portion of the proceeds (corpus) received by the county from the sale of the county’s hospital. The income derived from the corpus is to be expended for medical claims of indigent patients of Obion County.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Obion County, property tax collections to be forwarded to the Town of Woodland Mills, the city school system’s share of educational revenues, and assets held in a custodial capacity for a special school district. 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 Obion 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 Obion County School Department reports the following fund types:

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

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

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

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 (excluding the Public Library and Nursing Home funds) and the discretely presented Obion 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. In addition, investments are held separately by the county's Indigent Care Trust Fund. Obion County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. Receivables and Payables

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

Long-term interfund loans and advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.33 percent of the total taxes levied.

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

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

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

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

3. Capital Assets

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

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

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

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

Property, plant, equipment, and infrastructure of the primary government (excluding the Public Library and Nursing Home funds) and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 25 |
| Other Capital Assets | 5-15 |
| Infrastructure: | |
| Roads | 5-10 |
| Bridges | 15-30 |
| Runways | 25 |

4. Compensated Absences

It is the policy of the Obion County general government to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from service. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. All vacation pay is accrued when incurred in the government-wide statements for the county. A liability for vacation benefits 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 discretely presented Obion County School Department to permit the unlimited accumulation of unused sick leave for professional personnel (teachers). There is no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the department. Central office, bus garage, and maintenance employees are allowed to accumulate a limited amount of earned but unused vacation benefits, which will be paid to these employees upon separation of service. All vacation pay is accrued when incurred in the government-wide statements for the School Department. A liability for vacation pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

5. Long-term Obligations

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

method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

6. Net Assets and Fund Equity

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

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

At June 30, 2009, Obion County had \$16,670,334 in outstanding debt for capital purposes for the discretely presented Obion County School

Department. The debt is a liability of Obion County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Obion 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.

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 to the government-wide Statement of Net Assets.

Discretely Presented Obion County School Department

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds to 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 Obion County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, the Other Special Revenue Fund, which had no expenditures during the year, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

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

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Obion County (excluding the Obion County Public Library and the Obion County Nursing Home) and the Obion 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 and investments reflected on the balance sheets or statements of net assets represent nonpooled amounts held separately by individual funds.

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state director of Local Finance and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the market value of the securities on the day of purchase.

Investment Balances. As of June 30, 2009, Obion County had the following investments carried at fair value:

| Investment | Maturities | Fair Value |
|----------------------------|------------|---------------------|
| Indigent Care Trust Fund: | | |
| U.S. Treasury Money Market | On Demand | \$ 16,963 |
| Federal Home Loan Bank | 3-12-10 | 463,923 |
| Federal Home Loan Bank | 2-15-11 | 335,402 |
| Federal Home Loan Bank | 3-8-13 | 417,376 |
| Federal Home Loan Bank | 3-8-13 | 615,564 |
| Federal Home Loan Bank | 5-29-13 | 364,000 |
| Federal Farm Credit Bank | 2-12-14 | 351,642 |
| Federal Home Loan Bank | 3-10-14 | 401,000 |
| Federal Farm Credit Bank | 6-9-15 | 221,652 |
| Federal Home Loan Bank | 1-29-16 | <u>596,436</u> |
| Total | | <u>\$ 3,783,958</u> |

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Obion County has no investment policy that would further limit its investment choices. Obion County's investments with the Federal Home Loan Bank and Federal Farm Credit Bank are government sponsored enterprises that are independent organizations not backed by the full faith and credit of the federal government and, therefore the county could lose its investments if these enterprises were to fail. These investments were rated Aaa by Moody's Investor's Service and AAA by Standard and Pools.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Obion County places no limit on the amount the county may invest in one issuer. More than five percent of the county's investments are in the Federal Home Loan Bank (84 percent) and the Federal Farm Credit Bank (15 percent).

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Obion County does not have a formal policy that limits custodial credit risk for investments. Of the county's \$3,783,958 in investments, the underlying securities for \$3,766,995 have a custodial credit risk exposure because the securities are uninsured, unregistered, and held by the county's financial agent, which is also the counterparty for these investments.

B. Notes Receivable

Notes receivable in the Constitutional Officers - Agency Fund (fiduciary fund) consist of scholarship loans of \$191,063, in the Office of Clerk and Master.

During the 1996-97 fiscal year, the Obion County Commission authorized a \$3.5 million loan to the Union City Industrial Development Board for Tyson Foods, Inc., to build a hatchery, chicken processor, waste-water treatment plant, and other facilities. The Union City Industrial Development Board signed a promissory note to repay Obion County the loan plus interest at 9.395 percent per annum over a period of 18 years. During the 2007-08 fiscal year, the Obion County Commission authorized a \$3 million loan to the Union City Industrial Development Board for the construction of a “spec building.” The Union City Industrial Development Board signed a promissory note to repay Obion County the loan plus interest at the rate of an amount equal to the average rate of the demand deposit account maintained by Obion County at the Commercial Bank and Trust Company, with said rate not to exceed six percent per year, with the same due on September 12, 2010, and interest to be paid quarterly. These loans were made from the Other Special Revenue Fund, which is used to account for the major portion of the proceeds received by the county from the sale of the Obion County Hospital. The notes receivable of \$4,504,103 in the Other Special Revenue Fund are presented on the balance sheet with a reservation of fund balance. Also, included in that reserve is the balance (\$995,897) of an advance to other funds, which represents the amount of an interfund loan outstanding at June 30, 2009 (see Note IV.E.).

C. Capital Assets

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

Primary Government

Governmental Activities:

| | Balance 7-1-08 | Increases | Decreases | Balance 6-30-09 |
|-----------------------------|---------------------|-------------------|-----------------|---------------------|
| Capital Assets | | | | |
| Not Depreciated: | | | | |
| Land | \$ 3,457,989 | \$ 49,542 | \$ 8,868 | \$ 3,498,663 |
| Construction in Progress | 0 | 109,280 | 0 | 109,280 |
| Total Capital Assets | | | | |
| Not Depreciated | \$ 3,457,989 | \$ 158,822 | \$ 8,868 | \$ 3,607,943 |

Governmental Activities: (Cont.)

| | Balance 7-1-08 | Increases | Decreases | Balance 6-30-09 |
|--|----------------------|---------------------|-------------------|----------------------|
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 11,251,611 | \$ 478,138 | \$ 0 | \$ 11,729,749 |
| Infrastructure | 29,632,434 | 575,423 | 0 | 30,207,857 |
| Other Capital Assets | 6,724,247 | 641,819 | 475,163 | 6,890,903 |
| Total Capital Assets Depreciated | \$ 47,608,292 | \$ 1,695,380 | \$ 475,163 | \$ 48,828,509 |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 4,121,810 | \$ 415,478 | \$ 0 | \$ 4,537,288 |
| Infrastructure | 21,319,966 | 853,218 | 0 | 22,173,184 |
| Other Capital Assets | 5,331,036 | 504,625 | 472,290 | 5,363,371 |
| Total Accumulated Depreciation | \$ 30,772,812 | \$ 1,773,321 | \$ 472,290 | \$ 32,073,843 |
| Total Capital Assets Depreciated, Net | \$ 16,835,480 | \$ (77,941) | \$ 2,873 | \$ 16,754,666 |
| Governmental Activities Capital Assets, Net | \$ 20,293,469 | \$ 80,881 | \$ 11,741 | \$ 20,362,609 |

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

Governmental Activities:

| | |
|---|----------------------------|
| General Administration | \$ 31,187 |
| Finance | 3,386 |
| Administration of Justice | 12,458 |
| Public Safety | 315,234 |
| Public Health and Welfare | 14,604 |
| Social, Cultural, and Recreational Services | 136,425 |
| Other Operations | 411,786 |
| Highways/Public Works | <u>848,241</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 1,773,321</u> |

Discretely Presented Obion County School Department

Governmental Activities:

| | Balance 7-1-08 | Increases | Balance 6-30-09 |
|--|----------------------|---------------------|----------------------|
| Capital Assets Not Depreciated: | | | |
| Land | \$ 640,281 | \$ 0 | \$ 640,281 |
| Total Capital Assets Not Depreciated | <u>\$ 640,281</u> | <u>\$ 0</u> | <u>\$ 640,281</u> |
| Capital Assets Depreciated: | | | |
| Buildings and Improvements | \$ 54,016,630 | \$ 1,674,395 | \$ 55,691,025 |
| Infrastructure | 822,413 | 0 | 822,413 |
| Other Capital Assets | 5,543,704 | 277,187 | 5,820,891 |
| Total Capital Assets Depreciated | <u>\$ 60,382,747</u> | <u>\$ 1,951,582</u> | <u>\$ 62,334,329</u> |
| Less Accumulated Depreciation For: | | | |
| Buildings and Improvements | \$ 23,552,274 | \$ 1,909,530 | \$ 25,461,804 |
| Infrastructure | 654,758 | 15,967 | 670,725 |
| Other Capital Assets | 3,016,941 | 313,829 | 3,330,770 |
| Total Accumulated Depreciation | <u>\$ 27,223,973</u> | <u>\$ 2,239,326</u> | <u>\$ 29,463,299</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 33,158,774</u> | <u>\$ (287,744)</u> | <u>\$ 32,871,030</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 33,799,055</u> | <u>\$ (287,744)</u> | <u>\$ 33,511,311</u> |

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

Governmental Activities:

| | |
|---|---------------------|
| Instruction | \$ 1,524,990 |
| Support Services | 604,647 |
| Operation of Non-Instructional Services | <u>109,689</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 2,239,326</u> |

D. Construction Commitments

At June 30, 2009, the county had uncompleted construction contracts of \$13,173 in the General Fund for a security system at the jail. Funding has been received for these future expenditures.

At June 30, 2009, the discretely presented Obion County School Department had uncompleted construction contracts of \$1,076,601 in the General Purpose School Fund for a Career Technology Center. Funding for these future expenditures is expected to be provided by a loan from the Obion County primary government Other Special Revenue Fund.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

| Receivable Fund | Payable Fund | Amount |
|---|------------------------|---------|
| Primary Government: | | |
| General | Nonmajor governmental | \$ 976 |
| Discretely Presented Obion County School Department: | | |
| General Purpose School | Nonmajor governmental | 184,460 |
| Nonmajor governmental | General Purpose School | 778 |

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 Loans to/from Other Funds:

| Receivable Fund | Payable Fund | Amount |
|-----------------------|----------------------|------------|
| Other Special Revenue | General Debt Service | \$ 995,897 |

The balance of \$995,897 due to the Other Special Revenue Fund from the General Debt Service Fund resulted from an advance to the General Debt Service Fund for the retirement of jail construction debt.

Interfund Transfers:

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

| Transfer Out | Transfer In Nonmajor Governmental Fund |
|--------------|---|
| General Fund | \$ 364,487 |

Transfers were used to move unrestricted revenues collected in the General Fund to finance various programs accounted for in another fund in accordance with budgetary authorizations.

F. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 24 years for bonds, up to 12 years for notes, and up to 18 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2009, will be retired from the General Debt Service Fund.

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

| <u>Type</u> | <u>Interest Rate</u> | <u>Original Amount of Issue</u> | <u>Balance 6-30-09</u> |
|----------------------------|--------------------------|---|----------------------------|
| General Obligation Bonds - | | | |
| Refunding | 3.5 to 4.25% | \$ 8,050,000 | \$ 8,040,000 |
| Capital Outlay Notes | 4.04 | 1,000,000 | 833,334 |
| Other Loans | variable | 17,000,000 | 7,797,000 |

In a prior year, Obion County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$17,000,000 to Obion County for various renovation and construction projects. This loan was partially refunded during the prior year. The loan 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 this loan. At June 30, 2009, the variable interest rate was .32 percent and other fees totaled approximately .36 percent of the outstanding loan principal.

The annual requirements to amortize all general obligations 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 | \$ 10,000 | \$ 331,263 | \$ 341,263 |
| 2011 | 10,000 | 330,913 | 340,913 |
| 2012 | 15,000 | 330,563 | 345,563 |
| 2013 | 15,000 | 330,038 | 345,038 |
| 2014 | 15,000 | 329,513 | 344,513 |
| 2015-2019 | 75,000 | 1,638,940 | 1,713,940 |
| 2020-2024 | 1,605,000 | 1,593,740 | 3,198,740 |
| 2025-2029 | 4,355,000 | 965,777 | 5,320,777 |
| 2030-2031 | 1,940,000 | 124,313 | 2,064,313 |
| Total | \$ 8,040,000 | \$ 5,975,060 | \$ 14,015,060 |

| Year Ending June 30 | Notes | | |
|------------------------|------------|------------|--------------|
| | Principal | Interest | Total |
| 2010 | \$ 83,333 | \$ 34,134 | \$ 117,467 |
| 2011 | 83,333 | 30,721 | 114,054 |
| 2012 | 83,333 | 27,307 | 110,640 |
| 2013 | 83,333 | 23,960 | 107,293 |
| 2014 | 83,333 | 20,481 | 103,814 |
| 2015-2019 | 416,669 | 51,230 | 467,899 |
| Total | \$ 833,334 | \$ 187,833 | \$ 1,021,167 |

| Year Ending June 30 | Other Loans | | | |
|------------------------|--------------|------------|------------|--------------|
| | Principal | Interest | Other Fees | Total |
| 2010 | \$ 484,000 | \$ 24,950 | \$ 28,069 | \$ 537,019 |
| 2011 | 501,000 | 23,402 | 26,327 | 550,729 |
| 2012 | 518,000 | 21,798 | 24,523 | 564,321 |
| 2013 | 536,000 | 20,141 | 22,658 | 578,799 |
| 2014 | 555,000 | 18,426 | 20,729 | 594,155 |
| 2015-2019 | 3,083,000 | 64,196 | 72,220 | 3,219,416 |
| 2020-2022 | 2,120,000 | 13,721 | 15,437 | 2,149,158 |
| Total | \$ 7,797,000 | \$ 186,634 | \$ 209,963 | \$ 8,193,597 |

There is \$1,493,048 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$248, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans, totaled \$514, based on the 2000 federal census.

Changes in Long-term Liabilities

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

Governmental Activities:

| | <u>Bonds</u> | <u>Notes</u> |
|-----------------------------|------------------------|---------------------------------|
| Balance, July 1, 2008 | \$ 8,050,000 | \$ 916,667 |
| Deductions | (10,000) | (83,333) |
| Balance, June 30, 2009 | <u>\$ 8,040,000</u> | <u>\$ 833,334</u> |
| Balance Due Within One Year | <u>\$ 10,000</u> | <u>\$ 83,333</u> |
| | <u>Other Loans</u> | <u>Compensated Absences</u> |
| Balance, July 1, 2008 | \$ 9,800,000 | \$ 242,387 |
| Additions | 0 | 321,971 |
| Deductions | (2,003,000) | (305,859) |
| | 0 | |
| Balance, June 30, 2009 | <u>\$ 7,797,000</u> | <u>\$ 258,499</u> |
| Balance Due Within One Year | <u>\$ 484,000</u> | <u>\$ 12,164</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|----------------------|
| Total Noncurrent Liabilities, June 30, 2009 | \$ 16,928,833 |
| Less: Balance Due Within One Year | (589,497) |
| Less: Deferred Discount on Debt | <u>(47,667)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 16,291,669</u> |

Compensated absences will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Discretely Presented Obion County School Department

Changes in Long-term Liabilities

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

| Governmental Activities: | Compensated Absences | Other Postemployment Benefits |
|-----------------------------|-------------------------|-------------------------------------|
| Balance, July 1, 2008 | \$ 45,806 | \$ 183,390 |
| Additions | 31,891 | 322,996 |
| Deductions | (52,722) | (128,985) |
| Balance, June 30, 2009 | <u>\$ 24,975</u> | <u>\$ 377,401</u> |
| Balance Due Within One Year | <u>\$ 4,995</u> | <u>\$ 0</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|-------------------|
| Total Noncurrent Liabilities, June 30, 2009 | \$ 402,376 |
| Less: Balance Due Within One Year | <u>(4,995)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 397,381</u> |

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Obion County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2009, were \$190,907 and \$26,495, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

The county and the discretely presented Obion County School Department are exposed to various risks related to general liability, property, casualty, workers' compensation, health, and accident. Obion County decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for general liability, property, casualty, and workers' compensation coverage. Obion County and 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. Obion County and the School Department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of TN-RMT provides for it to be self-sustaining through member premiums.

Obion County purchases commercial health insurance for its employees. Settled claims have not exceeded this commercial insurance in any of the past three fiscal years.

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

B. Accounting Changes

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

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

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

C. Subsequent Events

As described in Note V.D. and V.E., Obion County had agreed in prior years to make 25 percent of the principal and interest payments on a \$2.2 million debt issue made by the Northwest Tennessee Regional Port Authority. On November 19, 2009, Obion County paid an amount to the lender equal to 25 percent of this debt with the understanding that they were being released from further obligation under their agreement.

On January 19, 2010, the Obion County Commission approved loaning the Obion County Board of Education \$3,000,000 from the Other Special Revenue Fund for the purpose of constructing a Career Technology Center at the Obion County Central High School and South Fulton High School. The debt is to be repaid in annual installments of \$250,000 for a period of 12 years with interest rates between three and five percent. This loan has not been issued as of the date of this report.

D. Contingent Liabilities

The county's attorney advised of one lawsuit that is pending against the county. However, the attorney doesn't believe there is a substantial likelihood of a judgment against the county as a result of this litigation.

The School Department's attorney advised there was no pending or threatened litigation involving the School Department.

As described in Note V.E., Obion County participates with Dyer and Lake counties in a joint venture known as the Northwest Tennessee Regional Port Authority. The port authority borrowed \$2.2 million in March 2007 and an additional \$410,000 in April 2007. The county commissions of the participating counties have approved making payments on these debt issuances (Lake County – 50 percent, Dyer County – 25 percent, and Obion County – 25 percent) until such time as the port authority has revenue to

make payments. As described in Note V.C., Obion County has paid an amount equal to 25 percent of the debt owed on the \$2.2 million issue in November 2009, with the understanding that they would be released from their obligation.

The attorney representing Obion County for matters associated with development of the Northwest Tennessee Regional Port Authority has advised that there is no pending litigation involving Obion County concerning the port project.

E. Joint Ventures

Obion County participates with Lake and Dyer counties in a multi-county entity known as the Northwest Tennessee Regional Port Authority. This entity was created to operate and maintain a port to be located in Lake County on the Mississippi River. A board is appointed by the participating counties with the mayors of each county serving as ex-officio members. The board comprises eight members, four of whom are appointed by the Lake County Commission, two by the Obion County Commission, and two by the Dyer County Commission. Obion County has control over budgeting and financing of the joint venture only to the extent of representation by the two board members appointed. In March 2007, the port authority borrowed \$2.2 million at 4.15 percent interest for construction of the port. Interest payments began in September 2007 and will conclude with a lump-sum principal retirement in March 2012. In April 2007, the port authority borrowed an additional \$410,000 without interest for additional construction costs of the port with payments of \$4,271 due in 96 monthly installments beginning in April 2009. The Obion County Commission had approved paying the interest payments on 25 percent of these debt issuances until such time as the port authority has revenue to make the payments, estimated to be at least two years. As described in Note V.C., in November 2009, Obion County made a payment equal to 25 percent of the \$2.2 million loan with the understanding that they would be released from the debt. The Northwest Tennessee Regional Port Authority has yet to begin operations; therefore, there is no financial activity to report.

Pursuant to a formal agreement between Obion and Weakley counties, a joint venture for the creation and operation of the Everett-Stewart Regional Airport was established December 1, 2006. The agreement between Obion and Weakley counties states that the land and other capital assets, including improvements, will be owned by Obion County; however, the funding of airport operations will be jointly funded and managed by both counties. Obion County appropriated \$147,000 to the Everett-Stewart Regional Airport during the year.

F. Retirement Commitments

Employees

Plan Description

Employees of Obion 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 Obion 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

Obion County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 4.81 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Obion County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, Obion County's annual pension cost of \$481,783 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), and (c) projected 3.5 percent annual increase in the Social Security wage base. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Obion County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was eight years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend Information

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------------|---------------------------------|-------------------------------------|------------------------------|
| 6-30-09 | \$481,783 | 100% | \$0 |
| 6-30-08 | 497,308 | 100 | 0 |
| 6-30-07 | 463,457 | 100 | 0 |

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 91.81 percent funded. The actuarial accrued liability for benefits was \$18.15 million, and the actuarial value of assets was \$16.66 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.49 million. The covered payroll (annual payroll of active employees covered by the plan) was \$8.47 million, and the ratio of the UAAL to the covered payroll was 17.55 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 Obion 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 School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2009, was 6.42 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2009, 2008, and 2007, were \$888,454, \$838,904, and \$768,988, respectively, equal to the required contributions for each year.

G. Other Postemployment Benefits (OPEB)

Primary Government

Obion County purchases commercial health insurance for its employees and allows retirees to remain in the plan. As noted in Finding 09.03, the county had not obtained an actuarial valuation to determine the data necessary for the measurement, recognition, and display of other postemployment benefits necessary to prepare government-wide financial statements and note disclosures properly.

Discretely Presented Obion County School Department

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2009, the Obion County School Department contributed \$120,953 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

| | |
|------------------------------|-------------------------------------|
| | Local Education Group Plan |
| | <hr/> |
| ARC | \$ 314,744 |
| Interest on the NPO | 8,253 |
| Adjustment to the ARC | (8,033) |
| Annual OPEB cost | <hr/> \$ 314,964 |
| Less: Amount of contribution | (120,953) |
| Increase/decrease in NPO | <hr/> \$ 194,011 |
| Net OPEB obligation, 7-1-08 | <hr/> 183,390 |
| Net OPEB obligation, 6-30-09 | <hr/> <hr/> \$ 377,401 |

| Fiscal Year Ended * Plan | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation at Year End |
|--------------------------------|------------------------|---|---------------------------------------|
| <hr/> | | | |
| 6-30-08 Local Education Group | \$ 320,257 | 43 % | \$ 183,390 |
| 6-30-09 " | 314,964 | 38 | 377,401 |

* Data only available for two years.

Funded Status and Funding Progress

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

| | |
|---|-------------------------------------|
| | Local Education Group Plan |
| | <hr/> |
| Actuarial valuation date | 7-1-07 |
| Actuarial accrued liability (AAL) | \$ 3,864,673 |
| Actuarial value of plan assets | \$ 0 |
| Unfunded actuarial accrued liability (UAAL) | \$ 3,864,673 |
| Actuarial value of assets as a % of the AAL | 0% |
| Covered payroll (active plan members) | \$ 18,004,065 |
| UAAL as a % of covered payroll | 21% |

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

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

H. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the provisions of the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, Tennessee Code Annotated (TCA), which provide for all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Highway Superintendent

Purchasing procedures for the Highway Department are governed by provisions of the Uniform Road Law, Section 54-7-113, TCA, which provides for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Obion County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, TCA, which provides for the 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 exceeding \$10,000.

VI. OTHER NOTES – OBION COUNTY PUBLIC LIBRARY (SPECIAL REVENUE FUND)

A. Summary of Significant Accounting Policies

1. Reporting Entity

The Obion County Public Library is jointly funded by Union City and Obion County, Tennessee, governments. The library is not considered a component unit of any other government, but is considered to be a department of the primary county government of Obion County, Tennessee. There are no other governmental units that are considered component units of the library. The library operates under a Board of Trustees form of government and provides the services of a public library. This report includes all funds relevant to the operation of the Obion County Public Library.

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

The library's financial statements have been prepared in conformity with accounting principles generally accepted for governmental entities as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB). Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flow. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The Statement of Activities demonstrates the degree to which the direct expenses of the given function, or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting, in accordance with generally accepted accounting principles (GAAP) as defined in the statements of the Governmental Accounting Standards Board (GASB). Revenues are recognized as soon as they are 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. The library has determined a period of availability of 60 days after the end of the current fiscal period. Grant funds, where expenditure is the prime factor for determining eligibility, are recognized as revenue when the expenditure is made. Grant proceeds received after the 60-day period of availability are recorded as deferred revenue. Expenditures under the modified accrual basis of accounting are recorded when the related liability is incurred.

The library reports the following governmental funds:

Public Library Fund – This fund combines the internally reported General and Special Revenue funds and accounts for all financial resources applicable to the general operation of the library. Revenues are derived primarily from appropriations from Union City and Obion County, Tennessee.

Public Library Capital Projects Fund – This fund accounts for the acquisition or construction of capital projects. Revenues are derived primarily from public donations.

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.

3. Budgetary Information

The library adopts an annual budget for the Public Library Fund prepared in accordance with the basis of accounting used by that fund. Any revisions that alter total expenditures must be approved by the Board of Trustees and the Obion County Commission. The budget, as originally approved and amended, is presented in the statement of budgetary comparison.

Major capital expenditures, which are accounted for within the Public Library Capital Projects Fund, are subject to budgetary control on a project basis. Appropriations for a specific project do not lapse until completion of the project. Due to the nature of these funds, budgetary comparison statements on an annual basis would not provide

meaningful information and, therefore, are not presented in the accompanying financial statements.

4. **Assets, Liabilities, and Fund Equity/Net Assets**

a. Deposits and Investments

The library's cash and cash equivalents are considered to be cash on hand and demand deposits at various financial institutions. Investments consist of certificates of deposits with original maturities greater than three months. All interest earned is allocated to the source from which the cash originated.

b. Capital Assets

Capital assets are included in the government-wide financial statements. Capital assets are defined by the board as assets with an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Books are grouped by category, and depreciated by group. 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 expensed as incurred. Capital assets of the library are depreciated using the straight-line method over the estimated useful lives of each group of assets.

c. Compensated Absences

The library's obligation for employees' rights to receive compensation for future absences, such as vacation and sick days, was not material as of June 30, 2009, and thus, is not recognized in the accompanying financial statements. The library permits the accumulation of a maximum of 30 days sick leave for employees; however, unused sick days are not paid upon termination. Accordingly, sick pay is charged to expenditures when taken.

d. Fund Equity/Net Assets

In the fund financial statements, the 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. Net assets in the government-wide statements are categorized as invested in capital assets, restricted, and unrestricted. Net assets invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any payables that are attributable to the acquisition, construction,

or improvement of those assets. Restricted net assets represent net assets that have third-party limitations on their use. The library elects to use restricted assets before unrestricted assets when the situation arises where either can be used.

B. Detailed Notes on Accounts

Deposits – Custodial Credit Risk

The library's policies limit deposits and investments to those instruments allowed by applicable state laws. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the library's agent in the library's name, or by the Federal Reserve banks acting as third-party agents. State statutes also authorize the library to invest in bonds, notes, or treasury bills of the United States, or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, the state pooled investment fund, and mutual funds. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2009, the library's bank deposits were fully insured or collateralized.

C. Pension Information

1. Plan Description

Employees of the Obion County Public Library are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit 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 the Obion County Public Library 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.

2. Funding Policy

The library requires employees to contribute five percent of earnable compensation. The library is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 4.81 percent of annual covered payroll. The contribution requirement for the library is established and may be amended by the TCRS Board of Trustees.

3. Annual Pension Cost

For the year ended June 30, 2009, the library's annual pension cost of \$12,729 to TCRS was equal to the library's required and actual contribution. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), and (c) projected 3.5 percent annual increase in the Social Security wage base. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of equities over a five-year period. The library's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was eight years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend information and the required supplementary schedule of funding progress are not available individually for the Obion County Public Library. This information for Obion County as a whole is available in the county's financial statements.

D. Risk Management

The library purchases commercial insurance for all significant risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

VII. OTHER NOTES – OBION COUNTY NURSING HOME (ENTERPRISE FUND)

A. Summary of Significant Accounting Policies

1. Reporting Entity

The Obion County Nursing Home is an enterprise fund of Obion County, Tennessee.

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

The Obion County Nursing Home accounts for its financial position and results of operations in accordance with generally accepted accounting principles applicable to governmental units. Generally accepted accounting principles for proprietary fund types are those applicable to similar businesses in the private sector and the measurement focus is on the determination of net income, financial position, and cash flows. Proprietary fund types are accounted for on the accrual basis, whereby income is recognized as it is earned, and expenses are recognized as they are incurred, whether or not cash is received or paid out at that time. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 20 gives governments the option of applying all Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, to its proprietary funds, unless they conflict with or contradict GASB pronouncements. The county has elected not to implement FASB statements and interpretations issued thereafter, unless they are adopted by GASB.

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

The nursing home's board of directors approves a nonappropriatory budget annually as a management tool. Proprietary funds are not required to adopt annual budgets.

3. Assets, Liabilities, and Net Assets

a. Deposits and Investments

The nursing home's cash on hand and in bank is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of inception.

State statutes authorize the nursing home to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations by the U.S. government or its agencies, repurchase agreements as approved by the state director of Local Finance, and the state's local government investment pool.

b. Accounts Receivable

An allowance for doubtful accounts has not been recorded in these financial statements. The direct write-off of bad accounts is made at intervals during each fiscal year. This method, although not recognized by generally accepted accounting principles, does not materially distort the presentation of the financial statements.

c. Inventory

At June 30, 2009, inventory was counted and valued at current replacement cost by management. Although this method is not recognized by generally accepted accounting principles, it does not materially distort the presentation of the financial statements.

d. Capital Assets

Capital assets are stated at cost, with the exception of the original building, which is recorded at estimated cost. The original building had an estimated cost of \$93,392, which was fully depreciated at June 30, 2009. Depreciation of capital assets is computed using the straight-line method over the estimated useful lives of the assets.

e. Compensated Absences

Accumulated unpaid annual and sick leave are accrued at fiscal year end. At June 30, 2009, annual leave totaled \$12,984, and sick leave was \$49,356, for a total accrual of \$62,340. All accrued leave has been reported as a current liability in the Statement of Net Assets.

f. **Net Assets**

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

Invested in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any payables that are attributable to the acquisition, construction, or improvement of those assets.

Unrestricted – all other net assets that do not meet the description of the above category.

B. **Detailed Notes**

1. **Deposits and Investments**

As of June 30, 2009, the nursing home had all deposits in interest-bearing checking accounts. There were no investments held by the nursing home at year end.

Custodial Credit Risk – The nursing home’s policies limit deposits and investments to those instruments allowed by applicable state laws. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the nursing home’s agent in the nursing home’s name, or by the Federal Reserve banks acting as third-party agents. State statutes also authorize the nursing home to invest in bonds, notes, or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, the state pooled investment fund, and mutual funds. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2009, all bank deposits were fully collateralized or insured.

2. **Capital Assets**

Capital assets activity during the year was as follows:

| | Balance 7-1-08 | Increases | Balance 6-30-09 |
|--|---------------------|--------------------|---------------------|
| Capital Assets Depreciated: | | | |
| Land Improvements | \$ 12,745 | \$ 0 | \$ 12,745 |
| Buildings and Improvements | 974,384 | 22,894 | 997,278 |
| Movable Equipment | 213,562 | 3,005 | 216,567 |
| Fixed Equipment | 107,764 | 9,235 | 116,999 |
| Total Capital Assets Depreciated | <u>\$ 1,308,455</u> | <u>\$ 35,134</u> | <u>\$ 1,343,589</u> |
| Less Accumulated Depreciation For: | | | |
| Land Improvements | \$ 12,745 | \$ 0 | \$ 12,745 |
| Buildings and Improvements | 726,141 | 33,780 | 759,921 |
| Movable Equipment | 162,535 | 10,833 | 173,368 |
| Fixed Equipment | 97,214 | 5,623 | 102,837 |
| Total Accumulated Depreciation | <u>\$ 998,635</u> | <u>\$ 50,236</u> | <u>\$ 1,048,871</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 309,820</u> | <u>\$ (15,102)</u> | <u>\$ 294,718</u> |

C. Other Information

1. Pension Plan

The nursing home is an enterprise fund of Obion County, Tennessee; therefore, the nursing home's pension information has been reported with the county's audit report. For the year ended June 30, 2009, the total covered payroll for the nursing home was \$1,018,704, and the pension contribution was \$49,000. Complete disclosure for the county's pension plan is described in Note V.F.

2. Risk Management

It is the policy of the nursing home to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and automobile coverage, and fidelity position bonds. Employee health and accident insurance is purchased through the county's commercial insurance policy. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The nursing home carries its workers' compensation coverage through the Tennessee Health Care Association (THCA), a self-insured trust fund. The THCA was established to be self-sustaining through member premiums. All members of the THCA must be approved for coverage and are jointly and severally liable for all claims of the association.

D. Transfers

The nursing home was directed by a vote of the Obion County Commission to transfer all funds invested in certificates of deposit to the Obion County General Fund. To date, the nursing home has transferred \$1,000,000. The funds would be available for future nursing home expansion if needed. It requires a two-thirds vote of the Obion County Commission to transfer these funds back to the nursing home. There were no funds transferred during the current fiscal year.

VIII. OTHER NOTES – DISCRETELY PRESENTED OBION COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Significant Accounting Policies

1. Reporting Entity

The Obion County Emergency Communications District was created on May 16, 1988, by the legislative body of Obion County, Tennessee, to be an emergency communications district as defined by Tennessee state law. As such, it is considered to be a municipality or public corporation in perpetuity under its corporate name and shall be a body politic and corporate with power of perpetual succession, but without power to levy or collect taxes. All Tennessee emergency communications districts are required to follow the Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts developed by the Office of the Comptroller of the Treasury, Division of County Audit, pursuant to Section 7-86-304, Tennessee Code Annotated.

In evaluating how to define the district for financial reporting purposes, management has considered whether the district is a primary government or a component unit of another primary government. The decision to be included as a component unit of another reporting entity is made by applying the criteria set forth in Governmental Accounting Standards Board Statement No. 14, The Financial Reporting Entity. The district must obtain the approval of the Obion County Commission before issuance of most debt instruments. The county has determined that this constitutes fiscal dependency by the district, and has, therefore, included the district as a component unit of Obion County.

The district is deemed to be a municipality under Tennessee state law and, as such, is exempt from federal income taxes.

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

The district accounts for its financial position and results of operations in accordance with generally accepted accounting principles for proprietary funds as defined in the statements of the Governmental

Accounting Standards Board (GASB). Generally accepted accounting principles for proprietary fund types are those applicable to similar businesses in the private sector, and the measurement focus is on the determination of net income, financial position, and cash flows. Proprietary fund types are accounted for on the accrual basis, whereby income is recognized as it is earned, and expenses are recognized as they are incurred, whether or not cash is received or paid out at that time. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 20 gives governments the option of applying all Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, to its proprietary funds, unless they conflict with or contradict GASB pronouncements. The Office of the Comptroller of the Treasury requires Tennessee emergency communications districts not to implement FASB statements and interpretations issued thereafter, unless they are adopted by GASB.

3. Assets, Liabilities, and Net Assets

a. Deposits and Investments

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

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

b. Accounts Receivable

Accounts receivable represent amounts due from various phone companies.

c. Capital Assets

All capital assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to 30 years. Interest costs incurred on financing during the construction or installation period of capital assets are capitalized as part of the cost of the assets. For the year under review, no interest costs were capitalized.

d. Compensated Absences

Employees are entitled to paid vacation based on term of employment and other factors. Any accumulated vacation time earned must be taken within one year of the employment anniversary date; no carryover to future years is permitted. Due to this policy, the cost of future absences at the balance sheet date is not material; and therefore, no accrual has been recorded in the financial statements. It is the district's practice to expense these costs when paid to the employees.

e. Net Assets

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

Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any payables that are attributable to the acquisition, construction, or improvement of those assets.

Unrestricted – All other net assets that do not meet the description of the above category.

B. Detailed Notes on Accounts

1. Deposits and Investments

Custodial Credit Risk – The district's policies limit deposits and investments to those instruments allowed by applicable state laws. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the district's agent in the district's name, or by the Federal Reserve banks acting as third-party agents. State statutes also authorize the district to invest in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, the state pooled investment fund, and mutual funds. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction. During the year ended

June 30, 2009, there were several instances when the district's deposits were under-collateralized. As of June 30, 2009, all of the district's deposits were insured.

2. Capital Assets

Capital assets activity during the year was as follows:

| | Balance 7-1-08 | Additions | Balance 6-30-09 |
|--|---------------------|--------------------|---------------------|
| Capital Assets Depreciated: | | | |
| Office Equipment | \$ 141,754 | \$ 5,327 | \$ 147,081 |
| Vehicles | 14,617 | 0 | 14,617 |
| Communications Equipment and Furniture and Fixtures | 560,791 | 17,154 | 577,945 |
| Building and Improvements | 342,467 | 7,139 | 349,606 |
| Total Capital Assets | | | |
| Depreciated | \$ 1,059,629 | \$ 29,620 | \$ 1,089,249 |
| Less: Accumulated Depreciation | | | |
| Office Equipment | \$ 31,612 | \$ 16,355 | \$ 47,967 |
| Vehicles | 14,617 | 0 | 14,617 |
| Communications Equipment and Furniture and Fixtures | 237,156 | 47,468 | 284,624 |
| Building and Improvements | 18,887 | 11,940 | 30,827 |
| Total Accumulated | | | |
| Depreciation | \$ 302,272 | \$ 75,763 | \$ 378,035 |
| Total Capital Assets, Net | \$ 757,357 | \$ (46,143) | \$ 711,214 |

Depreciation expense for the year ended June 30, 2009, was \$75,763.

C. Stewardship, Compliance, and Accountability

Budgetary Information

The district's board of directors approves an appropriatory budget annually. The budgetary basis Statement of Revenue and Expenses differs from generally accepted accounting principles (GAAP) pertaining to proprietary funds, in that interest income and operating expenses are budgeted on the cash basis rather than the accrual basis. A reconciliation of the budgetary basis to GAAP basis is presented as follows:

| | |
|-------------------------------------|-----------------------|
| Net income (loss) - budgetary basis | \$ (5,731) |
| Interest income accrued | 2,332 |
| Expenses accrued | <u>(1,575)</u> |
| Net income (loss) - GAAP basis | <u>\$ (4,974)</u> |

The legal level of control is at each line item of expense; therefore, each line item must be amended prior to expending funds. For the year ended June 30, 2009, the only expense that exceeded the budgeted amount was amortization, a non-cash expense.

D. Other Information

1. Commitments

The district signed a three-year prepaid lease agreement for communication equipment in April 2006 with BellSouth for \$59,864. The lease was amortized using the straight-line method over the term of the lease. As of June 30, 2009, no long-term lease agreement was in effect; the district was making a month-to-month lease payment. Amortization expense for the year ended June 30, 2009, was \$14,966.

2. Risk Management

The district is exposed to various risks related to general and public official's liability, officer's/director's omissions liability, automobile liability, property and casualty losses, and workers' compensation. To cover these risks, the district joined the Tennessee Municipal League, which is a public entity risk pool established to provide insurance coverage to local governments in Tennessee and is self-sustaining through member premiums. The pool is a cooperative risk sharing arrangement that works in many ways like a traditional insurer. The district pays annual premiums to the pool based on its prior-claims history. The pool provides the specified coverage and pays all claims from its member premiums charged or through its reinsurance policies. In addition, the district has purchased commercial insurance to provide for employee health insurance. Settlements have not exceeded insurance coverage in any of the prior three years.

3. Unemployment Taxes

Effective for the quarter ended June 30, 1989, the district agreed with the Tennessee Department of Labor and Workforce Development to be a reimbursing employer. Under this agreement, the district elected to reimburse the department for

all disbursements made on valid claims for unemployment insurance charged to the district during the effective period of the election. Current claims are being paid from the operating account and charged to unemployment expense. To fund future claims, amounts calculated quarterly were deposited into a savings account until the board determined that the account was fully funded. All quarterly deposits were suspended, and the funds were invested in a certificate of deposit. At June 30, 2009, the balance of this restricted investment was \$19,198.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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Exhibit F-1

Obion 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 | |
| Revenues | | | | | | | |
| Local Taxes | \$ 2,217,169 | \$ 0 | \$ 0 | \$ 2,217,169 | \$ 2,029,015 | \$ 2,029,015 | \$ 188,154 |
| Licenses and Permits | 22,267 | 0 | 0 | 22,267 | 16,200 | 28,064 | (5,797) |
| Fines, Forfeitures, and Penalties | 110,214 | 0 | 0 | 110,214 | 145,530 | 145,580 | (35,366) |
| Charges for Current Services | 59,425 | 0 | 0 | 59,425 | 62,450 | 64,950 | (5,525) |
| Other Local Revenues | 954,904 | 0 | 0 | 954,904 | 1,069,422 | 1,074,223 | (119,319) |
| Fees Received from County Officials | 1,369,437 | 0 | 0 | 1,369,437 | 1,423,000 | 1,423,000 | (53,563) |
| State of Tennessee | 1,064,568 | 0 | 0 | 1,064,568 | 1,941,357 | 1,980,891 | (916,323) |
| Federal Government | 351,940 | 0 | 0 | 351,940 | 466,100 | 479,100 | (127,160) |
| Other Governments and Citizens Groups | 1,287,198 | 0 | 0 | 1,287,198 | 1,231,000 | 1,231,000 | 56,198 |
| Total Revenues | \$ 7,437,122 | \$ 0 | \$ 0 | \$ 7,437,122 | \$ 8,384,074 | \$ 8,455,823 | \$ (1,018,701) |
| Expenditures | | | | | | | |
| General Government | | | | | | | |
| County Commission | \$ 79,403 | \$ 0 | \$ 0 | \$ 79,403 | \$ 77,550 | \$ 83,482 | \$ 4,079 |
| Board of Equalization | 2,701 | 0 | 0 | 2,701 | 3,200 | 3,200 | 499 |
| Beer Board | 468 | 0 | 0 | 468 | 1,700 | 1,700 | 1,232 |
| Budget and Finance Committee | 12,509 | 0 | 0 | 12,509 | 15,500 | 15,500 | 2,991 |
| Other Boards and Committees | 1,733 | 0 | 0 | 1,733 | 5,400 | 5,400 | 3,667 |
| County Mayor/Executive | 194,740 | 0 | 59 | 194,799 | 203,230 | 203,230 | 8,431 |
| Election Commission | 194,173 | (1,400) | 0 | 192,773 | 227,391 | 227,391 | 34,618 |
| Register of Deeds | 132,647 | 0 | 0 | 132,647 | 142,699 | 142,699 | 10,052 |
| County Buildings | 146,251 | (106) | 0 | 146,145 | 168,693 | 168,693 | 22,548 |
| Preservation of Records | 0 | 0 | 0 | 0 | 24,000 | 24,000 | 24,000 |
| Finance | | | | | | | |
| Property Assessor's Office | 188,789 | 0 | 0 | 188,789 | 188,908 | 188,908 | 119 |

(Continued)

Exhibit F-1

Obion 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 | |
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>Finance (Cont.)</u> | | | | | | | |
| Reappraisal Program | \$ 17,848 | \$ 0 | \$ 0 | \$ 17,848 | \$ 34,750 | \$ 34,750 | \$ 16,902 |
| County Trustee's Office | 133,511 | 0 | 0 | 133,511 | 138,748 | 139,220 | 5,709 |
| County Clerk's Office | 223,025 | 0 | 0 | 223,025 | 236,268 | 236,268 | 13,243 |
| <u>Administration of Justice</u> | | | | | | | |
| Circuit Court | 137,037 | (401) | 729 | 137,365 | 171,074 | 171,074 | 33,709 |
| General Sessions Court | 213,105 | 0 | 0 | 213,105 | 232,514 | 232,514 | 19,409 |
| Chancery Court | 132,878 | (729) | 497 | 132,646 | 166,176 | 166,176 | 33,530 |
| Juvenile Court | 138,334 | 0 | 490 | 138,824 | 145,017 | 145,017 | 6,193 |
| Juvenile Court Clerk | 42,943 | 0 | 1,678 | 44,621 | 44,893 | 44,893 | 272 |
| Other Administration of Justice | 443 | (443) | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security | 166,278 | 0 | 0 | 166,278 | 216,708 | 216,708 | 50,430 |
| <u>Public Safety</u> | | | | | | | |
| Sheriff's Department | 1,549,049 | 0 | 13,173 | 1,562,222 | 1,662,629 | 1,662,629 | 100,407 |
| Jail | 1,155,899 | (800) | 7,418 | 1,162,517 | 1,309,588 | 1,309,588 | 147,071 |
| Rescue Squad | 9,500 | 0 | 0 | 9,500 | 7,000 | 9,500 | 0 |
| Other Emergency Management | 50,479 | 0 | 0 | 50,479 | 54,100 | 54,100 | 3,621 |
| County Coroner/Medical Examiner | 22,455 | 0 | 0 | 22,455 | 27,250 | 27,250 | 4,795 |
| Public Safety Grant Programs | 374,269 | 0 | 8,200 | 382,469 | 521,000 | 521,000 | 138,531 |
| Other Public Safety | 5,000 | 0 | 0 | 5,000 | 5,000 | 5,000 | 0 |
| <u>Public Health and Welfare</u> | | | | | | | |
| Local Health Center | 107,606 | 0 | 0 | 107,606 | 133,575 | 133,575 | 25,969 |
| Alcohol and Drug Programs | 91,000 | 0 | 0 | 91,000 | 91,000 | 91,000 | 0 |
| Other Local Health Services | 10,500 | 0 | 0 | 10,500 | 10,500 | 10,500 | 0 |
| Appropriation to State | 75,553 | 0 | 0 | 75,553 | 75,553 | 75,553 | 0 |

(Continued)

Exhibit F-1

Obion 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>Public Health and Welfare (Cont.)</u> | | | | | | | |
| General Welfare Assistance | \$ 1,304 | \$ 0 | \$ 0 | \$ 1,304 | \$ 3,850 | \$ 3,850 | \$ 2,546 |
| Sanitation Education/Information | 28,354 | 0 | 355 | 28,709 | 40,637 | 40,637 | 11,928 |
| Other Public Health and Welfare | 10,159 | 0 | 0 | 10,159 | 0 | 31,000 | 20,841 |
| <u>Social, Cultural, and Recreational Services</u> | | | | | | | |
| Senior Citizens Assistance | 27,500 | 0 | 0 | 27,500 | 27,500 | 27,500 | 0 |
| Parks and Fair Boards | 4,000 | 0 | 0 | 4,000 | 4,000 | 4,000 | 0 |
| Other Social, Cultural, and Recreational | 12,500 | 0 | 0 | 12,500 | 12,500 | 12,500 | 0 |
| <u>Agriculture and Natural Resources</u> | | | | | | | |
| Agriculture Extension Service | 93,453 | 0 | 0 | 93,453 | 108,447 | 108,447 | 14,994 |
| Soil Conservation | 24,838 | 0 | 0 | 24,838 | 24,838 | 24,838 | 0 |
| Flood Control | 25,113 | 0 | 0 | 25,113 | 25,113 | 25,113 | 0 |
| <u>Other Operations</u> | | | | | | | |
| Tourism | 19,802 | 0 | 0 | 19,802 | 31,000 | 31,000 | 11,198 |
| Industrial Development | 135,361 | 0 | 0 | 135,361 | 135,901 | 138,901 | 3,540 |
| Other Economic and Community Development | 176,403 | 0 | 0 | 176,403 | 154,112 | 176,547 | 144 |
| Airport | 147,000 | 0 | 0 | 147,000 | 75,000 | 147,000 | 0 |
| Veterans' Services | 13,520 | 0 | 0 | 13,520 | 13,520 | 13,520 | 0 |
| Other Charges | 129,479 | 0 | 0 | 129,479 | 140,126 | 140,126 | 10,647 |
| Contributions to Other Agencies | 1,674 | 0 | 0 | 1,674 | 1,674 | 1,674 | 0 |
| Employee Benefits | 728,486 | 0 | 0 | 728,486 | 819,200 | 819,200 | 90,714 |
| Miscellaneous | 11,372 | 0 | 0 | 11,372 | 35,000 | 35,000 | 23,628 |
| <u>Instruction</u> | | | | | | | |
| Vocational Education Program | 79,150 | 0 | 0 | 79,150 | 79,150 | 79,150 | 0 |

(Continued)

Exhibit F-1

Obion 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>Capital Projects</u> | | | | | | | |
| Public Health and Welfare Projects | \$ 244 \$ | 0 \$ | 0 \$ | 244 \$ | 500,000 \$ | 500,000 \$ | 499,756 |
| Other General Government Projects | 37,500 | 0 | 0 | 37,500 | 976,000 | 976,000 | 938,500 |
| Total Expenditures | \$ 7,317,338 \$ | (3,879) \$ | 32,599 \$ | 7,346,058 \$ | 9,549,182 \$ | 9,686,521 \$ | 2,340,463 |
| <u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u> | \$ 119,784 \$ | 3,879 \$ | (32,599) \$ | 91,064 \$ | (1,165,108) \$ | (1,230,698) \$ | 1,321,762 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Notes Issued | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 72,000 \$ | (72,000) |
| Insurance Recovery | 0 | 0 | 0 | 0 | 1,000 | 1,000 | (1,000) |
| Transfers Out | (364,487) | 0 | 0 | (364,487) | (389,487) | (389,487) | 25,000 |
| Total Other Financing Sources (Uses) | \$ (364,487) \$ | 0 \$ | 0 \$ | (364,487) \$ | (388,487) \$ | (316,487) \$ | (48,000) |
| Net Change in Fund Balance | \$ (244,703) \$ | 3,879 \$ | (32,599) \$ | (273,423) \$ | (1,553,595) \$ | (1,547,185) \$ | 1,273,762 |
| Fund Balance, July 1, 2008 | 3,692,087 | (3,879) | 0 | 3,688,208 | 3,549,803 | 3,549,803 | 138,405 |
| Fund Balance, June 30, 2009 | \$ 3,447,384 \$ | 0 \$ | (32,599) \$ | 3,414,785 \$ | 1,996,208 \$ | 2,002,618 \$ | 1,412,167 |

Exhibit F-2

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

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|---------------------|-----------------------|-----------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 1,548,098 | \$ 1,565,364 | \$ 1,565,364 | \$ (17,266) |
| Charges for Current Services | 294 | 500 | 500 | (206) |
| Other Local Revenues | 33,045 | 1,200 | 84,600 | (51,555) |
| State of Tennessee | 1,903,362 | 3,622,293 | 3,622,293 | (1,718,931) |
| Federal Government | 197,103 | 0 | 0 | 197,103 |
| Other Governments and Citizens Groups | 42,331 | 0 | 0 | 42,331 |
| Total Revenues | <u>\$ 3,724,233</u> | <u>\$ 5,189,357</u> | <u>\$ 5,272,757</u> | <u>\$ (1,548,524)</u> |
| <u>Expenditures</u> | | | | |
| <u>Highways</u> | | | | |
| Administration | \$ 177,597 | \$ 206,673 | \$ 206,673 | \$ 29,076 |
| Highway and Bridge Maintenance | 1,839,041 | 2,916,810 | 2,766,810 | 927,769 |
| Operation and Maintenance of Equipment | 489,135 | 857,195 | 857,195 | 368,060 |
| Other Charges | 133,159 | 202,850 | 202,850 | 69,691 |
| Employee Benefits | 237,673 | 322,000 | 322,000 | 84,327 |
| Capital Outlay | 736,123 | 2,369,211 | 2,602,611 | 1,866,488 |
| Total Expenditures | <u>\$ 3,612,728</u> | <u>\$ 6,874,739</u> | <u>\$ 6,958,139</u> | <u>\$ 3,345,411</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 111,505</u> | <u>\$ (1,685,382)</u> | <u>\$ (1,685,382)</u> | <u>\$ 1,796,887</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Proceeds from Sale of Capital Assets | \$ 68,031 | \$ 0 | \$ 0 | \$ 68,031 |
| Insurance Recovery | 38,047 | 0 | 0 | 38,047 |
| Total Other Financing Sources (Uses) | <u>\$ 106,078</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 106,078</u> |
| Net Change in Fund Balance | \$ 217,583 | \$ (1,685,382) | \$ (1,685,382) | \$ 1,902,965 |
| Fund Balance, July 1, 2008 | <u>2,884,097</u> | <u>1,967,903</u> | <u>1,967,903</u> | <u>916,194</u> |
| Fund Balance, June 30, 2009 | <u>\$ 3,101,680</u> | <u>\$ 282,521</u> | <u>\$ 282,521</u> | <u>\$ 2,819,159</u> |

Exhibit F-3

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

(Dollar amounts in thousands)

| Fiscal Year Ended | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|-------------------|--------------------------|-------------------------------|---------------------------------------|-----------------------------|--------------------|---------------------|---|
| 6-30-09 | 7-1-07 | \$ 16,669 | \$ 18,156 | \$ 1,487 | 91.81 % | \$ 8,475 | 17.55 % |
| 6-30-08 | 7-1-07 | 16,669 | 18,156 | 1,487 | 91.81 | 8,475 | 17.55 |

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

Exhibit F-4

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

(Dollar amounts in thousands)

| Plan | 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 Education Group | 6-30-08 | 7-1-07 | \$ 0 | \$ 3,865 | \$ 3,865 | 0 | \$ 17,500 | 22% |
| " | 6-30-09 | 7-1-07 | 0 | 3,865 | 3,865 | 0 | 17,500 | 22 |

*Data only available for two years.

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Beer Board, Budget and Finance Committee, etc.). Management may make revisions within major categories, but only the Obion 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.

Public Library Fund – The Public Library Fund is used to account for transactions of the Obion County Public Library, which is jointly funded by Obion County and Union City.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Obion County’s waste tire disposal operations.

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

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

Capital Projects Fund

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

Public Library Capital Projects Fund – The Public Library Capital Projects Fund is used to account for the contributions and gifts used to fund the construction of a new Obion County Public Library.

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

| | <u>Special Revenue Funds</u> | | | | Total Nonmajor Governmental Funds |
|----------------------|------------------------------|--------------------------------|-----------------|---|--|
| | Public Library | Solid Waste / Sanitation | Drug Control | Constitu- tional Officers - Fees | |
| \$ 382,817 \$ | 0 \$ | 0 \$ | 0 \$ | 561 \$ | 383,378 |
| 0 | 1,138 | 78,108 | 0 | 0 | 79,246 |
| 0 | 0 | 0 | 0 | 415 | 415 |
| 0 | 7,768 | 0 | 0 | 0 | 7,768 |
| 8,499 | 0 | 0 | 0 | 0 | 8,499 |
| \$ 391,316 \$ | 8,906 \$ | 78,108 \$ | 976 \$ | 976 \$ | 479,306 |

ASSETS

| | |
|---------------------------------------|--|
| Cash | |
| Equity in Pooled Cash and Investments | |
| Accounts Receivable | |
| Due from Other Governments | |
| Accrued Interest Receivable | |
| Total Assets | |

LIABILITIES AND FUND BALANCES

| | | | | | |
|--|----------------------|-----------------|------------------|---------------|----------------|
| <u>Liabilities</u> | | | | | |
| Accounts Payable | 5,274 \$ | 233 \$ | 0 \$ | 0 \$ | 5,507 |
| Payroll Deductions Payable | 285 | 0 | 0 | 0 | 285 |
| Due to Other Funds | 0 | 0 | 0 | 976 | 976 |
| Other Deferred Revenues | 9,164 | 3,069 | 0 | 0 | 12,233 |
| Total Liabilities | 14,723 \$ | 3,302 \$ | 0 \$ | 976 \$ | 19,001 |
| <u>Fund Balances</u> | | | | | |
| Reserved for Encumbrances | 0 \$ | 2,100 \$ | 14,940 \$ | 0 \$ | 17,040 |
| Reserved for Endowments | 205,250 | 0 | 0 | 0 | 205,250 |
| Unreserved | 171,343 | 3,504 | 63,168 | 0 | 238,015 |
| Total Fund Balances | 376,593 \$ | 5,604 \$ | 78,108 \$ | 0 \$ | 460,305 |
| Total Liabilities and Fund Balances | \$ 391,316 \$ | 8,906 \$ | 78,108 \$ | 976 \$ | 479,306 |

Exhibit G-2

Obion 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 Fund | | Total Nonmajor Governmental Funds |
|--|-----------------------|--------------------------|--------------|-----------------|---------------------------------|---------------|-----------------------------------|
| | Public Library | Solid Waste / Sanitation | Drug Control | Total | Public Library Capital Projects | | |
| | | | | | Public Library Capital Projects | Total | |
| <u>Revenues</u> | | | | | | | |
| Fines, Forfeitures, and Penalties Charges for Current Services | \$ 0 \$ | 0 \$ | 30,143 \$ | 30,143 \$ | 0 \$ | 0 \$ | 30,143 |
| Other Local Revenues | 21,702 | 4,104 | 0 | 25,806 | 0 | 0 | 25,806 |
| State of Tennessee | 23,679 | 15,724 | 153 | 39,556 | 1 | 1 | 39,557 |
| Federal Government | 0 | 22,275 | 0 | 22,275 | 0 | 0 | 22,275 |
| Other Governments and Citizens Groups | 836 | 0 | 0 | 836 | 0 | 0 | 836 |
| Total Revenues | \$ 272,503 \$ | \$ 42,103 \$ | \$ 30,296 \$ | \$ 344,902 \$ | \$ 1 \$ | \$ 1 \$ | \$ 344,903 |
| <u>Expenditures</u> | | | | | | | |
| Current: | | | | | | | |
| Public Safety | \$ 0 \$ | 0 \$ | 16,800 \$ | 16,800 \$ | 0 \$ | 0 \$ | 16,800 |
| Public Health and Welfare | 0 | 135,873 | 0 | 135,873 | 0 | 0 | 135,873 |
| Social, Cultural, and Recreational Services | 594,905 | 0 | 0 | 594,905 | 1,261 | 1,261 | 596,166 |
| Total Expenditures | \$ 594,905 \$ | \$ 135,873 \$ | \$ 16,800 \$ | \$ 747,578 \$ | \$ 1,261 \$ | \$ 1,261 \$ | \$ 748,839 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (322,402) \$ | \$ (93,770) \$ | \$ 13,496 \$ | \$ (402,676) \$ | \$ (1,260) \$ | \$ (1,260) \$ | \$ (403,936) |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Transfers In | \$ 334,487 \$ | \$ 30,000 \$ | \$ 0 \$ | \$ 364,487 \$ | \$ 0 \$ | \$ 0 \$ | \$ 364,487 |
| Total Other Financing Sources (Uses) | \$ 334,487 \$ | \$ 30,000 \$ | \$ 0 \$ | \$ 364,487 \$ | \$ 0 \$ | \$ 0 \$ | \$ 364,487 |
| Net Change in Fund Balances | \$ 12,085 \$ | \$ (63,770) \$ | \$ 13,496 \$ | \$ (38,189) \$ | \$ (1,260) \$ | \$ (1,260) \$ | \$ (39,449) |
| Fund Balance, July 1, 2008 | 364,508 | 69,374 | 64,612 | 498,494 | 1,260 | 1,260 | 499,754 |
| Fund Balance, June 30, 2009 | \$ 376,593 \$ | \$ 5,604 \$ | \$ 78,108 \$ | \$ 460,305 \$ | \$ 0 \$ | \$ 0 \$ | \$ 460,305 |

Exhibit G-3

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

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Charges for Current Services | \$ 21,702 | \$ 23,875 | \$ 23,875 | \$ (2,173) |
| Other Local Revenues | 23,679 | 8,600 | 8,600 | 15,079 |
| Federal Government | 836 | 5,000 | 5,000 | (4,164) |
| Other Governments and Citizens Groups | 226,286 | 212,571 | 212,571 | 13,715 |
| Total Revenues | <u>\$ 272,503</u> | <u>\$ 250,046</u> | <u>\$ 250,046</u> | <u>\$ 22,457</u> |
| <u>Expenditures</u> | | | | |
| <u>Social, Cultural, and Recreational Services</u> | | | | |
| Libraries | \$ 594,905 | \$ 600,419 | \$ 600,419 | \$ 5,514 |
| Total Expenditures | <u>\$ 594,905</u> | <u>\$ 600,419</u> | <u>\$ 600,419</u> | <u>\$ 5,514</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (322,402)</u> | <u>\$ (350,373)</u> | <u>\$ (350,373)</u> | <u>\$ 27,971</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 334,487 | \$ 334,487 | \$ 334,487 | \$ 0 |
| Total Other Financing Sources (Uses) | <u>\$ 334,487</u> | <u>\$ 334,487</u> | <u>\$ 334,487</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ 12,085 | \$ (15,886) | \$ (15,886) | \$ 27,971 |
| Fund Balance, July 1, 2008 | <u>364,508</u> | <u>372,514</u> | <u>372,514</u> | <u>(8,006)</u> |
| Fund Balance, June 30, 2009 | <u>\$ 376,593</u> | <u>\$ 356,628</u> | <u>\$ 356,628</u> | <u>\$ 19,965</u> |

Exhibit G-4

Obion 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> | | | | | | | |
| Charges for Current Services | \$ 4,104 | \$ 0 | \$ 0 | 4,104 | \$ 2,850 | \$ 2,850 | \$ 1,254 |
| Other Local Revenues | 15,724 | 0 | 0 | 15,724 | 14,060 | 14,060 | 1,664 |
| State of Tennessee | 22,275 | 0 | 0 | 22,275 | 44,100 | 29,100 | (6,825) |
| Total Revenues | \$ 42,103 | \$ 0 | \$ 0 | 42,103 | \$ 61,010 | \$ 46,010 | \$ (3,907) |
| <u>Expenditures</u> | | | | | | | |
| <u>Public Health and Welfare</u> | | | | | | | |
| Problem Waste Centers | \$ 161 | (161) | 0 | 0 | 0 | 0 | 0 |
| Recycling Center | 135,712 | (2,450) | 2,100 | 135,362 | 178,105 | 160,105 | 24,743 |
| Total Expenditures | \$ 135,873 | (2,611) | 2,100 | 135,362 | 178,105 | 160,105 | 24,743 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (93,770) | 2,611 | (2,100) | (93,259) | (117,095) | (114,095) | 20,836 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Transfers In | \$ 30,000 | 0 | 0 | 30,000 | 55,000 | 55,000 | (25,000) |
| Total Other Financing Sources (Uses) | \$ 30,000 | 0 | 0 | 30,000 | 55,000 | 55,000 | (25,000) |
| Net Change in Fund Balance Fund Balance, July 1, 2008 | \$ (63,770) | 2,611 | (2,100) | (63,259) | (62,095) | (59,095) | (4,164) |
| Fund Balance, June 30, 2009 | 69,374 | (2,611) | 0 | 66,763 | 68,512 | 68,512 | (1,749) |
| | \$ 5,604 | 0 | (2,100) | 3,504 | 6,417 | 9,417 | (5,913) |

Exhibit G-5

Obion 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 | \$ 30,143 | \$ 0 | \$ 30,143 | \$ 7,500 | \$ 17,500 | \$ 12,643 |
| Other Local Revenues | 153 | 0 | 153 | 1,000 | 1,000 | (847) |
| Total Revenues | \$ 30,296 | \$ 0 | \$ 30,296 | \$ 8,500 | \$ 18,500 | \$ 11,796 |
| <u>Expenditures</u> | | | | | | |
| <u>Public Safety</u> | | | | | | |
| Drug Enforcement | \$ 16,800 | \$ 14,940 | \$ 31,740 | \$ 48,000 | \$ 58,000 | \$ 26,260 |
| Total Expenditures | \$ 16,800 | \$ 14,940 | \$ 31,740 | \$ 48,000 | \$ 58,000 | \$ 26,260 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 13,496 | \$ (14,940) | \$ (1,444) | \$ (39,500) | \$ (39,500) | \$ 38,056 |
| Net Change in Fund Balance Fund Balance, July 1, 2008 | \$ 13,496 | \$ (14,940) | \$ (1,444) | \$ (39,500) | \$ (39,500) | \$ 38,056 |
| | 64,612 | 0 | 64,612 | 64,612 | 64,612 | 0 |
| Fund Balance, June 30, 2009 | \$ 78,108 | \$ (14,940) | \$ 63,168 | \$ 25,112 | \$ 25,112 | \$ 38,056 |

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Major Governmental Fund

General Debt Service Fund

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

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Exhibit H

Obion 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 | \$ 1,797,063 | \$ 1,773,090 | \$ 1,763,489 | \$ 33,574 |
| Other Local Revenues | 57,570 | 57,570 | 57,570 | 0 |
| State of Tennessee | 172,721 | 143,677 | 143,677 | 29,044 |
| Other Governments and Citizens Groups | 200,000 | 0 | 200,000 | 0 |
| Total Revenues | <u>\$ 2,227,354</u> | <u>\$ 1,974,337</u> | <u>\$ 2,164,736</u> | <u>\$ 62,618</u> |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| General Government | \$ 1,535,000 | \$ 358,300 | \$ 1,535,000 | \$ 0 |
| Education | 561,333 | 561,333 | 561,333 | 0 |
| <u>Interest on Debt</u> | | | | |
| General Government | 52,022 | 99,575 | 76,750 | 24,728 |
| Education | 472,259 | 774,266 | 774,266 | 302,007 |
| <u>Other Debt Service</u> | | | | |
| General Government | 66,320 | 51,000 | 77,125 | 10,805 |
| Education | 33,369 | 40,000 | 40,000 | 6,631 |
| Total Expenditures | <u>\$ 2,720,303</u> | <u>\$ 1,884,474</u> | <u>\$ 3,064,474</u> | <u>\$ 344,171</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (492,949)</u> | <u>\$ 89,863</u> | <u>\$ (899,738)</u> | <u>\$ 406,789</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 0 | \$ 200,000 | \$ 0 | \$ 0 |
| Total Other Financing Sources (Uses) | <u>\$ 0</u> | <u>\$ 200,000</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ (492,949) | \$ 289,863 | \$ (899,738) | \$ 406,789 |
| Fund Balance, July 1, 2008 | <u>1,985,997</u> | <u>1,983,606</u> | <u>1,983,606</u> | <u>2,391</u> |
| Fund Balance, June 30, 2009 | <u>\$ 1,493,048</u> | <u>\$ 2,273,469</u> | <u>\$ 1,083,868</u> | <u>\$ 409,180</u> |

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Fiduciary Funds

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

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

Cities – Property Tax Fund – The Cities – Property Tax Fund is used to account for property tax collections received by the county trustee on behalf of the Town of Woodland Mills. These collections are periodically remitted to the Town of Woodland Mills.

Special School District Fund – The Special School District Fund is used to account for the collections of property taxes, which are held in trust for the Kenton Special School District.

City School ADA - Union City Fund – The City School ADA - Union City Fund is used to account for the city school system’s share of education revenues collected by the county, which must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school system on a monthly basis.

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

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Exhibit I-1

Obion County, Tennessee
 Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
 For the Year Ended June 30, 2009

| | Agency Funds | | | | | | | Total |
|--|--------------------------|-----------------------------|-------------------------------|-------------------------------|---|--------------|--------------|-------|
| | Cities - Sales Tax | Cities - Property Tax | Special School District | School ADA - Union City | Constitu- tional Officers - Agency | | | |
| <u>ASSETS</u> | | | | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,572,125 | \$ 1,572,125 | |
| Equity in Pooled Cash and Investments | 0 | 1,029 | 235 | 19,237 | 0 | 0 | 20,501 | |
| Accounts Receivable | 0 | 0 | 221 | 12,894 | 3,847 | 0 | 16,962 | |
| Due from Other Governments | 671,426 | 0 | 0 | 198,721 | 0 | 0 | 870,147 | |
| Property Taxes Receivable | 0 | 0 | 0 | 1,601,109 | 0 | 0 | 1,601,109 | |
| Allowance for Uncollectible Property Taxes | 0 | 0 | 0 | (70,061) | 0 | 0 | (70,061) | |
| Notes Receivable - Long-term | 0 | 0 | 0 | 0 | 191,063 | 0 | 191,063 | |
| Total Assets | \$ 671,426 | \$ 1,029 | \$ 456 | \$ 1,761,900 | \$ 1,767,035 | \$ 4,201,846 | | |
| <u>LIABILITIES</u> | | | | | | | | |
| Due to Other Taxing Units | \$ 671,426 | \$ 1,029 | \$ 456 | \$ 1,761,900 | \$ 0 | \$ 0 | \$ 2,434,811 | |
| Due to Litigants, Heirs, and Others | 0 | 0 | 0 | 0 | 1,767,035 | 0 | 1,767,035 | |
| Total Liabilities | \$ 671,426 | \$ 1,029 | \$ 456 | \$ 1,761,900 | \$ 1,767,035 | \$ 4,201,846 | | |

Exhibit I-2

Obion 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 | \$ 3,419,544 | \$ 3,419,544 | \$ 0 |
| Due from Other Governments | 719,947 | 671,426 | 719,947 | 671,426 |
| Total Assets | \$ 719,947 | \$ 4,090,970 | \$ 4,139,491 | \$ 671,426 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 719,947 | \$ 4,090,970 | \$ 4,139,491 | \$ 671,426 |
| Total Liabilities | \$ 719,947 | \$ 4,090,970 | \$ 4,139,491 | \$ 671,426 |
| <u>Cities - Property Tax Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 22,553 | \$ 21,524 | \$ 1,029 |
| Total Assets | \$ 0 | \$ 22,553 | \$ 21,524 | \$ 1,029 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 0 | \$ 22,553 | \$ 21,524 | \$ 1,029 |
| Total Liabilities | \$ 0 | \$ 22,553 | \$ 21,524 | \$ 1,029 |
| <u>Special School District Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 144 | \$ 75,946 | \$ 75,855 | \$ 235 |
| Accounts Receivable | 163 | 221 | 163 | 221 |
| Total Assets | \$ 307 | \$ 76,167 | \$ 76,018 | \$ 456 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 307 | \$ 76,167 | \$ 76,018 | \$ 456 |
| Total Liabilities | \$ 307 | \$ 76,167 | \$ 76,018 | \$ 456 |
| <u>City School ADA - Union City Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 23,476 | \$ 1,208,776 | \$ 1,213,015 | \$ 19,237 |
| Accounts Receivable | 5,882 | 12,894 | 5,882 | 12,894 |
| Due from Other Governments | 216,936 | 198,721 | 216,936 | 198,721 |
| Property Taxes Receivable | 1,495,293 | 1,601,109 | 1,495,293 | 1,601,109 |
| Allowance for Uncollectible Property Taxes | (34,039) | (70,061) | (34,039) | (70,061) |
| Total Assets | \$ 1,707,548 | \$ 2,951,439 | \$ 2,897,087 | \$ 1,761,900 |

(Continued)

Exhibit I-2

Obion County, Tennessee

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

| | Beginning Balance | Additions | Deductions | Ending Balance |
|--|----------------------|---------------|---------------|-------------------|
| <u>City School ADA - Union City Fund (Cont.)</u> | | | | |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 1,707,548 | \$ 2,951,439 | \$ 2,897,087 | \$ 1,761,900 |
| Total Liabilities | \$ 1,707,548 | \$ 2,951,439 | \$ 2,897,087 | \$ 1,761,900 |
| <u>Constitutional Officers - Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 1,745,319 | \$ 10,208,168 | \$ 10,381,362 | \$ 1,572,125 |
| Accounts Receivable | 4,118 | 3,847 | 4,118 | 3,847 |
| Notes Receivable - Long-term | 196,310 | 191,063 | 196,310 | 191,063 |
| Total Assets | \$ 1,945,747 | \$ 10,403,078 | \$ 10,581,790 | \$ 1,767,035 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 1,945,747 | \$ 10,403,078 | \$ 10,581,790 | \$ 1,767,035 |
| Total Liabilities | \$ 1,945,747 | \$ 10,403,078 | \$ 10,581,790 | \$ 1,767,035 |
| <u>Totals - All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 1,745,319 | \$ 10,208,168 | \$ 10,381,362 | \$ 1,572,125 |
| Equity in Pooled Cash and Investments | 23,620 | 4,726,819 | 4,729,938 | 20,501 |
| Accounts Receivable | 10,163 | 16,962 | 10,163 | 16,962 |
| Due from Other Governments | 936,883 | 870,147 | 936,883 | 870,147 |
| Property Taxes Receivable | 1,495,293 | 1,601,109 | 1,495,293 | 1,601,109 |
| Allowance for Uncollectible Property Taxes | (34,039) | (70,061) | (34,039) | (70,061) |
| Notes Receivable - Long-term | 196,310 | 191,063 | 196,310 | 191,063 |
| Total Assets | \$ 4,373,549 | \$ 17,544,207 | \$ 17,715,910 | \$ 4,201,846 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 2,427,802 | \$ 7,141,129 | \$ 7,134,120 | \$ 2,434,811 |
| Due to Litigants, Heirs, and Others | 1,945,747 | 10,403,078 | 10,581,790 | 1,767,035 |
| Total Liabilities | \$ 4,373,549 | \$ 17,544,207 | \$ 17,715,910 | \$ 4,201,846 |

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Obion County School Department

This section presents fund financial statements for the Obion County School Department, a discretely presented component unit. The Obion County School Department uses a General Fund, two 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.

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

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Exhibit J-1

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

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities |
|--|----------------------|----------------------|------------------------------------|----------------------------------|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental Activities: | | | | | |
| Instruction | \$ 18,621,364 | \$ 2,765 | \$ 1,864,360 | \$ 38,495 | \$ (16,715,744) |
| Support Services | 10,186,368 | 16,048 | 688,179 | 0 | (9,482,141) |
| Operation of Non-Instructional Services | 2,985,226 | 988,303 | 1,310,804 | 0 | (686,119) |
| Other Debt Service | 200,000 | 0 | 0 | 0 | (200,000) |
| Total Governmental Activities | \$ 31,992,958 | \$ 1,007,116 | \$ 3,863,343 | \$ 38,495 | \$ (27,084,004) |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property Taxes Levied for General Purposes | | | | \$ | 4,346,687 |
| Local Option Sales Taxes | | | | | 3,418,254 |
| Other Local Taxes | | | | | 77,382 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 17,514,135 |
| Miscellaneous | | | | | 93,341 |
| Total General Revenues | | | | \$ | 25,449,799 |
| Change in Net Assets | | | | \$ | (1,634,205) |
| Net Assets, July 1, 2008 | | | | | 40,322,431 |
| Net Assets, June 30, 2009 | | | | \$ | 38,688,226 |

Exhibit J-2

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

| | <u>Major Fund</u> | <u>Nonmajor Funds</u> | <u>Total</u> |
|---|------------------------------|-------------------------------------|----------------------------|
| | General Purpose School | Other Govern- mental Funds | Govern- mental Funds |
| <u>ASSETS</u> | | | |
| Equity in Pooled Cash and Investments | \$ 3,599,582 | \$ 576,808 | \$ 4,176,390 |
| Accounts Receivable | 3,121 | 172 | 3,293 |
| Due from Other Governments | 1,195,561 | 183,403 | 1,378,964 |
| Due from Other Funds | 184,460 | 778 | 185,238 |
| Property Taxes Receivable | 4,474,871 | 0 | 4,474,871 |
| Allowance for Uncollectible Property Taxes | (195,811) | 0 | (195,811) |
| Total Assets | <u>\$ 9,261,784</u> | <u>\$ 761,161</u> | <u>\$ 10,022,945</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| <u>Liabilities</u> | | | |
| Accounts Payable | \$ 121,478 | \$ 147 | \$ 121,625 |
| Payroll Deductions Payable | 46 | 22 | 68 |
| Due to Other Funds | 778 | 184,460 | 185,238 |
| Other Current Liabilities | 0 | 28 | 28 |
| Deferred Revenue - Current Property Taxes | 4,136,695 | 0 | 4,136,695 |
| Deferred Revenue - Delinquent Property Taxes | 131,580 | 0 | 131,580 |
| Other Deferred Revenues | 660,410 | 0 | 660,410 |
| Total Liabilities | <u>\$ 5,050,987</u> | <u>\$ 184,657</u> | <u>\$ 5,235,644</u> |
| <u>Fund Balances</u> | | | |
| Reserved for Encumbrances | \$ 1,180,726 | \$ 1,068 | \$ 1,181,794 |
| Reserved for Title I Grants to Local Education Agencies | 0 | 4,028 | 4,028 |
| Reserved for Innovative Education Program Strategies | 0 | 280 | 280 |
| Reserved for Special Education - Grants to States | 0 | 5,186 | 5,186 |
| Other Federal Reserves | 0 | 14,682 | 14,682 |
| Unreserved, Reported In: | | | |
| General Fund | 3,030,071 | 0 | 3,030,071 |
| Special Revenue Funds | 0 | 547,811 | 547,811 |
| Capital Projects Funds | 0 | 3,449 | 3,449 |
| Total Fund Balances | <u>\$ 4,210,797</u> | <u>\$ 576,504</u> | <u>\$ 4,787,301</u> |
| Total Liabilities and Fund Balances | <u>\$ 9,261,784</u> | <u>\$ 761,161</u> | <u>\$ 10,022,945</u> |

Exhibit J-3

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

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

| | | | |
|---|----|------------------|----------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit J-2) | | \$ | 4,787,301 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | | |
| Add: land | \$ | 640,281 | |
| Add: buildings and improvements net of accumulated depreciation | | 30,229,221 | |
| Add: infrastructure net of accumulated depreciation | | 151,688 | |
| Add: other capital assets net of accumulated depreciation | | <u>2,490,121</u> | 33,511,311 |
| (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 | \$ | (24,975) | |
| Less: other postemployment benefits liability | | <u>(377,401)</u> | (402,376) |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | | <u>791,990</u> |
| Net assets of governmental activities (Exhibit A) | | | <u>\$ 38,688,226</u> |

Exhibit J-4

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

| | <u>Major Fund</u> | <u>Nonmajor</u> <u>Funds</u> | |
|--|-----------------------|---------------------------------|-----------------------|
| | General | Other | Total |
| | Purpose | Govern- mental | Governmental |
| | School | Funds | Funds |
| <u>Revenues</u> | | | |
| Local Taxes | \$ 8,185,199 | \$ 0 | \$ 8,185,199 |
| Licenses and Permits | 1,824 | 0 | 1,824 |
| Charges for Current Services | 46,906 | 854,217 | 901,123 |
| Other Local Revenues | 92,798 | 6,681 | 99,479 |
| State of Tennessee | 17,886,751 | 22,172 | 17,908,923 |
| Federal Government | 209,636 | 2,677,875 | 2,887,511 |
| Total Revenues | <u>\$ 26,423,114</u> | <u>\$ 3,560,945</u> | <u>\$ 29,984,059</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Instruction | \$ 15,734,981 | \$ 1,396,334 | \$ 17,131,315 |
| Support Services | 9,656,525 | 333,313 | 9,989,838 |
| Operation of Non-Instructional Services | 729,853 | 1,972,334 | 2,702,187 |
| Capital Outlay | 1,383,293 | 0 | 1,383,293 |
| Debt Service: | | | |
| Other Debt Service | 200,000 | 0 | 200,000 |
| Total Expenditures | <u>\$ 27,704,652</u> | <u>\$ 3,701,981</u> | <u>\$ 31,406,633</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (1,281,538)</u> | <u>\$ (141,036)</u> | <u>\$ (1,422,574)</u> |
| <u>Other Financing Sources (Uses)</u> | | | |
| Insurance Recovery | \$ 25,365 | \$ 0 | \$ 25,365 |
| Total Other Financing Sources (Uses) | <u>\$ 25,365</u> | <u>\$ 0</u> | <u>\$ 25,365</u> |
| Net Change in Fund Balances | \$ (1,256,173) | \$ (141,036) | \$ (1,397,209) |
| Fund Balance, July 1, 2008 | <u>5,466,970</u> | <u>717,540</u> | <u>6,184,510</u> |
| Fund Balance, June 30, 2009 | <u>\$ 4,210,797</u> | <u>\$ 576,504</u> | <u>\$ 4,787,301</u> |

Exhibit J-5

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

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

| | | |
|---|--------------------|-----------------------|
| Net change in fund balances - total governmental funds (Exhibit J-4) | | \$ (1,397,209) |
| <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 | \$ 1,951,582 | |
| Less: current year depreciation expense | <u>(2,239,326)</u> | (287,744) |
| <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 | \$ 791,990 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2008 | <u>(568,062)</u> | 223,928 |
| <p>(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p> | | |
| Change in compensated absences payable | \$ 20,831 | |
| Change in other postemployment benefits liability | <u>(194,011)</u> | <u>(173,180)</u> |
| Change in net assets of governmental activities (Exhibit B) | | <u>\$ (1,634,205)</u> |

Exhibit J-6

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

| | <u>Special Revenue Funds</u> | | | <u>Capital Projects Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
|---|--|------------------------------|-------------------|---|--|
| | <u>School Federal Projects</u> | <u>Central Cafeteria</u> | <u>Total</u> | <u>Education Capital Projects</u> | |
| <u>ASSETS</u> | | | | | |
| Equity in Pooled Cash and Investments | \$ 28,317 | \$ 545,042 | \$ 573,359 | \$ 3,449 | \$ 576,808 |
| Accounts Receivable | 0 | 172 | 172 | 0 | 172 |
| Due from Other Governments | 180,659 | 2,744 | 183,403 | 0 | 183,403 |
| Due from Other Funds | 778 | 0 | 778 | 0 | 778 |
| Total Assets | \$ 209,754 | \$ 547,958 | \$ 757,712 | \$ 3,449 | \$ 761,161 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | |
| <u>Liabilities</u> | | | | | |
| Accounts Payable | \$ 0 | \$ 147 | \$ 147 | \$ 0 | \$ 147 |
| Payroll Deductions Payable | 22 | 0 | 22 | 0 | 22 |
| Due to Other Funds | 184,460 | 0 | 184,460 | 0 | 184,460 |
| Other Current Liabilities | 28 | 0 | 28 | 0 | 28 |
| Total Liabilities | \$ 184,510 | \$ 147 | \$ 184,657 | \$ 0 | \$ 184,657 |
| <u>Fund Balances</u> | | | | | |
| Reserved for Encumbrances | \$ 1,068 | \$ 0 | \$ 1,068 | \$ 0 | \$ 1,068 |
| Reserved for Title I Grants to Local Education Agencies | 4,028 | 0 | 4,028 | 0 | 4,028 |
| Reserved for Innovative Education Program Strategies | 280 | 0 | 280 | 0 | 280 |
| Reserved for Special Education - Grants to States | 5,186 | 0 | 5,186 | 0 | 5,186 |
| Other Federal Reserves | 14,682 | 0 | 14,682 | 0 | 14,682 |
| Unreserved | 0 | 547,811 | 547,811 | 3,449 | 551,260 |
| Total Fund Balances | \$ 25,244 | \$ 547,811 | \$ 573,055 | \$ 3,449 | \$ 576,504 |
| Total Liabilities and Fund Balances | \$ 209,754 | \$ 547,958 | \$ 757,712 | \$ 3,449 | \$ 761,161 |

Exhibit J-7

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

| | <u>Special Revenue Funds</u> | | | <u>Capital</u> | <u>Total</u> |
|---|------------------------------|---------------------|---------------------|------------------|---------------------|
| | <u>School</u> | <u>Central</u> | <u>Total</u> | <u>Projects</u> | |
| | <u>Federal</u> | <u>Cafeteria</u> | | <u>Education</u> | <u>Nonmajor</u> |
| | <u>Projects</u> | | | <u>Capital</u> | <u>Governmental</u> |
| | | | | <u>Projects</u> | <u>Funds</u> |
| <u>Revenues</u> | | | | | |
| Charges for Current Services | \$ 0 | \$ 854,217 | \$ 854,217 | \$ 0 | \$ 854,217 |
| Other Local Revenues | 0 | 6,681 | 6,681 | 0 | 6,681 |
| State of Tennessee | 0 | 22,172 | 22,172 | 0 | 22,172 |
| Federal Government | 1,546,353 | 1,131,522 | 2,677,875 | 0 | 2,677,875 |
| Total Revenues | <u>\$ 1,546,353</u> | <u>\$ 2,014,592</u> | <u>\$ 3,560,945</u> | <u>\$ 0</u> | <u>\$ 3,560,945</u> |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| Instruction | \$ 1,396,334 | \$ 0 | \$ 1,396,334 | \$ 0 | \$ 1,396,334 |
| Support Services | 333,313 | 0 | 333,313 | 0 | 333,313 |
| Operation of Non-Instructional Services | 0 | 1,972,334 | 1,972,334 | 0 | 1,972,334 |
| Total Expenditures | <u>\$ 1,729,647</u> | <u>\$ 1,972,334</u> | <u>\$ 3,701,981</u> | <u>\$ 0</u> | <u>\$ 3,701,981</u> |
| Excess (Deficiency) of Revenues | | | | | |
| Over Expenditures | <u>\$ (183,294)</u> | <u>\$ 42,258</u> | <u>\$ (141,036)</u> | <u>\$ 0</u> | <u>\$ (141,036)</u> |
| Net Change in Fund Balances | \$ (183,294) | \$ 42,258 | \$ (141,036) | \$ 0 | \$ (141,036) |
| Fund Balance, July 1, 2008 | 208,538 | 505,553 | 714,091 | 3,449 | 717,540 |
| Fund Balance, June 30, 2009 | <u>\$ 25,244</u> | <u>\$ 547,811</u> | <u>\$ 573,055</u> | <u>\$ 3,449</u> | <u>\$ 576,504</u> |

Exhibit J-8

Obion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Obion 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 | \$ 8,185,199 | \$ 0 | \$ 0 | \$ 8,185,199 | \$ 8,154,889 | \$ 8,154,889 | \$ 30,310 |
| Licenses and Permits | 1,824 | 0 | 0 | 1,824 | 1,800 | 1,800 | 24 |
| Charges for Current Services | 46,906 | 0 | 0 | 46,906 | 172,150 | 172,150 | (125,244) |
| Other Local Revenues | 92,798 | 0 | 0 | 92,798 | 96,400 | 114,164 | (21,366) |
| State of Tennessee | 17,886,751 | 0 | 0 | 17,886,751 | 17,786,747 | 18,106,592 | (219,841) |
| Federal Government | 209,636 | 0 | 0 | 209,636 | 269,217 | 281,651 | (72,015) |
| Total Revenues | \$ 26,423,114 | \$ 0 | \$ 0 | \$ 26,423,114 | \$ 26,481,203 | \$ 26,831,246 | \$ (408,132) |
| <u>Expenditures</u> | | | | | | | |
| <u>Instruction</u> | | | | | | | |
| Regular Instruction Program | \$ 12,835,970 | \$ (177,025) | \$ 354 | \$ 12,659,299 | \$ 12,936,543 | \$ 13,052,949 | \$ 393,650 |
| Alternative Instruction Program | 77,669 | 0 | 0 | 77,669 | 73,698 | 80,060 | 2,391 |
| Special Education Program | 1,621,310 | (314) | 0 | 1,620,996 | 1,679,224 | 1,672,862 | 51,866 |
| Vocational Education Program | 999,422 | (4,787) | 0 | 994,635 | 1,022,697 | 1,026,198 | 31,563 |
| Student Body Education Program | 140,478 | 0 | 0 | 140,478 | 146,129 | 146,129 | 5,651 |
| Adult Education Program | 60,132 | 0 | 0 | 60,132 | 60,736 | 65,970 | 5,838 |
| <u>Support Services</u> | | | | | | | |
| Attendance | 131,097 | 0 | 0 | 131,097 | 146,065 | 146,065 | 14,968 |
| Health Services | 331,471 | (25,604) | 0 | 305,867 | 315,112 | 315,112 | 9,245 |
| Other Student Support | 577,255 | (1,845) | 90,252 | 665,662 | 592,879 | 667,879 | 2,217 |
| Regular Instruction Program | 1,019,650 | (10,044) | 0 | 1,009,606 | 1,118,413 | 1,043,413 | 33,807 |
| Alternative Instruction Program | 6,315 | 0 | 0 | 6,315 | 6,479 | 6,479 | 164 |
| Special Education Program | 116,317 | 0 | 0 | 116,317 | 111,860 | 119,360 | 3,043 |
| Vocational Education Program | 10,985 | 0 | 0 | 10,985 | 20,568 | 20,568 | 9,583 |
| Adult Programs | 74,505 | 0 | 0 | 74,505 | 77,678 | 77,678 | 3,173 |
| Other Programs | 217,402 | 0 | 0 | 217,402 | 0 | 217,402 | 0 |

(Continued)

Exhibit J-8

Obion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Obion 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> | | | | | | | |
| Board of Education | \$ 433,318 | \$ (726) | \$ 0 | \$ 432,592 | \$ 436,113 | \$ 436,113 | \$ 3,521 |
| Director of Schools | 197,370 | (72) | 119 | 197,417 | 203,694 | 203,694 | 6,277 |
| Office of the Principal | 1,654,509 | (234) | 0 | 1,654,275 | 1,685,657 | 1,685,657 | 31,382 |
| Fiscal Services | 216,201 | (2,367) | 0 | 213,834 | 229,353 | 229,353 | 15,519 |
| Operation of Plant | 2,296,520 | (20,166) | 5,310 | 2,281,664 | 2,305,210 | 2,365,210 | 83,546 |
| Maintenance of Plant | 591,273 | (5,412) | 0 | 585,861 | 587,981 | 607,981 | 22,120 |
| Transportation | 1,603,369 | (2,248) | 0 | 1,601,121 | 1,763,627 | 1,763,627 | 162,506 |
| Central and Other | 178,968 | 0 | 0 | 178,968 | 204,388 | 204,388 | 25,420 |
| <u>Operation of Non-Instructional Services</u> | | | | | | | |
| Community Services | 191,764 | (2,086) | 240 | 189,918 | 227,850 | 227,850 | 37,932 |
| Early Childhood Education | 538,089 | (62,161) | 0 | 475,928 | 480,970 | 480,970 | 5,042 |
| Capital Outlay | | | | | | | |
| Regular Capital Outlay | 1,383,293 | (154,365) | 1,084,451 | 2,313,379 | 2,366,600 | 2,366,600 | 53,221 |
| Other Debt Service | | | | | | | |
| Education | 200,000 | 0 | 0 | 200,000 | 0 | 200,000 | 0 |
| Total Expenditures | \$ 27,704,652 | \$ (469,456) | \$ 1,180,726 | \$ 28,415,922 | \$ 28,799,524 | \$ 29,429,567 | \$ 1,013,645 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (1,281,538) | \$ 469,456 | \$ (1,180,726) | \$ (1,992,808) | \$ (2,318,321) | \$ (2,598,321) | \$ 605,513 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Insurance Recovery | \$ 25,365 | \$ 0 | \$ 0 | \$ 25,365 | \$ 0 | \$ 0 | \$ 25,365 |
| Transfers Out | 0 | 0 | 0 | 0 | (200,000) | 0 | 0 |
| Total Other Financing Sources (Uses) | \$ 25,365 | \$ 0 | \$ 0 | \$ 25,365 | \$ (200,000) | \$ 0 | \$ 25,365 |
| Net Change in Fund Balance | \$ (1,256,173) | \$ 469,456 | \$ (1,180,726) | \$ (1,967,443) | \$ (2,518,321) | \$ (2,598,321) | \$ 630,878 |
| Fund Balance, July 1, 2008 | 5,466,970 | (469,456) | 0 | 4,997,514 | 4,974,582 | 4,974,582 | 22,932 |
| Fund Balance, June 30, 2009 | \$ 4,210,797 | \$ 0 | \$ (1,180,726) | \$ 3,030,071 | \$ 2,456,261 | \$ 2,376,261 | \$ 653,810 |

Exhibit J-9

Obion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Obion 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 | \$ 1,546,353 | \$ 0 | \$ 0 | \$ 1,546,353 | \$ 1,702,757 | \$ 1,702,757 | \$ (156,404) |
| Total Revenues | \$ 1,546,353 | \$ 0 | \$ 0 | \$ 1,546,353 | \$ 1,702,757 | \$ 1,702,757 | \$ (156,404) |
| <u>Expenditures</u> | | | | | | | |
| <u>Instruction</u> | | | | | | | |
| Regular Instruction Program | \$ 674,610 | \$ (1,136) | \$ 0 | \$ 673,474 | \$ 678,897 | \$ 678,897 | \$ 5,423 |
| Special Education Program | 679,813 | (2,525) | 137 | 677,425 | 797,005 | 795,005 | 117,580 |
| Vocational Education Program | 41,911 | (7,899) | 428 | 34,440 | 32,827 | 34,827 | 387 |
| <u>Support Services</u> | | | | | | | |
| Health Services | 16,330 | 0 | 0 | 16,330 | 16,333 | 16,333 | 3 |
| Other Student Support | 16,853 | 0 | 0 | 16,853 | 21,667 | 21,667 | 4,814 |
| Regular Instruction Program | 137,363 | (19,690) | 0 | 117,673 | 132,173 | 132,173 | 14,500 |
| Special Education Program | 160,267 | 0 | 503 | 160,770 | 206,570 | 206,570 | 45,800 |
| Vocational Education Program | 2,500 | 0 | 0 | 2,500 | 2,500 | 2,500 | 0 |
| Total Expenditures | \$ 1,729,647 | \$ (31,250) | \$ 1,068 | \$ 1,699,465 | \$ 1,887,972 | \$ 1,887,972 | \$ 188,507 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (183,294) | \$ 31,250 | \$ (1,068) | \$ (153,112) | \$ (185,215) | \$ (185,215) | \$ 32,103 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Transfers In | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 115,276 | \$ 0 | \$ 0 |
| Transfers Out | 0 | 0 | 0 | 0 | (105,186) | 0 | 0 |
| Total Other Financing Sources (Uses) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 10,090 | \$ 0 | \$ 0 |
| Net Change in Fund Balance Fund Balance, July 1, 2008 | \$ (183,294) | \$ 31,250 | \$ (1,068) | \$ (153,112) | \$ (175,125) | \$ (185,215) | \$ 32,103 |
| Fund Balance, July 1, 2008 | 208,538 | (31,250) | 0 | 177,288 | 175,125 | 185,215 | (7,927) |
| Fund Balance, June 30, 2009 | \$ 25,244 | \$ 0 | \$ (1,068) | \$ 24,176 | \$ 0 | \$ 0 | \$ 24,176 |

Exhibit J-10

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2008 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Charges for Current Services | \$ 854,217 | \$ 0 | \$ 854,217 | \$ 922,404 | \$ 922,404 | \$ (68,187) |
| Other Local Revenues | 6,681 | 0 | 6,681 | 25,000 | 25,000 | (18,319) |
| State of Tennessee | 22,172 | 0 | 22,172 | 22,374 | 22,374 | (202) |
| Federal Government | 1,131,522 | 0 | 1,131,522 | 1,107,581 | 1,107,581 | 23,941 |
| Total Revenues | \$ 2,014,592 | \$ 0 | \$ 2,014,592 | \$ 2,077,359 | \$ 2,077,359 | \$ (62,767) |
| <u>Expenditures</u> | | | | | | |
| <u>Operation of Non-Instructional Services</u> | | | | | | |
| Food Service | \$ 1,972,334 | \$ (23,320) | \$ 1,949,014 | \$ 2,145,357 | \$ 2,145,357 | \$ 196,343 |
| Total Expenditures | \$ 1,972,334 | \$ (23,320) | \$ 1,949,014 | \$ 2,145,357 | \$ 2,145,357 | \$ 196,343 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 42,258 | \$ 23,320 | \$ 65,578 | \$ (67,998) | \$ (67,998) | \$ 133,576 |
| Net Change in Fund Balance Fund Balance, July 1, 2008 | \$ 42,258 | \$ 23,320 | \$ 65,578 | \$ (67,998) | \$ (67,998) | \$ 133,576 |
| | 505,553 | (23,320) | 482,233 | 475,617 | 475,617 | 6,616 |
| Fund Balance, June 30, 2009 | \$ 547,811 | \$ 0 | \$ 547,811 | \$ 407,619 | \$ 407,619 | \$ 140,192 |

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MISCELLANEOUS SCHEDULES

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Exhibit K-1

Obion 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 General Debt Service Fund</u> | | | | | | | |
| School Improvement, Series 2007 | \$ 1,000,000 | 4.04 % | 2-2-07 | 2-2-19 | \$ 916,667 | \$ 83,333 | \$ 833,334 |
| Total Notes Payable | | | | | <u>\$ 916,667</u> | <u>\$ 83,333</u> | <u>\$ 833,334</u> |
| <u>OTHER LOANS PAYABLE</u> | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | |
| Jail Construction | 4,500,000 | Variable | 4-24-1997 | 1-14-09 | \$ 1,535,000 | \$ 1,535,000 | \$ 0 |
| School Construction/Renovation | 17,000,000 | Variable | 8-25-04 | 5-25-22 | 8,265,000 | 468,000 | 7,797,000 |
| Total Other Loans Payable | | | | | <u>\$ 9,800,000</u> | <u>\$ 2,003,000</u> | <u>\$ 7,797,000</u> |
| <u>BONDS PAYABLE</u> | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | |
| Rural School Refunding Bonds, Series 2007 | 8,050,000 | 3.5 to 4.25 | 12-20-07 | 5-1-31 | \$ 8,050,000 | \$ 10,000 | \$ 8,040,000 |
| Total Bonds Payable | | | | | <u>\$ 8,050,000</u> | <u>\$ 10,000</u> | <u>\$ 8,040,000</u> |

Exhibit K-2

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

| Year Ending June 30 | Notes | | |
|---------------------------|------------|------------|--------------|
| | Principal | Interest | Total |
| 2010 | \$ 83,333 | \$ 34,134 | \$ 117,467 |
| 2011 | 83,333 | 30,721 | 114,054 |
| 2012 | 83,333 | 27,307 | 110,640 |
| 2013 | 83,333 | 23,960 | 107,293 |
| 2014 | 83,333 | 20,481 | 103,814 |
| 2015 | 83,333 | 17,067 | 100,400 |
| 2016 | 83,333 | 13,654 | 96,987 |
| 2017 | 83,333 | 10,268 | 93,601 |
| 2018 | 83,333 | 6,827 | 90,160 |
| 2019 | 83,337 | 3,414 | 86,751 |
| Total | \$ 833,334 | \$ 187,833 | \$ 1,021,167 |

| Year Ending June 30 | Other Loans | | | |
|---------------------------|--------------|------------|------------|--------------|
| | Principal | Interest | Fees | Total |
| 2010 | \$ 484,000 | \$ 24,950 | \$ 28,069 | \$ 537,019 |
| 2011 | 501,000 | 23,402 | 26,327 | 550,729 |
| 2012 | 518,000 | 21,798 | 24,523 | 564,321 |
| 2013 | 536,000 | 20,141 | 22,658 | 578,799 |
| 2014 | 555,000 | 18,426 | 20,729 | 594,155 |
| 2015 | 575,000 | 16,650 | 18,731 | 610,381 |
| 2016 | 595,000 | 14,810 | 16,661 | 626,471 |
| 2017 | 616,000 | 12,906 | 14,519 | 643,425 |
| 2018 | 637,000 | 10,934 | 12,301 | 660,235 |
| 2019 | 660,000 | 8,896 | 10,008 | 678,904 |
| 2020 | 683,000 | 6,784 | 7,632 | 697,416 |
| 2021 | 706,000 | 4,598 | 5,173 | 715,771 |
| 2022 | 731,000 | 2,339 | 2,632 | 735,971 |
| Total | \$ 7,797,000 | \$ 186,634 | \$ 209,963 | \$ 8,193,597 |

(Continued)

Exhibit K-2

Obion County, Tennessee

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

| Year Ending June 30 | Bonds | | Total |
|---------------------------|--------------|--------------|---------------|
| | Principal | Interest | |
| 2010 | \$ 10,000 | \$ 331,263 | \$ 341,263 |
| 2011 | 10,000 | 330,913 | 340,913 |
| 2012 | 15,000 | 330,563 | 345,563 |
| 2013 | 15,000 | 330,038 | 345,038 |
| 2014 | 15,000 | 329,513 | 344,513 |
| 2015 | 15,000 | 328,988 | 343,988 |
| 2016 | 15,000 | 328,388 | 343,388 |
| 2017 | 15,000 | 327,788 | 342,788 |
| 2018 | 15,000 | 327,188 | 342,188 |
| 2019 | 15,000 | 326,588 | 341,588 |
| 2020 | 15,000 | 325,988 | 340,988 |
| 2021 | 15,000 | 325,388 | 340,388 |
| 2022 | 15,000 | 324,788 | 339,788 |
| 2023 | 770,000 | 324,188 | 1,094,188 |
| 2024 | 790,000 | 293,388 | 1,083,388 |
| 2025 | 815,000 | 261,788 | 1,076,788 |
| 2026 | 845,000 | 228,780 | 1,073,780 |
| 2027 | 870,000 | 194,558 | 1,064,558 |
| 2028 | 900,000 | 158,888 | 1,058,888 |
| 2029 | 925,000 | 121,763 | 1,046,763 |
| 2030 | 955,000 | 82,450 | 1,037,450 |
| 2031 | 985,000 | 41,863 | 1,026,863 |
| Total | \$ 8,040,000 | \$ 5,975,060 | \$ 14,015,060 |

Exhibit K-3

Obion County, Tennessee
Schedule of Investments
June 30, 2009

| Fund and Type | Amount |
|---------------------------------|--------------------------------|
| <u>Indigent Care Trust Fund</u> | |
| U.S. Treasury Money Market Fund | \$ 16,963 |
| Federal Home Loan Bank | 3,193,701 |
| Federal Farm Credit Bank | <u>573,294</u> |
| Total Investments | <u><u>\$ 3,783,958</u></u> |

Exhibit K-4

Obion County, Tennessee
Schedule of Notes Receivable
June 30, 2009

| Description | Debtor | Original Amount of Issue | Date of Issue | Date of Maturity | Interest Rate | Balance 6-30-09 |
|--|--|--------------------------|---------------|------------------|---------------|---------------------|
| <u>Other Special Revenue Fund</u> | | | | | | |
| Industrial Facilities - Tyson Foods, Inc. | Industrial Development Board of Union City | \$ 3,500,000 | 4-15-1997 | 1-1-15 | 9.395% | \$ 1,504,103 |
| Industrial Facilities - Spec Building | " | 3,000,000 | 9-21-07 | 9-12-10 | Variable | 3,000,000 |
| Total Other Special Revenue Fund | | | | | | <u>\$ 4,504,103</u> |
| <u>Constitutional Officers - Agency Fund</u> | | | | | | |
| <u>Clerk and Master</u> | | | | | | |
| Ellen Wade Wiley Scholarship Loan Notes | Various Students | Various | Various | Various | 0 | \$ 191,063 |
| Total Constitutional Officers - Agency Fund | | | | | | <u>\$ 191,063</u> |
| Total Notes Receivable | | | | | | <u>\$ 4,695,166</u> |

Exhibit K-5

Obion County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2009

| From Fund | To Fund | Purpose | Amount |
|-----------------|--------------------------|------------|-------------------|
| General | Public Library | Operations | \$ 334,487 |
| General | Solid Waste/Sanititation | Operations | <u>30,000</u> |
| Total Transfers | | | <u>\$ 364,487</u> |

Obion County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Obion 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> | \$ 71,322 | \$ 50,000 | RLI Insurance Company |
| Highway Superintendent | Section 8-24-102, <u>TCA</u> | 67,927 | 100,000 | Travelers Casualty and Surety Company of America |
| Director of Schools | State Board of Education and County Board of Education | 104,740 (1) | 150,000 | Tennessee Risk Management Trust |
| Trustee | Section 8-24-102, <u>TCA</u> | 61,751 | 1,002,000 | RLI Insurance Company |
| Assessor of Property | Section 8-24-102, <u>TCA</u> | 61,751 | 10,000 | " |
| County Clerk | Section 8-24-102, <u>TCA</u> | 61,751 | 50,000 | " |
| Circuit Court Clerk | Section 8-24-102, <u>TCA</u> | 61,751 | 50,000 | " |
| Clerk and Master | Section 8-24-102, <u>TCA</u> | 61,751 (2) | 70,000 | United States Fidelity and Guaranty Company |
| Register | Section 8-24-102, <u>TCA</u> | 61,751 | 25,000 | RLI Insurance Company |
| Sheriff | Section 8-24-102, <u>TCA</u> | 67,927 (3) | 25,000 | " |
| Employee Bonds: | | | | |
| General County Employees | | | 25,000 | RLI Insurance Company |
| Director of School's Office | | | 150,000 | Tennessee Risk Management Trust |
| Highway Superintendent's Office | | | 25,000 | RLI Insurance Company |

(1) Does not include amounts the Board of Education pays for a travel allowance of \$400 per month, 100 percent of the premiums for family health, dental, and vision insurance (\$14,066), and the director's five percent share of retirement (\$5,397).

(2) Does not include special commissioner fees of \$200.

(3) Does not include a law enforcement training supplement of \$600.

Exhibit K-7

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

| | Special Revenue Funds | | | | | | | Debt Service Fund | Capital Projects Fund | Total |
|--|-----------------------|-------------------|--------------------------------|-----------------|------------------------------|----------------------------|--------------------------------|-------------------------|-----------------------------|-------|
| | General | Public Library | Solid Waste / Sanitation | Drug Control | Highway / Public Works | General Debt Service | Library Capital Projects | | | |
| | | | | | | | | | | |
| <u>Local Taxes</u> | | | | | | | | | | |
| <u>County Property Taxes</u> | | | | | | | | | | |
| Current Property Tax | \$ 1,074,250 | \$ 0 | \$ 0 | \$ 0 | \$ 390,625 | \$ 1,512,077 | \$ 0 | \$ 0 | \$ 2,976,952 | |
| Trustee's Collections - Prior Year | 33,594 | 0 | 0 | 0 | 12,390 | 46,942 | 0 | 0 | 92,926 | |
| Circuit/Clerk & Master Collections - Prior Years | 19,570 | 0 | 0 | 0 | 8,234 | 41,149 | 0 | 0 | 68,953 | |
| Interest and Penalty | 6,195 | 0 | 0 | 0 | 2,376 | 9,419 | 0 | 0 | 17,990 | |
| Payments in-Lieu-of Taxes - T.V.A. | 139 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 139 | |
| Payments in-Lieu-of Taxes - Local Utilities | 1,744 | 0 | 0 | 0 | 634 | 1,641 | 0 | 0 | 4,019 | |
| Payments in-Lieu-of Taxes - Other | 45,519 | 0 | 0 | 0 | 16,552 | 94,136 | 0 | 0 | 156,207 | |
| <u>County Local Option Taxes</u> | | | | | | | | | | |
| Local Option Sales Tax | 645,984 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 645,984 | |
| Hotel/Motel Tax | 18,802 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,802 | |
| Wheel Tax | 0 | 0 | 0 | 0 | 1,090,425 | 0 | 0 | 0 | 1,090,425 | |
| Litigation Tax - General | 105,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 105,905 | |
| Litigation Tax - Special Purpose | 7,486 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,486 | |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 0 | 0 | 0 | 0 | 37,538 | 0 | 0 | 37,538 | |
| Business Tax | 220,901 | 0 | 0 | 0 | 8,146 | 47,785 | 0 | 0 | 276,832 | |
| Mineral Severance Tax | 0 | 0 | 0 | 0 | 17,629 | 0 | 0 | 0 | 17,629 | |
| <u>Statutory Local Taxes</u> | | | | | | | | | | |
| Bank Excise Tax | 2,990 | 0 | 0 | 0 | 1,087 | 6,376 | 0 | 0 | 10,453 | |
| Wholesale Beer Tax | 32,306 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 32,306 | |
| Interstate Telecommunications Tax | 1,784 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,784 | |
| Total Local Taxes | \$ 2,217,169 | \$ 0 | \$ 0 | \$ 0 | \$ 1,548,098 | \$ 1,797,063 | \$ 0 | \$ 0 | \$ 5,562,330 | |
| <u>Licenses and Permits</u> | | | | | | | | | | |
| <u>Licenses</u> | | | | | | | | | | |
| Cable TV Franchise | \$ 21,107 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 21,107 | |
| Permits | | | | | | | | | | |
| Beer Permits | 1,160 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,160 | |
| Total Licenses and Permits | \$ 22,267 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 22,267 | |

(Continued)

Exhibit K-7

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

| | Special Revenue Funds | | | | | | | | | | Total | |
|--|-----------------------|----------------|--------------------------|--------------|------------------------|----------------------|-----------------------|---------|---------|----------|-------|------------|
| | General | Public Library | Solid Waste / Sanitation | Drug Control | Highway / Public Works | General Debt Service | Capital Projects Fund | Public | | | | |
| | | | | | | | | Library | Capital | Projects | | |
| <u>Circuit Court</u> | | | | | | | | | | | | |
| Fines | \$ 1,235 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 1,235 |
| Officers Costs | 2,726 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,726 |
| Drug Control Fines | 879 | 0 | 0 | 879 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,758 |
| Drug Court Fees | 2,089 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,089 |
| Jail Fees | 2,714 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,714 |
| DUI Treatment Fines | 380 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 380 |
| Data Entry Fee - Circuit Court | 854 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 854 |
| Courtroom Security Fee | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15 |
| <u>General Sessions Court</u> | | | | | | | | | | | | |
| Fines | 20,410 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,410 |
| Officers Costs | 18,976 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,976 |
| Drug Control Fines | 1,914 | 0 | 0 | 1,914 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,828 |
| Drug Court Fees | 5,325 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,325 |
| Jail Fees | 24,757 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24,757 |
| DUI Treatment Fines | 9,078 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,078 |
| Data Entry Fee - General Sessions Court | 7,116 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,116 |
| <u>Juvenile Court</u> | | | | | | | | | | | | |
| Fines | 667 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 667 |
| Officers Costs | 872 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 872 |
| Courtroom Security Fee | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| <u>Chancery Court</u> | | | | | | | | | | | | |
| Officers Costs | 8,961 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,961 |
| Data Entry Fee - Chancery Court | 1,244 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,244 |
| <u>Judicial District Drug Program</u> | | | | | | | | | | | | |
| Drug Task Force Forfeitures and Seizures | 0 | 0 | 0 | 21,895 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21,895 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 0 | 5,455 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,455 |
| Total Fines, Forfeitures, and Penalties | \$ 110,214 | \$ 0 | \$ 0 | \$ 30,143 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 140,357 |

(Continued)

Exhibit K-7

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

| | Special Revenue Funds | | | | | | | Debt Service Fund | Capital Projects Fund | Total |
|--|-----------------------|------------------|--------------------------|--------------|------------------------|----------------------|--------------------------|-------------------|-----------------------|-------|
| | General | Public Library | Solid Waste / Sanitation | Drug Control | Highway / Public Works | General Debt Service | Library Capital Projects | | | |
| | | | | | | | | | | |
| <u>Charges for Current Services</u> | | | | | | | | | | |
| <u>General Service Charges</u> | | | | | | | | | | |
| Solid Waste Disposal Fees | \$ 0 | \$ 0 | 4,104 | 0 | 0 | 0 | 0 | 0 | 4,104 | |
| Work Release Charges for Board Fees | 3,164 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,164 | |
| Copy Fees | 161 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 161 | |
| Library Fees | 0 | 21,702 | 0 | 0 | 0 | 0 | 0 | 0 | 21,702 | |
| Archives and Records Management Fee - County Clerk | 24,588 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24,588 | |
| Telephone Commissions | 12,163 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,163 | |
| Vending Machine Collections | 239 | 0 | 0 | 0 | 294 | 0 | 0 | 0 | 533 | |
| Data Processing Fee - Register | 10,720 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,720 | |
| Data Processing Fee - Sheriff | 2,462 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,462 | |
| Sexual Offender Registration Fees - Sheriff | 3,100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,100 | |
| Data Processing Fee - County Clerk | 2,828 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,828 | |
| Total Charges for Current Services | \$ 59,425 | \$ 21,702 | \$ 4,104 | \$ 0 | \$ 294 | \$ 0 | \$ 0 | \$ 0 | \$ 85,525 | |
| <u>Other Local Revenues</u> | | | | | | | | | | |
| <u>Recurring Items</u> | | | | | | | | | | |
| Investment Income | \$ 853,909 | \$ 11,882 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1 | \$ 865,792 | |
| Lease/Rentals | 5,795 | 0 | 0 | 0 | 0 | 57,570 | 0 | 0 | 63,365 | |
| Sale of Materials and Supplies | 0 | 0 | 0 | 0 | 5,880 | 0 | 0 | 0 | 5,880 | |
| Commissary Sales | 55,751 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 55,751 | |
| Sale of Maps | 1,350 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,350 | |
| Sale of Recycled Materials | 548 | 0 | 15,439 | 0 | 0 | 0 | 0 | 0 | 15,987 | |
| Refund of Telecommunication and Internet Fees (E-Rate) | 0 | 11,225 | 0 | 0 | 0 | 0 | 0 | 0 | 11,225 | |
| Miscellaneous Refunds | 10,298 | 572 | 85 | 153 | 14,934 | 0 | 0 | 0 | 26,042 | |
| <u>Nonrecurring Items</u> | | | | | | | | | | |
| Sale of Equipment | 3,517 | 0 | 0 | 0 | 12,231 | 0 | 0 | 0 | 15,748 | |
| Sale of Property | 6,597 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,597 | |
| Damages Recovered from Individuals | 40 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40 | |
| Contributions and Gifts | 15,577 | 0 | 200 | 0 | 0 | 0 | 0 | 0 | 15,777 | |
| Performance Bond Forfeitures | 1,188 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,188 | |

(Continued)

Exhibit K-7

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

| | Special Revenue Funds | | | | | | | | | | Debt Service Fund | Capital Projects Fund | Total |
|---|-----------------------|-------------------|--------------------------------|-----------------|------------------------------|----------------------------|-------------------|---------------------|--------------------------------|--------|-------------------------|-----------------------------|--------------|
| | General | Public Library | Solid Waste / Sanitation | Drug Control | Highway / Public Works | General Debt Service | Public | | | | | | |
| | | | | | | | Public Library | Capital Projects | Library Capital Projects | Public | | | |
| <u>Other Local Revenues (Cont.)</u> | | | | | | | | | | | | | |
| <u>Other Local Revenues</u> | \$ 334 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 334 |
| Total Other Local Revenues | \$ 954,904 | \$ 23,679 | \$ 15,724 | \$ 153 | \$ 33,045 | \$ 57,570 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1 | \$ 1,085,076 |
| <u>Fees Received from County Officials</u> | | | | | | | | | | | | | |
| <u>Fees in-Lieu-of Salary</u> | | | | | | | | | | | | | |
| County Clerk | \$ 340,404 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 340,404 |
| Circuit Court Clerk | 98,255 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 98,255 |
| General Sessions Court Clerk | 224,985 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 224,985 |
| Clerk and Master | 155,793 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 155,793 |
| Juvenile Court Clerk | 22,201 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22,201 |
| Register | 117,036 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 117,036 |
| Sheriff | 20,869 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,869 |
| Trustee | 389,894 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 389,894 |
| Total Fees Received from County Officials | \$ 1,369,437 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,369,437 |
| <u>State of Tennessee</u> | | | | | | | | | | | | | |
| <u>General Government Grants</u> | | | | | | | | | | | | | |
| Juvenile Services Program | \$ 9,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 9,000 |
| State Reappraisal Grant | 12,151 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,151 |
| Solid Waste Grants | 0 | 0 | 22,275 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22,275 |
| Public Safety Grants | | | | | | | | | | | | | |
| Law Enforcement Training Programs | 14,400 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,400 |
| Drug Control Grants | 50,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 50,000 |
| Other Public Safety Grants | 71,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 71,250 |
| Health and Welfare Grants | | | | | | | | | | | | | |
| Health Department Programs | 70,570 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 70,570 |
| Public Works Grants | | | | | | | | | | | | | |
| State Aid Program | 0 | 0 | 0 | 0 | 86,755 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 86,755 |
| Litter Program | 19,412 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 19,412 |
| Tennessee Industrial Infrastructure Program | 146,534 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 146,534 |

(Continued)

Exhibit K-7

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

| | Special Revenue Funds | | | | | | | Debt Service Fund | Capital Projects Fund | Total |
|--|-----------------------|-------------------|--------------------------------|-----------------|------------------------------|----------------------------|--------------------------------|-------------------------|-----------------------------|-------|
| | General | Public Library | Solid Waste / Sanitation | Drug Control | Highway / Public Works | General Debt Service | Library Capital Projects | | | |
| | | | | | | | | | | |
| <u>State of Tennessee (Cont.)</u> | | | | | | | | | | |
| <u>Other State Revenues</u> | | | | | | | | | | |
| Income Tax | \$ 60,481 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 60,481 | |
| Beer Tax | 18,701 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,701 | |
| Alcoholic Beverage Tax | 58,854 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 58,854 | |
| Mixed Drink Tax | 3,541 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,541 | |
| State Revenue Sharing - T.V.A. | 0 | 0 | 0 | 0 | 0 | 172,721 | 0 | 0 | 172,721 | |
| Emergency Hospital - Prisoners | 12,817 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,817 | |
| Contracted Prisoner Boarding | 499,695 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 499,695 | |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 1,790,546 | 0 | 0 | 0 | 1,790,546 | |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 26,061 | 0 | 0 | 0 | 26,061 | |
| Registrar's Salary Supplement | 14,912 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,912 | |
| Other State Grants | 1,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,500 | |
| Other State Revenues | 750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 750 | |
| Total State of Tennessee | \$ 1,064,568 | \$ 0 | \$ 22,275 | \$ 0 | \$ 1,903,362 | \$ 172,721 | \$ 0 | \$ 0 | \$ 3,162,926 | |
| <u>Federal Government</u> | | | | | | | | | | |
| <u>Federal Through State</u> | | | | | | | | | | |
| Community Development | \$ 3,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 3,000 | |
| Disaster Relief | 0 | 0 | 0 | 0 | 197,103 | 0 | 0 | 0 | 197,103 | |
| Homeland Security Grants | 297,845 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 297,845 | |
| Law Enforcement Grants | 5,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,000 | |
| Other Federal through State | 38,495 | 836 | 0 | 0 | 0 | 0 | 0 | 0 | 39,331 | |
| <u>Direct Federal Revenue</u> | | | | | | | | | | |
| Other Direct Federal Revenue | 7,600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,600 | |
| Total Federal Government | \$ 351,940 | \$ 836 | \$ 0 | \$ 0 | \$ 197,103 | \$ 0 | \$ 0 | \$ 0 | \$ 549,879 | |
| <u>Other Governments and Citizens Groups</u> | | | | | | | | | | |
| <u>Other Governments</u> | | | | | | | | | | |
| Prisoner Board | \$ 900,805 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 900,805 | |
| Paving and Maintenance | 0 | 0 | 0 | 0 | 42,331 | 0 | 0 | 0 | 42,331 | |
| Contributions | 29,630 | 167,244 | 0 | 0 | 0 | 200,000 | 0 | 0 | 396,874 | |

(Continued)

Exhibit K-7

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

| | Special Revenue Funds | | | | | | Debt Service Fund | Capital Projects Fund | Total |
|--|-----------------------|----------------|--------------------------|--------------|------------------------|----------------------|-------------------|-----------------------|--------------|
| | General | Public Library | Solid Waste / Sanitation | Drug Control | Highway / Public Works | General Debt Service | | | |
| <u>Other Governments and Citizens Groups (Cont.)</u> | | | | | | | | | |
| Other Governments (Cont.) | | | | | | | | | |
| Contracted Services | \$ 320,763 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 320,763 |
| Citizens Groups | | | | | | | | | |
| Donations | 0 | 59,042 | 0 | 0 | 0 | 0 | 0 | 0 | 59,042 |
| Other | 36,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 36,000 |
| Total Other Governments and Citizens Groups | \$ 1,287,198 | \$ 226,286 | \$ 0 | \$ 0 | \$ 42,331 | \$ 200,000 | \$ 0 | \$ 0 | \$ 1,755,815 |
| Total | \$ 7,437,122 | \$ 272,503 | \$ 42,103 | \$ 30,296 | \$ 3,724,233 | \$ 2,227,354 | \$ 1 | \$ 13,733,612 | |

Exhibit K-8

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

| | General Purpose School | School Federal Projects | Central Cafeteria | Total |
|--|------------------------------|-------------------------------|----------------------|--------------|
| <u>Local Taxes</u> | | | | |
| <u>County Property Taxes</u> | | | | |
| Current Property Tax | \$ 4,232,640 | \$ 0 | \$ 0 | \$ 4,232,640 |
| Trustee's Collections - Prior Year | 131,975 | 0 | 0 | 131,975 |
| Circuit/Clerk & Master Collections - Prior Years | 59,858 | 0 | 0 | 59,858 |
| Interest and Penalty | 24,023 | 0 | 0 | 24,023 |
| Payments in-Lieu-of Taxes - Local Utilities | 6,888 | 0 | 0 | 6,888 |
| Payments in-Lieu-of Taxes - Other | 180,008 | 0 | 0 | 180,008 |
| <u>County Local Option Taxes</u> | | | | |
| Local Option Sales Tax | 3,460,330 | 0 | 0 | 3,460,330 |
| Business Tax | 74,767 | 0 | 0 | 74,767 |
| <u>Statutory Local Taxes</u> | | | | |
| Bank Excise Tax | 11,810 | 0 | 0 | 11,810 |
| Interstate Telecommunications Tax | 2,900 | 0 | 0 | 2,900 |
| Total Local Taxes | \$ 8,185,199 | \$ 0 | \$ 0 | \$ 8,185,199 |
| <u>Licenses and Permits</u> | | | | |
| <u>Licenses</u> | | | | |
| Marriage Licenses | \$ 1,824 | \$ 0 | \$ 0 | \$ 1,824 |
| Total Licenses and Permits | \$ 1,824 | \$ 0 | \$ 0 | \$ 1,824 |
| <u>Charges for Current Services</u> | | | | |
| <u>Education Charges</u> | | | | |
| Tuition - Out-of-State Systems | \$ 2,765 | \$ 0 | \$ 0 | \$ 2,765 |
| Lunch Payments - Children | 0 | 0 | 435,994 | 435,994 |
| Lunch Payments - Adults | 0 | 0 | 90,325 | 90,325 |
| Income from Breakfast | 0 | 0 | 94,461 | 94,461 |
| A la carte Sales | 0 | 0 | 225,083 | 225,083 |
| Transportation - Other State Systems | 13,500 | 0 | 0 | 13,500 |
| Receipts from Individual Schools | 27,886 | 0 | 8,354 | 36,240 |
| TBI Criminal Background Fees | 2,548 | 0 | 0 | 2,548 |
| <u>Other Charges for Services</u> | | | | |
| Other Charges for Services | 207 | 0 | 0 | 207 |
| Total Charges for Current Services | \$ 46,906 | \$ 0 | \$ 854,217 | \$ 901,123 |
| <u>Other Local Revenues</u> | | | | |
| <u>Recurring Items</u> | | | | |
| Investment Income | \$ 0 | \$ 0 | \$ 6,345 | \$ 6,345 |
| Lease/Rentals | 201 | 0 | 0 | 201 |
| Sale of Materials and Supplies | 1,800 | 0 | 0 | 1,800 |
| Refund of Telecommunication and Internet Fees (E-Rate) | 42,023 | 0 | 0 | 42,023 |
| Miscellaneous Refunds | 11,218 | 0 | 336 | 11,554 |
| <u>Nonrecurring Items</u> | | | | |
| Sale of Equipment | 5,896 | 0 | 0 | 5,896 |
| Damages Recovered from Individuals | 1,857 | 0 | 0 | 1,857 |
| Contributions and Gifts | 29,751 | 0 | 0 | 29,751 |
| <u>Other Local Revenues</u> | | | | |
| Other Local Revenues | 52 | 0 | 0 | 52 |
| Total Other Local Revenues | \$ 92,798 | \$ 0 | \$ 6,681 | \$ 99,479 |

(Continued)

Exhibit K-8

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

| | General Purpose School | School Federal Projects | Central Cafeteria | Total |
|--|------------------------------|-------------------------------|----------------------|---------------|
| <u>State of Tennessee</u> | | | | |
| <u>General Government Grants</u> | | | | |
| On-Behalf Contributions for OPEB | \$ 217,402 | \$ 0 | \$ 0 | \$ 217,402 |
| <u>State Education Funds</u> | | | | |
| Basic Education Program | 16,336,000 | 0 | 0 | 16,336,000 |
| School Food Service | 0 | 0 | 22,172 | 22,172 |
| Driver Education | 7,235 | 0 | 0 | 7,235 |
| Other State Education Funds | 530,550 | 0 | 0 | 530,550 |
| Career Ladder Program | 211,565 | 0 | 0 | 211,565 |
| Career Ladder - Extended Contract | 92,900 | 0 | 0 | 92,900 |
| <u>Other State Revenues</u> | | | | |
| Mixed Drink Tax | 2,604 | 0 | 0 | 2,604 |
| State Revenue Sharing - T.V.A. | 450,000 | 0 | 0 | 450,000 |
| Other State Revenues | 38,495 | 0 | 0 | 38,495 |
| Total State of Tennessee | \$ 17,886,751 | \$ 0 | \$ 22,172 | \$ 17,908,923 |
| <u>Federal Government</u> | | | | |
| <u>Federal Through State</u> | | | | |
| USDA School Lunch Program | \$ 0 | \$ 0 | \$ 792,599 | \$ 792,599 |
| Breakfast | 0 | 0 | 320,416 | 320,416 |
| USDA - Other | 0 | 0 | 18,507 | 18,507 |
| Adult Education State Grant Program | 110,064 | 0 | 0 | 110,064 |
| Vocational Education - Basic Grants to States | 0 | 51,867 | 0 | 51,867 |
| Title I Grants to Local Education Agencies | 0 | 525,000 | 0 | 525,000 |
| Special Education - Grants to States | 81,541 | 688,770 | 0 | 770,311 |
| Special Education Preschool Grants | 0 | 74,017 | 0 | 74,017 |
| English Language Acquisition Grants | 0 | 19,290 | 0 | 19,290 |
| Safe and Drug-free Schools - State Grants | 0 | 22,234 | 0 | 22,234 |
| Eisenhower Professional Development State Grants | 0 | 158,000 | 0 | 158,000 |
| Other Federal through State | 18,031 | 7,175 | 0 | 25,206 |
| Total Federal Government | \$ 209,636 | \$ 1,546,353 | \$ 1,131,522 | \$ 2,887,511 |
| Total | \$ 26,423,114 | \$ 1,546,353 | \$ 2,014,592 | \$ 29,984,059 |

Exhibit K-9

Obion 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 | \$ | 40,400 | |
| Audit Services | | 9,735 | |
| Consultants | | 5,932 | |
| Dues and Memberships | | 2,392 | |
| Legal Services | | 12,000 | |
| Legal Notices, Recording, and Court Costs | | 604 | |
| Travel | | 7,930 | |
| Office Supplies | | 410 | |
| Total County Commission | | | \$ 79,403 |

Board of Equalization

| | | | |
|---|----|-------|-------|
| Board and Committee Members Fees | \$ | 2,160 | |
| Legal Notices, Recording, and Court Costs | | 72 | |
| Travel | | 469 | |
| Total Board of Equalization | | | 2,701 |

Beer Board

| | | | |
|---|----|-----|-----|
| Board and Committee Members Fees | \$ | 400 | |
| Legal Notices, Recording, and Court Costs | | 68 | |
| Total Beer Board | | | 468 |

Budget and Finance Committee

| | | | |
|------------------------------------|----|--------|--------|
| Board and Committee Members Fees | \$ | 10,300 | |
| Accounting Services | | 1,250 | |
| Travel | | 959 | |
| Total Budget and Finance Committee | | | 12,509 |

Other Boards and Committees

| | | | |
|-----------------------------------|----|-------|-------|
| Board and Committee Members Fees | \$ | 1,700 | |
| Travel | | 33 | |
| Total Other Boards and Committees | | | 1,733 |

County Mayor/Executive

| | | | |
|---|----|--------|--|
| County Official/Administrative Officer | \$ | 71,322 | |
| Assistant(s) | | 97,483 | |
| Other Salaries and Wages | | 1,500 | |
| Dues and Memberships | | 1,755 | |
| Freight Expenses | | 479 | |
| Legal Notices, Recording, and Court Costs | | 742 | |
| Maintenance Agreements | | 6,833 | |

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

| | | | |
|--|----|-------|------------|
| Maintenance and Repair Services - Office Equipment | \$ | 658 | |
| Postal Charges | | 2,036 | |
| Printing, Stationery, and Forms | | 1,405 | |
| Travel | | 3,823 | |
| Data Processing Supplies | | 2,552 | |
| Duplicating Supplies | | 501 | |
| Library Books/Media | | 208 | |
| Office Supplies | | 1,120 | |
| Premiums on Corporate Surety Bonds | | 300 | |
| Data Processing Equipment | | 1,973 | |
| Furniture and Fixtures | | 50 | |
| Total County Mayor/Executive | | | \$ 194,740 |

Election Commission

| | | | |
|---|----|--------|---------|
| County Official/Administrative Officer | \$ | 55,576 | |
| Deputy(ies) | | 22,617 | |
| Part-time Personnel | | 13,000 | |
| Election Commission | | 935 | |
| Election Workers | | 22,518 | |
| Communication | | 2,834 | |
| Data Processing Services | | 329 | |
| Dues and Memberships | | 200 | |
| Freight Expenses | | 359 | |
| Janitorial Services | | 2,100 | |
| Legal Notices, Recording, and Court Costs | | 12,387 | |
| Maintenance Agreements | | 20,516 | |
| Maintenance and Repair Services - Buildings | | 280 | |
| Pest Control | | 220 | |
| Postal Charges | | 4,867 | |
| Printing, Stationery, and Forms | | 6,826 | |
| Rentals | | 345 | |
| Travel | | 2,376 | |
| Other Contracted Services | | 9,468 | |
| Custodial Supplies | | 412 | |
| Data Processing Supplies | | 10,479 | |
| Duplicating Supplies | | 72 | |
| Office Supplies | | 716 | |
| Utilities | | 4,341 | |
| Vehicle and Equipment Insurance | | 400 | |
| Total Election Commission | | | 194,173 |

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

| | | | |
|--|----|--------|------------|
| County Official/Administrative Officer | \$ | 61,751 | |
| Deputy(ies) | | 49,948 | |
| Dues and Memberships | | 622 | |
| Freight Expenses | | 116 | |
| Maintenance Agreements | | 9,038 | |
| Postal Charges | | 1,990 | |
| Printing, Stationery, and Forms | | 2,036 | |
| Data Processing Supplies | | 1,444 | |
| Duplicating Supplies | | 329 | |
| Office Supplies | | 144 | |
| Premiums on Corporate Surety Bonds | | 125 | |
| Data Processing Equipment | | 116 | |
| Office Equipment | | 4,988 | |
| Total Register of Deeds | | | \$ 132,647 |

County Buildings

| | | | |
|---|----|--------|---------|
| Custodial Personnel | \$ | 41,093 | |
| Communication | | 19,915 | |
| Data Processing Services | | 989 | |
| Freight Expenses | | 95 | |
| Licenses | | 225 | |
| Maintenance and Repair Services - Buildings | | 7,083 | |
| Maintenance and Repair Services - Equipment | | 800 | |
| Pest Control | | 492 | |
| Other Contracted Services | | 13,496 | |
| Custodial Supplies | | 7,650 | |
| Drugs and Medical Supplies | | 1,064 | |
| Utilities | | 42,990 | |
| Premiums on Corporate Surety Bonds | | 746 | |
| Building Improvements | | 7,923 | |
| Furniture and Fixtures | | 1,330 | |
| Other Capital Outlay | | 360 | |
| Total County Buildings | | | 146,251 |

Finance

Property Assessor's Office

| | | | |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 61,751 | |
| Deputy(ies) | | 73,207 | |
| Audit Services | | 23,490 | |
| Data Processing Services | | 10,065 | |

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

| | | | |
|------------------------------------|----|--------|------------|
| Dues and Memberships | \$ | 1,455 | |
| Postal Charges | | 1,489 | |
| Printing, Stationery, and Forms | | 598 | |
| Travel | | 2,009 | |
| Other Contracted Services | | 12,989 | |
| Data Processing Supplies | | 616 | |
| Duplicating Supplies | | 102 | |
| Office Supplies | | 752 | |
| Premiums on Corporate Surety Bonds | | 266 | |
| Total Property Assessor's Office | | | \$ 188,789 |

Reappraisal Program

| | | | |
|------------------------------------|----|-------|--------|
| Other Salaries and Wages | \$ | 9,690 | |
| In-Service Training | | 750 | |
| Contracts with Government Agencies | | 384 | |
| Data Processing Services | | 3,730 | |
| Travel | | 102 | |
| Other Contracted Services | | 192 | |
| Other Equipment | | 3,000 | |
| Total Reappraisal Program | | | 17,848 |

County Trustee's Office

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 61,751 | |
| Deputy(ies) | | 57,046 | |
| Part-time Personnel | | 1,368 | |
| Dues and Memberships | | 125 | |
| Legal Notices, Recording, and Court Costs | | 193 | |
| Maintenance Agreements | | 4,001 | |
| Maintenance and Repair Services - Office Equipment | | 254 | |
| Postal Charges | | 5,968 | |
| Printing, Stationery, and Forms | | 513 | |
| Travel | | 93 | |
| Data Processing Supplies | | 1,043 | |
| Office Supplies | | 337 | |
| Data Processing Equipment | | 690 | |
| Office Equipment | | 129 | |
| Total County Trustee's Office | | | 133,511 |

County Clerk's Office

| | | | |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 61,751 | |
|--|----|--------|--|

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

| | | | |
|---|----|---------|------------|
| Deputy(ies) | \$ | 133,920 | |
| Bank Charges | | 30 | |
| Dues and Memberships | | 632 | |
| Freight Expenses | | 38 | |
| Maintenance Agreements | | 12,692 | |
| Maintenance and Repair Services - Equipment | | 892 | |
| Postal Charges | | 5,473 | |
| Printing, Stationery, and Forms | | 455 | |
| Travel | | 1,771 | |
| Data Processing Supplies | | 808 | |
| Duplicating Supplies | | 373 | |
| Office Supplies | | 646 | |
| Premiums on Corporate Surety Bonds | | 350 | |
| Data Processing Equipment | | 3,095 | |
| Office Equipment | | 99 | |
| Total County Clerk's Office | | | \$ 223,025 |

Administration of Justice

Circuit Court

| | | |
|--|----|--------|
| County Official/Administrative Officer | \$ | 61,751 |
| Deputy(ies) | | 52,624 |
| Board and Committee Members Fees | | 250 |
| Jury and Witness Fees | | 6,226 |
| Bank Charges | | 35 |
| Dues and Memberships | | 482 |
| Freight Expenses | | 227 |
| Legal Notices, Recording, and Court Costs | | 146 |
| Maintenance Agreements | | 5,440 |
| Maintenance and Repair Services - Equipment | | 144 |
| Maintenance and Repair Services - Office Equipment | | 22 |
| Postal Charges | | 1,868 |
| Printing, Stationery, and Forms | | 2,023 |
| Travel | | 145 |
| Data Processing Supplies | | 1,637 |
| Duplicating Supplies | | 1,151 |
| Library Books/Media | | 207 |
| Office Supplies | | 734 |
| Premiums on Corporate Surety Bonds | | 300 |
| Other Charges | | 1,171 |
| Furniture and Fixtures | | 99 |

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

| | | |
|---------------------|--------|------------|
| Office Equipment | \$ 355 | |
| Total Circuit Court | | \$ 137,037 |

General Sessions Court

| | | |
|--|-----------|---------|
| Judge(s) | \$ 93,462 | |
| Deputy(ies) | 102,162 | |
| Other Per Diem and Fees | 7,200 | |
| Dues and Memberships | 95 | |
| Freight Expenses | 91 | |
| Maintenance Agreements | 3,299 | |
| Maintenance and Repair Services - Office Equipment | 65 | |
| Postal Charges | 1,457 | |
| Printing, Stationery, and Forms | 671 | |
| Data Processing Supplies | 1,636 | |
| Office Supplies | 1,005 | |
| Data Processing Equipment | 35 | |
| Furniture and Fixtures | 1,348 | |
| Office Equipment | 579 | |
| Total General Sessions Court | | 213,105 |

Chancery Court

| | | |
|--|-----------|---------|
| County Official/Administrative Officer | \$ 61,751 | |
| Deputy(ies) | 55,450 | |
| Part-time Personnel | 5,644 | |
| Bank Charges | 80 | |
| Dues and Memberships | 577 | |
| Freight Expenses | 260 | |
| Postal Charges | 1,538 | |
| Printing, Stationery, and Forms | 3,688 | |
| Travel | 194 | |
| Other Contracted Services | 270 | |
| Data Processing Supplies | 1,115 | |
| Duplicating Supplies | 247 | |
| Library Books/Media | 293 | |
| Office Supplies | 387 | |
| Premiums on Corporate Surety Bonds | 350 | |
| Furniture and Fixtures | 210 | |
| Office Equipment | 824 | |
| Total Chancery Court | | 132,878 |

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

| | | | |
|--|----|--------|------------|
| Judge(s) | \$ | 48,360 | |
| Youth Service Officer(s) | | 76,282 | |
| Communication | | 239 | |
| Contracts with Private Agencies | | 8,095 | |
| Dues and Memberships | | 290 | |
| Freight Expenses | | 24 | |
| Maintenance and Repair Services - Office Equipment | | 132 | |
| Postal Charges | | 1,049 | |
| Printing, Stationery, and Forms | | 78 | |
| Travel | | 3,080 | |
| Data Processing Supplies | | 452 | |
| Duplicating Supplies | | 55 | |
| Office Supplies | | 198 | |
| Total Juvenile Court | | | \$ 138,334 |

Juvenile Court Clerk

| | | | |
|---------------------------------|----|--------|--------|
| Deputy(ies) | \$ | 42,555 | |
| Postal Charges | | 94 | |
| Printing, Stationery, and Forms | | 255 | |
| Office Supplies | | 39 | |
| Total Juvenile Court Clerk | | | 42,943 |

Other Administration of Justice

| | | | |
|---------------------------------------|----|-----|-----|
| Freight Expenses | \$ | 18 | |
| Printing, Stationery, and Forms | | 425 | |
| Total Other Administration of Justice | | | 443 |

Courtroom Security

| | | | |
|--------------------------|----|---------|---------|
| Guards | \$ | 55,120 | |
| Attendants | | 104,568 | |
| Overtime Pay | | 3,866 | |
| In-Service Training | | 2,200 | |
| Uniforms | | 524 | |
| Total Courtroom Security | | | 166,278 |

Public Safety

Sheriff's Department

| | | | |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 67,927 | |
| Dispatchers/Radio Operators | | 203,112 | |
| Clerical Personnel | | 82,000 | |

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

| | | | |
|---|----|---------|--------------|
| School Resource Officer | \$ | 74,823 | |
| Overtime Pay | | 27,145 | |
| Other Salaries and Wages | | 683,257 | |
| In-Service Training | | 12,660 | |
| Communication | | 14,445 | |
| Contracts with Government Agencies | | 510 | |
| Data Processing Services | | 3,319 | |
| Dues and Memberships | | 1,964 | |
| Freight Expenses | | 628 | |
| Legal Notices, Recording, and Court Costs | | 90 | |
| Maintenance Agreements | | 1,500 | |
| Maintenance and Repair Services - Equipment | | 1,594 | |
| Maintenance and Repair Services - Vehicles | | 22,072 | |
| Postal Charges | | 4,247 | |
| Printing, Stationery, and Forms | | 574 | |
| Rentals | | 28,312 | |
| Travel | | 5,837 | |
| Custodial Supplies | | 4,090 | |
| Data Processing Supplies | | 5,599 | |
| Duplicating Supplies | | 1,005 | |
| Gasoline | | 86,368 | |
| Office Supplies | | 2,029 | |
| Uniforms | | 1,331 | |
| Premiums on Corporate Surety Bonds | | 592 | |
| Vehicle and Equipment Insurance | | 18,060 | |
| Communication Equipment | | 109,280 | |
| Data Processing Equipment | | 5,881 | |
| Furniture and Fixtures | | 1,415 | |
| Law Enforcement Equipment | | 13,157 | |
| Motor Vehicles | | 64,226 | |
| Total Sheriff's Department | | | \$ 1,549,049 |

Jail

| | | |
|------------------------------------|----|---------|
| Guards | \$ | 626,223 |
| Cafeteria Personnel | | 31,379 |
| Maintenance Personnel | | 34,320 |
| Part-time Personnel | | 5,948 |
| Overtime Pay | | 5,181 |
| In-Service Training | | 540 |
| Contracts with Government Agencies | | 1,600 |

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

| | | | |
|--|----|---------|--------------|
| Evaluation and Testing | \$ | 174 | |
| Freight Expenses | | 2,557 | |
| Maintenance and Repair Services - Buildings | | 8,507 | |
| Maintenance and Repair Services - Equipment | | 8,532 | |
| Maintenance and Repair Services - Office Equipment | | 389 | |
| Maintenance and Repair Services - Vehicles | | 3,296 | |
| Medical and Dental Services | | 118,654 | |
| Pest Control | | 2,200 | |
| Printing, Stationery, and Forms | | 2,336 | |
| Transportation - Other than Students | | 3,819 | |
| Travel | | 3,754 | |
| Custodial Supplies | | 30,172 | |
| Data Processing Supplies | | 4,805 | |
| Duplicating Supplies | | 928 | |
| Fertilizer, Lime, and Seed | | 31 | |
| Food Supplies | | 114,935 | |
| Gasoline | | 892 | |
| Office Supplies | | 1,079 | |
| Prisoners Clothing | | 4,045 | |
| Uniforms | | 5,392 | |
| Utilities | | 93,330 | |
| Other Supplies and Materials | | 13,121 | |
| Building and Contents Insurance | | 13,706 | |
| Communication Equipment | | 1,887 | |
| Data Processing Equipment | | 318 | |
| Food Service Equipment | | 3,571 | |
| Furniture and Fixtures | | 8,278 | |
| Total Jail | | | \$ 1,155,899 |

Rescue Squad

| | | | |
|--------------------|----|-------|-------|
| Contributions | \$ | 9,500 | |
| Total Rescue Squad | | | 9,500 |

Other Emergency Management

| | | | |
|----------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 48,000 | |
| Data Processing Supplies | | 368 | |
| Office Supplies | | 217 | |
| Uniforms | | 622 | |
| Data Processing Equipment | | 802 | |
| Office Equipment | | 470 | |
| Total Other Emergency Management | | | 50,479 |

(Continued)

Exhibit K-9

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

General Fund (Cont.)Public Safety (Cont.)County Coroner/Medical Examiner

| | | | |
|---------------------------------------|----|--------|-----------|
| Other Per Diem and Fees | \$ | 1,950 | |
| Contracts with Government Agencies | | 17,005 | |
| Transportation - Other than Students | | 3,500 | |
| Total County Coroner/Medical Examiner | | | \$ 22,455 |

Public Safety Grant Programs

| | | | |
|------------------------------------|----|---------|---------|
| Law Enforcement Supplies | \$ | 5,000 | |
| Communication Equipment | | 369,269 | |
| Total Public Safety Grant Programs | | | 374,269 |

Other Public Safety

| | | | |
|---------------------------|----|-------|-------|
| Contributions | \$ | 5,000 | |
| Total Other Public Safety | | | 5,000 |

Public Health and WelfareLocal Health Center

| | | | |
|---|----|--------|--|
| Clerical Personnel | \$ | 58,784 | |
| Social Security | | 4,458 | |
| State Retirement | | 2,827 | |
| Life Insurance | | 90 | |
| Medical Insurance | | 3,476 | |
| Unemployment Compensation | | 168 | |
| Communication | | 4,021 | |
| Contracts with Private Agencies | | 323 | |
| Dues and Memberships | | 150 | |
| Freight Expenses | | 73 | |
| Janitorial Services | | 11,695 | |
| Legal Notices, Recording, and Court Costs | | 4 | |
| Maintenance and Repair Services - Buildings | | 2,931 | |
| Maintenance and Repair Services - Equipment | | 1,390 | |
| Pest Control | | 312 | |
| Postal Charges | | 170 | |
| Printing, Stationery, and Forms | | 30 | |
| Other Contracted Services | | 2,560 | |
| Custodial Supplies | | 1,015 | |
| Drugs and Medical Supplies | | 9 | |
| Duplicating Supplies | | 77 | |
| Office Supplies | | 222 | |
| Periodicals | | 110 | |
| Utilities | | 11,944 | |

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

| | | |
|---------------------------------|--------|------------|
| Workers' Compensation Insurance | \$ 767 | |
| Total Local Health Center | | \$ 107,606 |

Alcohol and Drug Programs

| | | |
|---------------------------------|----------|--------|
| Contributions | \$ 3,000 | |
| Drug Treatment | 88,000 | |
| Total Alcohol and Drug Programs | | 91,000 |

Other Local Health Services

| | | |
|-----------------------------------|----------|--------|
| Contributions | \$ 4,000 | |
| Other Contracted Services | 6,500 | |
| Total Other Local Health Services | | 10,500 |

Appropriation to State

| | | |
|------------------------------------|-----------|--------|
| Contracts with Government Agencies | \$ 75,553 | |
| Total Appropriation to State | | 75,553 |

General Welfare Assistance

| | | |
|----------------------------------|----------|-------|
| Other Charges | \$ 1,304 | |
| Total General Welfare Assistance | | 1,304 |

Sanitation Education/Information

| | | |
|--|-----------|--------|
| Foremen | \$ 15,430 | |
| Advertising | 10,100 | |
| Maintenance and Repair Services - Vehicles | 311 | |
| Food Supplies | 1,068 | |
| Gasoline | 624 | |
| Other Supplies and Materials | 821 | |
| Total Sanitation Education/Information | | 28,354 |

Other Public Health and Welfare

| | | |
|---------------------------------------|--------|--------|
| Instructional Supplies and Materials | \$ 982 | |
| Other Equipment | 9,177 | |
| Total Other Public Health and Welfare | | 10,159 |

Social, Cultural, and Recreational Services

Senior Citizens Assistance

| | | |
|----------------------------------|-----------|--------|
| Contributions | \$ 27,500 | |
| Total Senior Citizens Assistance | | 27,500 |

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards

| | | |
|-----------------------------|----------|----------|
| Contributions | \$ 4,000 | |
| Total Parks and Fair Boards | | \$ 4,000 |

Other Social, Cultural, and Recreational

| | | |
|--|-----------|--------|
| Contributions | \$ 10,000 | |
| Matching Share | 2,500 | |
| Total Other Social, Cultural, and Recreational | | 12,500 |

Agriculture and Natural Resources

Agriculture Extension Service

| | | |
|---|-----------|--------|
| Salary Supplements | \$ 56,878 | |
| Temporary Personnel | 540 | |
| Social Security | 4,351 | |
| State Retirement | 8,496 | |
| Communication | 3,740 | |
| Data Processing Services | 779 | |
| Janitorial Services | 2,100 | |
| Maintenance and Repair Services - Buildings | 3,367 | |
| Maintenance and Repair Services - Vehicles | 147 | |
| Other Contracted Services | 3,647 | |
| Custodial Supplies | 600 | |
| Utilities | 4,646 | |
| Transportation Equipment | 4,162 | |
| Total Agriculture Extension Service | | 93,453 |

Soil Conservation

| | | |
|-------------------------|-----------|--------|
| Secretary(ies) | \$ 23,838 | |
| Contributions | 1,000 | |
| Total Soil Conservation | | 24,838 |

Flood Control

| | | |
|---------------------|-----------|--------|
| Contributions | \$ 25,113 | |
| Total Flood Control | | 25,113 |

Other Operations

Tourism

| | | |
|---------------------------------|----------|--------|
| Dues and Memberships | \$ 1,000 | |
| Remittance of Revenue Collected | 18,802 | |
| Total Tourism | | 19,802 |

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development

| | | | |
|--------------------------------------|----|--------|------------|
| Consultants | \$ | 42,066 | |
| Contracts with Other Public Agencies | | 58,968 | |
| Contributions | | 23,100 | |
| Dues and Memberships | | 6,827 | |
| Fiscal Agent Charges | | 3,000 | |
| Matching Share | | 1,400 | |
| Total Industrial Development | | | \$ 135,361 |

Other Economic and Community Development

| | | | |
|--|----|---------|---------|
| Engineering Services | \$ | 13,126 | |
| Other Equipment | | 25,996 | |
| Other Construction | | 137,281 | |
| Total Other Economic and Community Development | | | 176,403 |

Airport

| | | | |
|----------------|----|--------|---------|
| Contributions | \$ | 75,000 | |
| Matching Share | | 72,000 | |
| Total Airport | | | 147,000 |

Veterans' Services

| | | | |
|--------------------------|----|--------|--------|
| Contributions | \$ | 13,520 | |
| Total Veterans' Services | | | 13,520 |

Other Charges

| | | | |
|---------------------------------|----|--------|---------|
| Dues and Memberships | \$ | 626 | |
| Legal Services | | 6,578 | |
| Maintenance Agreements | | 2,660 | |
| Boiler Insurance | | 2,635 | |
| Building and Contents Insurance | | 2,425 | |
| Liability Insurance | | 67,224 | |
| Trustee's Commission | | 47,331 | |
| Total Other Charges | | | 129,479 |

Contributions to Other Agencies

| | | | |
|---------------------------------------|----|-------|-------|
| Dues and Memberships | \$ | 1,674 | |
| Total Contributions to Other Agencies | | | 1,674 |

Employee Benefits

| | | | |
|------------------|----|---------|--|
| Social Security | \$ | 269,988 | |
| State Retirement | | 165,738 | |

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits (Cont.)

| | | |
|----------------------------------|---------------|------------|
| Employee and Dependent Insurance | \$ 254,667 | |
| Life Insurance | 2,775 | |
| Unemployment Compensation | 5,927 | |
| Workers' Compensation Insurance | <u>29,391</u> | |
| Total Employee Benefits | | \$ 728,486 |

Miscellaneous

| | | |
|--------------------------|------------------|--------|
| Other Salaries and Wages | \$ <u>11,372</u> | |
| Total Miscellaneous | | 11,372 |

Instruction

Vocational Education Program

| | | |
|------------------------------------|------------------|--------|
| Contracts with Government Agencies | \$ <u>79,150</u> | |
| Total Vocational Education Program | | 79,150 |

Capital Projects

Public Health and Welfare Projects

| | | |
|--|---------------|-----|
| Printing, Stationery, and Forms | \$ <u>244</u> | |
| Total Public Health and Welfare Projects | | 244 |

Other General Government Projects

| | | |
|---|--------------|---------------|
| Engineering Services | \$ 36,000 | |
| Fiscal Agent Charges | <u>1,500</u> | |
| Total Other General Government Projects | | <u>37,500</u> |

Total General Fund \$ 7,317,338

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 57,416 |
| Assistant(s) | 130,228 |
| Supervisor/Director | 34,782 |
| Educational Assistants | 52,650 |
| Other Salaries and Wages | 59,631 |
| Social Security | 26,049 |
| State Retirement | 12,729 |
| Medical Insurance | 30,636 |
| Accounting Services | 1,388 |
| Advertising | 3,177 |

(Continued)

Exhibit K-9

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

Public Library Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

| | | | |
|---|----|--------|------------|
| Audit Services | \$ | 3,425 | |
| Communication | | 14,900 | |
| Dues and Memberships | | 1,797 | |
| Operating Lease Payments | | 798 | |
| Maintenance and Repair Services - Buildings | | 7,939 | |
| Maintenance and Repair Services - Equipment | | 7,234 | |
| Postal Charges | | 2,644 | |
| Printing, Stationery, and Forms | | 32 | |
| Travel | | 1,158 | |
| Other Contracted Services | | 193 | |
| Custodial Supplies | | 3,496 | |
| Data Processing Supplies | | 13,595 | |
| Instructional Supplies and Materials | | 4,907 | |
| Library Books/Media | | 49,199 | |
| Office Supplies | | 11,088 | |
| Periodicals | | 3,129 | |
| Utilities | | 42,336 | |
| Other Supplies and Materials | | 7,887 | |
| Liability Insurance | | 4,000 | |
| Other Charges | | 6,462 | |
| Total Libraries | | | \$ 594,905 |

Total Public Library Fund \$ 594,905

Solid Waste/Sanitation Fund

Public Health and Welfare

Problem Waste Centers

| | | | |
|-----------------------------|----|-----|--------|
| Other Contracted Services | \$ | 161 | |
| Total Problem Waste Centers | | | \$ 161 |

Recycling Center

| | | | |
|----------------------------------|----|--------|--|
| Supervisor/Director | \$ | 38,480 | |
| Attendants | | 14,163 | |
| Board and Committee Members Fees | | 3,900 | |
| Social Security | | 4,325 | |
| State Retirement | | 1,851 | |
| Life Insurance | | 30 | |
| Unemployment Compensation | | 142 | |
| Advertising | | 1,135 | |
| Communication | | 1,903 | |

(Continued)

Exhibit K-9

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center (Cont.)

| | | | |
|--|----|--------|------------|
| Data Processing Services | \$ | 379 | |
| Dues and Memberships | | 100 | |
| Freight Expenses | | 700 | |
| Maintenance and Repair Services - Buildings | | 274 | |
| Maintenance and Repair Services - Office Equipment | | 105 | |
| Maintenance and Repair Services - Vehicles | | 815 | |
| Postal Charges | | 154 | |
| Printing, Stationery, and Forms | | 633 | |
| Travel | | 2,733 | |
| Other Contracted Services | | 42,989 | |
| Custodial Supplies | | 263 | |
| Data Processing Supplies | | 499 | |
| Diesel Fuel | | 131 | |
| Equipment and Machinery Parts | | 388 | |
| Food Supplies | | 57 | |
| Gasoline | | 1,773 | |
| General Construction Materials | | 158 | |
| Office Supplies | | 94 | |
| Small Tools | | 50 | |
| Uniforms | | 141 | |
| Utilities | | 2,813 | |
| Other Supplies and Materials | | 46 | |
| Building and Contents Insurance | | 455 | |
| Trustee's Commission | | 41 | |
| Vehicle and Equipment Insurance | | 198 | |
| Workers' Compensation Insurance | | 2,057 | |
| Communication Equipment | | 100 | |
| Solid Waste Equipment | | 11,637 | |
| Total Recycling Center | | | \$ 135,712 |

Total Solid Waste/Sanitation Fund \$ 135,873

Drug Control Fund

Public Safety

Drug Enforcement

| | | |
|---|----|-----|
| Communication | \$ | 708 |
| Confidential Drug Enforcement Payments | | 706 |
| Dues and Memberships | | 50 |
| Freight Expenses | | 344 |
| Maintenance and Repair Services - Equipment | | 30 |

(Continued)

Exhibit K-9

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

| | | | |
|---------------------------------|----|-------|-----------|
| Printing, Stationery, and Forms | \$ | 131 | |
| Travel | | 1,473 | |
| Veterinary Services | | 224 | |
| Animal Food and Supplies | | 358 | |
| Uniforms | | 72 | |
| Other Supplies and Materials | | 3,248 | |
| Trustee's Commission | | 82 | |
| Other Charges | | 150 | |
| Communication Equipment | | 55 | |
| Law Enforcement Equipment | | 9,169 | |
| Total Drug Enforcement | | | \$ 16,800 |

Total Drug Control Fund \$ 16,800

Highway/Public Works Fund

Highways

Administration

| | | | |
|--|----|--------|------------|
| County Official/Administrative Officer | \$ | 67,927 | |
| Secretary to Board | | 900 | |
| Secretary(ies) | | 64,991 | |
| Board and Committee Members Fees | | 10,200 | |
| Unemployment Compensation | | 142 | |
| Communication | | 5,513 | |
| Data Processing Services | | 3,858 | |
| Dues and Memberships | | 3,023 | |
| Maintenance and Repair Services - Office Equipment | | 109 | |
| Postal Charges | | 528 | |
| Printing, Stationery, and Forms | | 1,280 | |
| Travel | | 1,379 | |
| Electricity | | 9,626 | |
| Natural Gas | | 3,822 | |
| Office Supplies | | 2,460 | |
| Water and Sewer | | 1,839 | |
| Total Administration | | | \$ 177,597 |

Highway and Bridge Maintenance

| | | |
|---------------------|----|---------|
| Foremen | \$ | 185,772 |
| Equipment Operators | | 189,480 |
| Truck Drivers | | 138,656 |
| Laborers | | 331,011 |

(Continued)

Exhibit K-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

| | | | |
|--------------------------------------|----|---------|--------------|
| Unemployment Compensation | \$ | 1,101 | |
| Asphalt | | 482,046 | |
| Asphalt - Cold Mix | | 223,063 | |
| Concrete | | 56,784 | |
| Crushed Stone | | 185,121 | |
| General Construction Materials | | 16,542 | |
| Pipe - Metal | | 23,316 | |
| Road Signs | | 6,149 | |
| Total Highway and Bridge Maintenance | | | \$ 1,839,041 |

Operation and Maintenance of Equipment

| | | | |
|--|----|---------|---------|
| Mechanic(s) | \$ | 89,015 | |
| Unemployment Compensation | | 188 | |
| Janitorial Services | | 2,940 | |
| Diesel Fuel | | 194,457 | |
| Equipment and Machinery Parts | | 129,015 | |
| Garage Supplies | | 14,406 | |
| Gasoline | | 21,898 | |
| Lubricants | | 9,861 | |
| Small Tools | | 200 | |
| Tires and Tubes | | 27,155 | |
| Total Operation and Maintenance of Equipment | | | 489,135 |

Other Charges

| | | | |
|------------------------------------|----|--------|---------|
| Building and Contents Insurance | \$ | 5,510 | |
| Liability Insurance | | 10,323 | |
| Premiums on Corporate Surety Bonds | | 350 | |
| Trustee's Commission | | 37,592 | |
| Vehicle and Equipment Insurance | | 25,890 | |
| Workers' Compensation Insurance | | 49,326 | |
| Other Charges | | 4,168 | |
| Total Other Charges | | | 133,159 |

Employee Benefits

| | | | |
|----------------------------------|----|---------|---------|
| Social Security | \$ | 79,927 | |
| State Retirement | | 50,670 | |
| Employee and Dependent Insurance | | 106,022 | |
| Unemployment Compensation | | 1,054 | |
| Total Employee Benefits | | | 237,673 |

(Continued)

Exhibit K-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

| | | |
|---------------------------|-----------|------------|
| Engineering Services | \$ 21,029 | |
| Other Contracted Services | 127,363 | |
| Bridge Construction | 2,940 | |
| Communication Equipment | 4,947 | |
| Highway Equipment | 579,844 | |
| Total Capital Outlay | | \$ 736,123 |

Total Highway/Public Works Fund \$ 3,612,728

General Debt Service Fund

Principal on Debt

General Government

| | | |
|--------------------------|--------------|--------------|
| Principal on Other Loans | \$ 1,535,000 | |
| Total General Government | | \$ 1,535,000 |

Education

| | | |
|--------------------------|-----------|---------|
| Principal on Bonds | \$ 10,000 | |
| Principal on Notes | 83,333 | |
| Principal on Other Loans | 468,000 | |
| Total Education | | 561,333 |

Interest on Debt

General Government

| | | |
|--------------------------|-----------|--------|
| Interest on Other Loans | \$ 52,022 | |
| Total General Government | | 52,022 |

Education

| | | |
|-------------------------|------------|---------|
| Interest on Bonds | \$ 331,612 | |
| Interest on Notes | 37,651 | |
| Interest on Other Loans | 102,996 | |
| Total Education | | 472,259 |

Other Debt Service

General Government

| | | |
|--------------------------|-----------|--------|
| Contributions | \$ 26,028 | |
| Trustee's Commission | 35,950 | |
| Other Debt Service | 4,342 | |
| Total General Government | | 66,320 |

(Continued)

Exhibit K-9

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

General Debt Service Fund (Cont.)

Other Debt Service (Cont.)

Education

Other Debt Service

\$ 33,369

Total Education

\$ 33,369

Total General Debt Service Fund

\$ 2,720,303

Public Library Capital Projects Fund

Social, Cultural, and Recreational Services

Libraries

Library Books/Media

\$ 1,261

Total Libraries

\$ 1,261

Total Public Library Capital Projects Fund

1,261

Total Governmental Funds - Primary Government

\$ 14,399,208

Exhibit K-10

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

General Purpose School Fund

Instruction

Regular Instruction Program

| | | |
|---|--------------|---------------|
| Teachers | \$ 8,609,113 | |
| Career Ladder Program | 109,996 | |
| Career Ladder Extended Contracts | 77,089 | |
| Homebound Teachers | 25,962 | |
| Educational Assistants | 229,845 | |
| Certified Substitute Teachers | 44,456 | |
| Non-certified Substitute Teachers | 139,151 | |
| Social Security | 541,362 | |
| State Retirement | 572,974 | |
| Life Insurance | 8,938 | |
| Medical Insurance | 1,230,961 | |
| Unemployment Compensation | 6,563 | |
| Employer Medicare | 127,389 | |
| Operating Lease Payments | 36,580 | |
| Maintenance and Repair Services - Equipment | 23,541 | |
| Tuition | 1,596 | |
| Instructional Supplies and Materials | 558,178 | |
| Textbooks | 309,487 | |
| Regular Instruction Equipment | 182,789 | |
| Total Regular Instruction Program | | \$ 12,835,970 |

Alternative Instruction Program

| | | |
|---------------------------------------|-----------|--------|
| Teachers | \$ 43,007 | |
| Career Ladder Program | 833 | |
| Educational Assistants | 14,592 | |
| Social Security | 3,297 | |
| State Retirement | 3,511 | |
| Life Insurance | 82 | |
| Medical Insurance | 9,221 | |
| Unemployment Compensation | 43 | |
| Employer Medicare | 771 | |
| Instructional Supplies and Materials | 2,312 | |
| Total Alternative Instruction Program | | 77,669 |

Special Education Program

| | |
|------------------------|--------------|
| Teachers | \$ 1,022,336 |
| Career Ladder Program | 16,864 |
| Homebound Teachers | 29,258 |
| Educational Assistants | 94,766 |

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

| | | | |
|---|----|---------|--------------|
| Speech Pathologist | \$ | 128,940 | |
| Certified Substitute Teachers | | 75 | |
| Non-certified Substitute Teachers | | 1,893 | |
| Social Security | | 77,225 | |
| State Retirement | | 79,774 | |
| Life Insurance | | 1,346 | |
| Medical Insurance | | 149,645 | |
| Unemployment Compensation | | 948 | |
| Employer Medicare | | 18,063 | |
| Maintenance and Repair Services - Equipment | | 85 | |
| Instructional Supplies and Materials | | 92 | |
| Total Special Education Program | | | \$ 1,621,310 |

Vocational Education Program

| | | | |
|---|----|---------|---------|
| Teachers | \$ | 698,560 | |
| Career Ladder Program | | 7,955 | |
| Career Ladder Extended Contracts | | 5,000 | |
| Certified Substitute Teachers | | 1,238 | |
| Non-certified Substitute Teachers | | 2,600 | |
| Social Security | | 41,993 | |
| State Retirement | | 45,679 | |
| Life Insurance | | 689 | |
| Medical Insurance | | 95,139 | |
| Unemployment Compensation | | 496 | |
| Employer Medicare | | 9,824 | |
| Operating Lease Payments | | 1,595 | |
| Maintenance and Repair Services - Equipment | | 2,372 | |
| Instructional Supplies and Materials | | 39,270 | |
| Textbooks | | 26,282 | |
| Vocational Instruction Equipment | | 20,730 | |
| Total Vocational Education Program | | | 999,422 |

Student Body Education Program

| | | | |
|---------------------------|----|--------|--|
| Other Salaries and Wages | \$ | 65,221 | |
| Social Security | | 3,928 | |
| State Retirement | | 4,187 | |
| Life Insurance | | 41 | |
| Medical Insurance | | 11,839 | |
| Unemployment Compensation | | 28 | |

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Student Body Education Program (Cont.)

| | | | |
|--------------------------------------|----|--------|------------|
| Employer Medicare | \$ | 918 | |
| Instructional Supplies and Materials | | 18,853 | |
| Other Charges | | 11,259 | |
| Other Equipment | | 24,204 | |
| Total Student Body Education Program | | | \$ 140,478 |

Adult Education Program

| | | | |
|--------------------------------------|----|--------|--------|
| Teachers | \$ | 51,283 | |
| Social Security | | 1,653 | |
| State Retirement | | 598 | |
| Unemployment Compensation | | 57 | |
| Employer Medicare | | 741 | |
| Instructional Supplies and Materials | | 5,800 | |
| Total Adult Education Program | | | 60,132 |

Support Services

Attendance

| | | | |
|----------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 55,407 | |
| Career Ladder Program | | 2,000 | |
| Career Ladder Extended Contracts | | 2,500 | |
| Other Salaries and Wages | | 33,145 | |
| Social Security | | 5,529 | |
| State Retirement | | 5,132 | |
| Life Insurance | | 82 | |
| Medical Insurance | | 8,764 | |
| Unemployment Compensation | | 56 | |
| Employer Medicare | | 1,363 | |
| Communication | | 11,719 | |
| Data Processing Services | | 1,990 | |
| Travel | | 12 | |
| Other Contracted Services | | 50 | |
| Other Supplies and Materials | | 1,638 | |
| In Service/Staff Development | | 1,685 | |
| Other Charges | | 25 | |
| Total Attendance | | | 131,097 |

Health Services

| | | | |
|--------------------------|----|---------|--|
| Medical Personnel | \$ | 152,993 | |
| Other Salaries and Wages | | 57,441 | |

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

| | | | |
|------------------------------|----|--------|------------|
| Social Security | \$ | 12,289 | |
| State Retirement | | 10,085 | |
| Life Insurance | | 303 | |
| Medical Insurance | | 21,139 | |
| Unemployment Compensation | | 210 | |
| Employer Medicare | | 2,873 | |
| Travel | | 204 | |
| Drugs and Medical Supplies | | 7,609 | |
| Other Supplies and Materials | | 42,502 | |
| In Service/Staff Development | | 4,955 | |
| Health Equipment | | 18,868 | |
| Total Health Services | | | \$ 331,471 |

Other Student Support

| | | | |
|------------------------------|----|---------|---------|
| Career Ladder Program | \$ | 10,000 | |
| Guidance Personnel | | 392,607 | |
| Clerical Personnel | | 29,764 | |
| Social Security | | 26,080 | |
| State Retirement | | 27,328 | |
| Life Insurance | | 395 | |
| Medical Insurance | | 36,368 | |
| Unemployment Compensation | | 251 | |
| Employer Medicare | | 6,099 | |
| Evaluation and Testing | | 41,003 | |
| Postal Charges | | 294 | |
| Travel | | 55 | |
| Other Supplies and Materials | | 4,392 | |
| In Service/Staff Development | | 2,619 | |
| Total Other Student Support | | | 577,255 |

Regular Instruction Program

| | | | |
|----------------------------------|----|---------|--|
| Supervisor/Director | \$ | 299,443 | |
| Career Ladder Program | | 12,000 | |
| Career Ladder Extended Contracts | | 5,000 | |
| Librarians | | 307,975 | |
| Secretary(ies) | | 25,588 | |
| Educational Assistants | | 33,853 | |
| Other Salaries and Wages | | 25,932 | |
| Social Security | | 42,864 | |

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

| | | | |
|-----------------------------------|----|--------|--------------|
| State Retirement | \$ | 45,002 | |
| Life Insurance | | 605 | |
| Medical Insurance | | 67,552 | |
| Unemployment Compensation | | 389 | |
| Employer Medicare | | 9,960 | |
| Consultants | | 29,065 | |
| Travel | | 6,854 | |
| Library Books/Media | | 38,384 | |
| Other Supplies and Materials | | 17,978 | |
| In Service/Staff Development | | 51,081 | |
| Other Charges | | 125 | |
| Total Regular Instruction Program | | | \$ 1,019,650 |

Alternative Instruction Program

| | | | |
|---------------------------------------|----|-------|-------|
| Supervisor/Director | \$ | 4,800 | |
| Social Security | | 298 | |
| State Retirement | | 308 | |
| Employer Medicare | | 70 | |
| Travel | | 44 | |
| Other Supplies and Materials | | 325 | |
| In Service/Staff Development | | 470 | |
| Total Alternative Instruction Program | | | 6,315 |

Special Education Program

| | | | |
|---------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 61,194 | |
| Career Ladder Program | | 2,333 | |
| Social Security | | 3,608 | |
| State Retirement | | 4,078 | |
| Life Insurance | | 41 | |
| Medical Insurance | | 9,282 | |
| Unemployment Compensation | | 30 | |
| Employer Medicare | | 844 | |
| Travel | | 34,061 | |
| In Service/Staff Development | | 846 | |
| Total Special Education Program | | | 116,317 |

Vocational Education Program

| | | | |
|-----------------------|----|-------|--|
| Supervisor/Director | \$ | 5,098 | |
| Career Ladder Program | | 316 | |

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

| | | | |
|------------------------------------|----|-------|-----------|
| Career Ladder Extended Contracts | \$ | 327 | |
| Employer Medicare | | 74 | |
| Travel | | 179 | |
| In Service/Staff Development | | 4,991 | |
| Total Vocational Education Program | | | \$ 10,985 |

Adult Programs

| | | | |
|------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 56,016 | |
| Social Security | | 3,386 | |
| State Retirement | | 3,596 | |
| Life Insurance | | 41 | |
| Medical Insurance | | 5,065 | |
| Unemployment Compensation | | 28 | |
| Employer Medicare | | 792 | |
| Communication | | 1,669 | |
| Travel | | 50 | |
| In Service/Staff Development | | 3,862 | |
| Total Adult Programs | | | 74,505 |

Other Programs

| | | | |
|----------------------------|----|---------|---------|
| On-Behalf Payments to OPEB | \$ | 217,402 | |
| Total Other Programs | | | 217,402 |

Board of Education

| | | | |
|---|----|---------|--|
| Board and Committee Members Fees | \$ | 7,450 | |
| Social Security | | 461 | |
| Life Insurance | | 212 | |
| Employer Medicare | | 108 | |
| Audit Services | | 9,500 | |
| Dues and Memberships | | 5,462 | |
| Legal Services | | 6,444 | |
| Travel | | 2,033 | |
| Maintenance and Repair Services - Records | | 2,500 | |
| Other Supplies and Materials | | 1,059 | |
| Liability Insurance | | 30,989 | |
| Premiums on Corporate Surety Bonds | | 7,445 | |
| Trustee's Commission | | 181,976 | |
| Workers' Compensation Insurance | | 141,154 | |
| In Service/Staff Development | | 6,639 | |

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

| | | | |
|--|----|--------|------------|
| Criminal Investigation of Applicants - TBI | \$ | 7,040 | |
| Refund to Applicant for Criminal Investigation | | 1,632 | |
| Other Charges | | 21,214 | |
| Total Board of Education | | | \$ 433,318 |

Director of Schools

| | | | |
|---|----|---------|---------|
| County Official/Administrative Officer | \$ | 104,740 | |
| Secretary(ies) | | 28,400 | |
| Social Security | | 8,107 | |
| State Retirement | | 11,960 | |
| Life Insurance | | 81 | |
| Medical Insurance | | 15,717 | |
| Dental Insurance | | 1,127 | |
| Unemployment Compensation | | 62 | |
| Employer Medicare | | 1,943 | |
| Other Fringe Benefits | | 320 | |
| Communication | | 6,794 | |
| Dues and Memberships | | 1,997 | |
| Operating Lease Payments | | 1,995 | |
| Maintenance and Repair Services - Equipment | | 1,727 | |
| Postal Charges | | 1,967 | |
| Travel | | 4,800 | |
| Office Supplies | | 3,043 | |
| In Service/Staff Development | | 1,730 | |
| Other Charges | | 50 | |
| Administration Equipment | | 810 | |
| Total Director of Schools | | | 197,370 |

Office of the Principal

| | | | |
|----------------------------------|----|---------|--|
| Principals | \$ | 455,168 | |
| Career Ladder Program | | 16,500 | |
| Accountants/Bookkeepers | | 175,093 | |
| Career Ladder Extended Contracts | | 5,000 | |
| Assistant Principals | | 525,200 | |
| Secretary(ies) | | 137,633 | |
| Social Security | | 77,257 | |
| State Retirement | | 77,059 | |
| Life Insurance | | 1,226 | |
| Medical Insurance | | 89,256 | |

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

| | | | |
|---|----|--------|--------------|
| Unemployment Compensation | \$ | 766 | |
| Employer Medicare | | 18,515 | |
| Communication | | 51,138 | |
| Data Processing Services | | 592 | |
| Dues and Memberships | | 7,225 | |
| Maintenance and Repair Services - Equipment | | 349 | |
| Travel | | 9,989 | |
| Data Processing Supplies | | 180 | |
| Office Supplies | | 160 | |
| In Service/Staff Development | | 5,007 | |
| Administration Equipment | | 1,196 | |
| Total Office of the Principal | | | \$ 1,654,509 |

Fiscal Services

| | | | |
|---|----|--------|---------|
| Supervisor/Director | \$ | 65,140 | |
| Accountants/Bookkeepers | | 95,789 | |
| Social Security | | 7,974 | |
| State Retirement | | 6,512 | |
| Life Insurance | | 156 | |
| Medical Insurance | | 7,675 | |
| Unemployment Compensation | | 133 | |
| Employer Medicare | | 2,229 | |
| Maintenance and Repair Services - Equipment | | 12,556 | |
| Travel | | 90 | |
| Data Processing Supplies | | 3,785 | |
| Office Supplies | | 8,147 | |
| In Service/Staff Development | | 3,411 | |
| Administration Equipment | | 2,604 | |
| Total Fiscal Services | | | 216,201 |

Operation of Plant

| | | | |
|---------------------------|----|---------|--|
| Custodial Personnel | \$ | 697,644 | |
| Social Security | | 41,577 | |
| State Retirement | | 29,330 | |
| Life Insurance | | 1,508 | |
| Medical Insurance | | 29,838 | |
| Unemployment Compensation | | 806 | |
| Employer Medicare | | 9,724 | |
| Laundry Service | | 560 | |

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

| | | | |
|---|----|---------|--------------|
| Maintenance and Repair Services - Equipment | \$ | 8,800 | |
| Custodial Supplies | | 94,114 | |
| Electricity | | 861,293 | |
| Natural Gas | | 265,671 | |
| Water and Sewer | | 103,060 | |
| Other Supplies and Materials | | 10,573 | |
| Boiler Insurance | | 5,955 | |
| Building and Contents Insurance | | 108,296 | |
| Other Charges | | 1,989 | |
| Plant Operation Equipment | | 25,782 | |
| Total Operation of Plant | | | \$ 2,296,520 |

Maintenance of Plant

| | | | |
|---|----|---------|---------|
| Supervisor/Director | \$ | 54,080 | |
| Secretary(ies) | | 24,690 | |
| Maintenance Personnel | | 298,677 | |
| Other Salaries and Wages | | 3,600 | |
| Social Security | | 22,713 | |
| State Retirement | | 15,758 | |
| Life Insurance | | 405 | |
| Medical Insurance | | 15,142 | |
| Unemployment Compensation | | 335 | |
| Employer Medicare | | 5,312 | |
| Communication | | 668 | |
| Maintenance and Repair Services - Buildings | | 117,955 | |
| Maintenance and Repair Services - Equipment | | 18,880 | |
| Postal Charges | | 123 | |
| Other Contracted Services | | 50 | |
| Equipment and Machinery Parts | | 514 | |
| Other Supplies and Materials | | 10,909 | |
| Maintenance Equipment | | 1,462 | |
| Total Maintenance of Plant | | | 591,273 |

Transportation

| | | | |
|--------------------------|----|---------|--|
| Supervisor/Director | \$ | 61,350 | |
| Mechanic(s) | | 144,203 | |
| Bus Drivers | | 551,808 | |
| Other Salaries and Wages | | 31,116 | |
| Social Security | | 45,941 | |

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

| | | | |
|--|----|---------|--------------|
| State Retirement | \$ | 35,936 | |
| Life Insurance | | 1,663 | |
| Medical Insurance | | 32,886 | |
| Unemployment Compensation | | 720 | |
| Employer Medicare | | 10,744 | |
| Laundry Service | | 1,618 | |
| Maintenance and Repair Services - Vehicles | | 30,400 | |
| Medical and Dental Services | | 5,170 | |
| Diesel Fuel | | 182,674 | |
| Equipment and Machinery Parts | | 1,381 | |
| Garage Supplies | | 342 | |
| Gasoline | | 36,062 | |
| Lubricants | | 7,707 | |
| Tires and Tubes | | 22,762 | |
| Vehicle Parts | | 61,390 | |
| Other Supplies and Materials | | 4,174 | |
| Vehicle and Equipment Insurance | | 33,113 | |
| In Service/Staff Development | | 2,246 | |
| Transportation Equipment | | 297,963 | |
| Total Transportation | | | \$ 1,603,369 |

Central and Other

| | | | |
|------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 52,497 | |
| Other Salaries and Wages | | 46,420 | |
| Social Security | | 6,067 | |
| State Retirement | | 4,758 | |
| Life Insurance | | 82 | |
| Unemployment Compensation | | 56 | |
| Employer Medicare | | 1,419 | |
| Data Processing Services | | 65,855 | |
| Other Supplies and Materials | | 40 | |
| In Service/Staff Development | | 1,774 | |
| Total Central and Other | | | 178,968 |

Operation of Non-Instructional Services

Community Services

| | | |
|------------------------|----|--------|
| Supervisor/Director | \$ | 48,351 |
| Teachers | | 59,594 |
| Educational Assistants | | 43,446 |

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

| | | | |
|--------------------------------------|----|--------|------------|
| Other Salaries and Wages | \$ | 7,411 | |
| Social Security | | 8,530 | |
| State Retirement | | 6,907 | |
| Unemployment Compensation | | 109 | |
| Employer Medicare | | 2,230 | |
| Travel | | 402 | |
| Food Supplies | | 224 | |
| Instructional Supplies and Materials | | 12,568 | |
| Other Supplies and Materials | | 480 | |
| In Service/Staff Development | | 1,462 | |
| Other Charges | | 50 | |
| Total Community Services | | | \$ 191,764 |

Early Childhood Education

| | | | |
|---|----|---------|---------|
| Supervisor/Director | \$ | 5,777 | |
| Teachers | | 178,815 | |
| Educational Assistants | | 72,436 | |
| Social Security | | 15,149 | |
| State Retirement | | 15,228 | |
| Life Insurance | | 408 | |
| Medical Insurance | | 32,699 | |
| Unemployment Compensation | | 221 | |
| Employer Medicare | | 3,543 | |
| Maintenance and Repair Services - Equipment | | 2,100 | |
| Food Supplies | | 2,487 | |
| Instructional Supplies and Materials | | 89,584 | |
| Other Supplies and Materials | | 1,046 | |
| In Service/Staff Development | | 2,446 | |
| Other Equipment | | 116,150 | |
| Total Early Childhood Education | | | 538,089 |

Capital Outlay

Regular Capital Outlay

| | | | |
|------------------------------|----|---------|-----------|
| Architects | \$ | 10,973 | |
| Building Construction | | 991,075 | |
| Building Improvements | | 181,110 | |
| Site Development | | 200,135 | |
| Total Regular Capital Outlay | | | 1,383,293 |

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

| | | | |
|---|----|---------|------------|
| Debt Service Contribution to Primary Government | \$ | 200,000 | |
| Total Education | | | \$ 200,000 |

Total General Purpose School Fund \$ 27,704,652

School Federal Projects Fund

Instruction

Regular Instruction Program

| | | | |
|---|----|---------|------------|
| Teachers | \$ | 405,013 | |
| Educational Assistants | | 69,704 | |
| Certified Substitute Teachers | | 1,201 | |
| Non-certified Substitute Teachers | | 6,773 | |
| Social Security | | 28,052 | |
| State Retirement | | 28,621 | |
| Life Insurance | | 641 | |
| Medical Insurance | | 67,199 | |
| Unemployment Compensation | | 417 | |
| Employer Medicare | | 6,574 | |
| Maintenance and Repair Services - Equipment | | 82 | |
| Instructional Supplies and Materials | | 46,803 | |
| Regular Instruction Equipment | | 13,530 | |
| Total Regular Instruction Program | | | \$ 674,610 |

Special Education Program

| | | | |
|---|----|---------|--|
| Educational Assistants | \$ | 399,948 | |
| Other Salaries and Wages | | 61 | |
| Social Security | | 23,247 | |
| State Retirement | | 17,255 | |
| Life Insurance | | 1,017 | |
| Medical Insurance | | 30,740 | |
| Unemployment Compensation | | 447 | |
| Employer Medicare | | 5,437 | |
| Contracts with Other Public Agencies | | 93,908 | |
| Contracts with Private Agencies | | 60,333 | |
| Evaluation and Testing | | 1,055 | |
| Maintenance and Repair Services - Equipment | | 3,486 | |
| Instructional Supplies and Materials | | 19,819 | |
| Textbooks | | 5,022 | |
| Other Charges | | 55 | |

(Continued)

Exhibit K-10

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

| | | |
|---|-----------|------------|
| <u>School Federal Projects Fund (Cont.)</u> | | |
| <u>Instruction (Cont.)</u> | | |
| <u>Special Education Program (Cont.)</u> | | |
| Special Education Equipment | \$ 17,983 | |
| Total Special Education Program | | \$ 679,813 |
| <u>Vocational Education Program</u> | | |
| Instructional Supplies and Materials | \$ 13,172 | |
| Vocational Instruction Equipment | 28,739 | |
| Total Vocational Education Program | | 41,911 |
| <u>Support Services</u> | | |
| <u>Health Services</u> | | |
| Medical Personnel | \$ 14,521 | |
| Social Security | 900 | |
| State Retirement | 698 | |
| Employer Medicare | 211 | |
| Total Health Services | | 16,330 |
| <u>Other Student Support</u> | | |
| Travel | \$ 10,992 | |
| In Service/Staff Development | 3,708 | |
| Other Charges | 2,153 | |
| Total Other Student Support | | 16,853 |
| <u>Regular Instruction Program</u> | | |
| Supervisor/Director | \$ 23,000 | |
| Clerical Personnel | 2,000 | |
| Other Salaries and Wages | 41,671 | |
| Social Security | 2,277 | |
| State Retirement | 2,179 | |
| Medical Insurance | 62 | |
| Unemployment Compensation | 29 | |
| Employer Medicare | 1,000 | |
| Travel | 1,186 | |
| Other Contracted Services | 29,600 | |
| Other Supplies and Materials | 324 | |
| In Service/Staff Development | 34,035 | |
| Total Regular Instruction Program | | 137,363 |
| <u>Special Education Program</u> | | |
| Assessment Personnel | \$ 46,805 | |

(Continued)

Exhibit K-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

| | | | |
|---------------------------------|----|--------|------------|
| Secretary(ies) | \$ | 25,588 | |
| Other Salaries and Wages | | 50,774 | |
| Social Security | | 7,134 | |
| State Retirement | | 6,644 | |
| Life Insurance | | 174 | |
| Medical Insurance | | 11,864 | |
| Unemployment Compensation | | 95 | |
| Employer Medicare | | 1,668 | |
| Travel | | 1,965 | |
| In Service/Staff Development | | 5,598 | |
| Other Charges | | 1,958 | |
| Total Special Education Program | | | \$ 160,267 |

Vocational Education Program

| | | | |
|------------------------------------|----|-------|-------|
| Travel | \$ | 1,500 | |
| In Service/Staff Development | | 880 | |
| Other Charges | | 120 | |
| Total Vocational Education Program | | | 2,500 |

Total School Federal Projects Fund \$ 1,729,647

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

| | | |
|---|----|---------|
| Supervisor/Director | \$ | 45,313 |
| Accountants/Bookkeepers | | 28,000 |
| Cafeteria Personnel | | 691,242 |
| Social Security | | 46,153 |
| State Retirement | | 31,921 |
| Life Insurance | | 1,710 |
| Medical Insurance | | 21,164 |
| Unemployment Compensation | | 818 |
| Employer Medicare | | 10,794 |
| Communication | | 2,788 |
| Maintenance and Repair Services - Equipment | | 16,812 |
| Transportation - Other than Students | | 9,283 |
| Travel | | 20 |
| Other Contracted Services | | 53,925 |
| Food Preparation Supplies | | 68,466 |

(Continued)

Exhibit K-10

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

| | | | |
|------------------------------|----|---------|--------------|
| Food Supplies | \$ | 861,367 | |
| Office Supplies | | 5,258 | |
| Other Supplies and Materials | | 29,894 | |
| In Service/Staff Development | | 2,057 | |
| Other Charges | | 114 | |
| Food Service Equipment | | 45,235 | |
| Total Food Service | | | \$ 1,972,334 |

Total Central Cafeteria Fund \$ 1,972,334

Total Governmental Funds - Obion County School Department \$ 31,406,633

Exhibit K-11

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

| | Cities - Sales Tax Fund | Cities - Property Tax Fund | Special School District Fund | City School ADA - Union City Fund | Total |
|---|-------------------------------|-------------------------------------|---------------------------------------|---|--------------|
| <u>Cash Receipts</u> | | | | | |
| <u>County Property Taxes</u> | | | | | |
| Current Property Tax | \$ 0 | \$ 0 | \$ 0 | \$ 1,514,587 | \$ 1,514,587 |
| Trustee's Collections - Prior Year | 0 | 0 | 0 | 52,161 | 52,161 |
| Clerk and Master Collections - Prior Years | 0 | 0 | 3,801 | 19,345 | 23,146 |
| Interest and Penalty | 0 | 0 | 0 | 8,750 | 8,750 |
| Payments in-Lieu-of Taxes - Local Utilities | 0 | 0 | 0 | 2,465 | 2,465 |
| Payments in-Lieu-of Taxes - Other | 0 | 0 | 0 | 64,141 | 64,141 |
| <u>County Local Option Taxes</u> | | | | | |
| Local Option Sales Tax | 4,090,970 | 0 | 0 | 1,251,320 | 5,342,290 |
| Business Tax | 0 | 0 | 0 | 31,711 | 31,711 |
| <u>Statutory Local Taxes</u> | | | | | |
| Bank Excise Tax | 0 | 0 | 0 | 4,225 | 4,225 |
| Interstate Telecommunications Tax | 0 | 0 | 0 | 1,089 | 1,089 |
| <u>School District Property Taxes</u> | | | | | |
| Current Property Tax | 0 | 22,464 | 70,059 | 0 | 92,523 |
| Prior Year's Property Tax | 0 | 0 | 2,031 | 0 | 2,031 |
| Interest and Penalty | 0 | 89 | 276 | 0 | 365 |
| <u>Licenses and Permits</u> | | | | | |
| Marriage Licenses | 0 | 0 | 0 | 656 | 656 |
| <u>State of Tennessee</u> | | | | | |
| Mixed Drink Tax | 0 | 0 | 0 | 989 | 989 |
| Total Cash Receipts | \$ 4,090,970 | \$ 22,553 | \$ 76,167 | \$ 2,951,439 | \$ 7,141,129 |
| <u>Cash Disbursements</u> | | | | | |
| Remittance of Revenues Collected | \$ 4,050,060 | \$ 21,073 | \$ 74,591 | \$ 2,911,601 | \$ 7,057,325 |
| Trustee's Commission | 40,910 | 451 | 1,485 | 44,077 | 86,923 |
| Total Cash Disbursements | \$ 4,090,970 | \$ 21,524 | \$ 76,076 | \$ 2,955,678 | \$ 7,144,248 |
| <u>Excess of Cash Receipts Over</u> | | | | | |
| (Under) Cash Disbursements | \$ 0 | \$ 1,029 | \$ 91 | \$ (4,239) | \$ (3,119) |
| Cash Balance, July 1, 2008 | 0 | 0 | 144 | 23,476 | 23,620 |
| Cash Balance, June 30, 2009 | \$ 0 | \$ 1,029 | \$ 235 | \$ 19,237 | \$ 20,501 |

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SINGLE AUDIT SECTION

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

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

February 23, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Obion County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Obion County's basic financial statements and have issued our report thereon dated February 23, 2010. Our report was modified to include references 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 Obion County Public Library (nonmajor special revenue and capital projects funds), the Obion County Nursing Home (a major fund and the entire business-type activities), and the Obion County Emergency Communications District (discretely presented component unit) as described in our report on Obion County's financial statements. This report does not include the results of 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 Obion 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 Obion County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Obion County's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 09.01, 09.02, 09.04, 09.05, 09.06, 09.07, and 09.08.

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 Obion County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 09.01, 09.02, and 09.05 to be material weaknesses.

Compliance and Other Matters

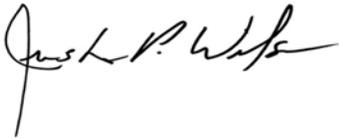
As part of obtaining reasonable assurance about whether Obion County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

We consider item 09.09 described in the accompanying Schedule of Findings and Questioned Costs to be a noteworthy control deficiency over financial operations. We have also noted certain matters that we reported to management of Obion County in separate communications.

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

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

Very truly yours,

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

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

February 23, 2010

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

To the County Mayor and Board of County Commissioners:

Compliance

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

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

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

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

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

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

Schedule of Expenditures of Federal Awards

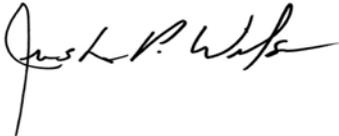
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Obion County, Tennessee, as of and for the year ended June 30, 2009, and have issued our report thereon dated February 23, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Obion County's basic financial statements. The accompanying

Schedule of Expenditures of Federal Awards and State Grants 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.

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

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

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

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

| Federal/Pass-through Agency/State Grantor Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Expenditures |
|--|---------------------------|--|---------------------|
| U.S. Department of Agriculture: | | | |
| Passed-through State Department of Education: | | | |
| Child Nutrition Cluster: | | | |
| School Breakfast Program | 10.553 | N/A | \$ 320,416 |
| National School Lunch Program | 10.555 | N/A | 792,599 (4) |
| Passed-through State Department of Agriculture: | | | |
| National School Lunch Program (Commodities - Noncash Assistance) | 10.555 | N/A | 150,765 (4) |
| Passed-through State Department of Education: | | | |
| Child and Adult Care Food Program | 10.558 | N/A | 18,507 |
| Total U.S. Department of Agriculture | | | <u>\$ 1,282,287</u> |
| U.S. Department of Commerce: | | | |
| Passed-through State Department of Military: | | | |
| Public Safety Interoperable Communications Grant Program | 11.555 | GG-09-26339-00 | \$ 285,600 |
| Total U.S. Department of Commerce | | | <u>\$ 285,600</u> |
| U.S. Department of Justice: | | | |
| Passed-through State Commission on Children and Youth: | | | |
| Juvenile Justice and Delinquency Prevention - Allocation to States | 16.540 | Z-08-022795-00 | \$ 9,000 |
| Total U.S. Department of Justice | | | <u>\$ 9,000</u> |
| U.S. Department of Labor: | | | |
| Passed-through Dyersburg State Community College: | | | |
| Work Incentive Grants | 17.266 | (2) | \$ 18,031 |
| Total U.S. Department of Labor | | | <u>\$ 18,031</u> |
| U.S. Department of Transportation: | | | |
| Passed-through State Department of Transportation: | | | |
| Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants | 20.601 | Z-09-214378 | \$ 5,000 |
| Total U.S. Department of Transportation | | | <u>\$ 5,000</u> |
| U.S. Institute of Museum and Library Services: | | | |
| Passed-through State Library and Archives: | | | |
| Grants to States | 45.310 | GG-09-27602-00 | \$ 836 |
| Total U.S. Institute of Museum and Library Services | | | <u>\$ 836</u> |
| U.S. Department of Education: | | | |
| Passed-through State Department of Labor and | | | |
| Workforce Development: | | | |
| Adult Education - Basic Grants to States | 84.002 | (2) | \$ 110,064 |
| Passed-through State Department of Education: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | N/A | 526,923 |
| Special Education Cluster: | | | |
| Special Education - Grants to States | 84.027 | N/A | 872,768 |
| Special Education - Preschool Grants | 84.173 | N/A | 74,017 |
| Career and Technical Education - Basic Grants to States | 84.048 | N/A | 58,942 |
| Safe and Drug-free Schools and Communities - State Grants | 84.186 | (2) | 46,437 |
| State Grants for Innovative Programs | 84.298 | N/A | 16,618 |
| English Language Acquisition Grants | 84.365 | N/A | 19,290 |
| Improving Teacher Quality State Grants | 84.367 | N/A | 196,193 |
| Total U.S. Department of Education | | | <u>\$ 1,921,252</u> |
| U.S. Delta Regional Authority: | | | |
| Passed-through Northwest Tennessee Development District: | | | |
| Delta Area Economic Development | 90.201 | TN-4007 | \$ 3,000 |
| Total U.S. Delta Regional Authority | | | <u>\$ 3,000</u> |

(Continued)

Obion 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: | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | (2) | \$ 197,103 |
| Emergency Management Performance Grants | 97.042 | (3) | 38,495 |
| Homeland Security Grant Program | 97.067 | GG-08-24151-00 | 12,245 |
| Total U.S. Department of Homeland Security | | | <u>\$ 247,843</u> |
| Total Federal Awards | | | <u>\$ 3,772,849</u> |

| State Grants: | | Contract Number | | Expenditures |
|--|-----|--------------------|----|-------------------|
| Drug Court Support Grant - State Office of Criminal Justice Programs | N/A | Z-05-025513-00 | \$ | 50,000 |
| Public Safety Interoperable Communications Grant - State Department of Military | N/A | GG-09-26339-00 | | 71,250 |
| Local Health Services - State Department of Health | N/A | Z-09-213757-00 | | 70,570 |
| Litter Grant - State Department of Transportation | N/A | Z-09-212784-00 | | 19,412 |
| Tennessee Industrial Infrastructure Program - State Department of Economic and Community Development | N/A | GG-08-24091-01 | | 146,534 |
| Fasttrack Infrastructure Development Program - State Department of Economic and Community Development | N/A | GG-09-26718-00 | | 1,500 |
| Used Oil Collection Grant - State Department of Environment and Conservation | N/A | Z-05-024479-00 | | 3,287 |
| Waste Tire Collection Grant - State Department of Environment and Conservation | N/A | Z-03-011345-00 | | 18,988 |
| Safe Schools Act - State Department of Education | N/A | (2) | | 22,700 |
| State Reappraisal Program - Comptroller of the Treasury | N/A | (2) | | 12,151 |
| Voluntary Pre-K for Tennessee - State Department of Education | N/A | (2) | | 210,261 |
| Coordinated School Health - Expansion - State Department of Education | N/A | (2) | | 171,916 |
| Total State Grants | | | | <u>\$ 798,569</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-08-24964-00: \$25,000; Information not available: \$13,495.

(4) Total for CFDA No. 10.555 is \$943,364.

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

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

OBION COUNTY

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|-----------------------|--------------------|--|
| 08.01 | 196 | Obion County does not have the resources to produce financial statements and notes to the financial statements |
| 08.02 | 197 | The General Debt Service Fund required material audit adjustments for proper financial statement presentation |

OFFICE OF HIGHWAY SUPERINTENDENT

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|-----------------------|--------------------|---|
| 08.03 | 198 | The Highway Department did not maintain a system to account for some road materials |
| 08.02 | 197 | The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation |

OFFICE OF TRUSTEE

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|-----------------------|--------------------|---|
| 08.06 | 199 | The office did not review its software audit logs |

OTHER FINDINGS

| Finding Number | Page Number | Subject |
|---------------------------|------------------------|---|
| 08.10 | 201 | Duties were not segregated adequately in the Offices of Trustee; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; and Register |
| 08.11 | 201 | A central system of accounting, budgeting, and purchasing had not been adopted |

OBION 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 Obion County is unqualified.
2. The audit of the financial statements of Obion County disclosed significant deficiencies in internal control. Three of these deficiencies were considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Obion County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), and the Special Education Cluster: Special Education - Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Obion County did qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

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

(Internal Control – Material Weakness Under Government Auditing Standards)

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

County management concurs with this finding to the extent that we do not have a person on staff or on contract who is capable of producing external financial statements in compliance with GAAP as defined by GASB. We believe that it should be noted by the users of this financial statement audit that the Government Finance Officers' Association (GFOA) Executive Board, on October 19, 2007, released a recommended practice for "Mitigating the Negative Effects of Statement on Auditing Standards No. 112." In this publication, the

GFOA recommended against governments engaging the services of a second accounting firm to assist in preparing its financial statements solely to avoid having a significant deficiency or material weakness reported. The GFOA further recommends that if management deems that the costs of remedying a significant deficiency or material weakness in its financial reporting system cannot be justified by the benefits to be obtained, it should take care to alert the governing body as early as possible to explain its conclusion.

AUDITOR'S COMMENT

The preparation of the financial statements and notes to the financial statements and/or having the knowledge to determine the completeness of the financial statements and notes prepared by external auditors has always been management's responsibility. Government standard setting bodies are now placing more emphasis on this issue to encourage management to accept responsibility for their financial reports. We are not recommending hiring an outside firm or even additional personnel; however, we are recommending that at least one staff member be trained to have sufficient accounting expertise to prepare the required statements and disclosures.

FINDING 09.02 **THE GENERAL DEBT SERVICE FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**

(Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2009, certain general ledger account balances in the General Debt Service Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Obion County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting systems did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. We presented audit adjustments to management that they approved and posted to present the financial statements in this report properly.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

This finding is the result of not entering the full amount of the jail loan we paid from hospital sale proceeds as a reduction to the fund balance in the General Debt Service Fund. We feel this self-loan from the hospital sale proceeds is no different than a bank loan or a

bond issue, with annual payments budgeted for each fiscal year that the loan is due and payable. This finding, with its adjustment, will cause the General Debt Service Fund balance to be \$995,897 less than it is in reality and may cause a false need to increase the property tax for the General Debt Service Fund for the fiscal year 2010-11 budget.

AUDITOR'S COMMENT

Management did not reflect the amount due the Other Special Revenue Fund to repay the loan on the General Debt Service Fund's financial statements. To comply with generally accepted accounting principles, the balance due the Other Special Revenue Fund on the interfund loan received by the General Debt Service Fund should be presented on the General Debt Service Fund's balance sheet as a liability and should not be included the fund balance account.

FINDING 09.03 **GOVERNMENT-WIDE FINANCIAL STATEMENTS DID NOT INCLUDE OTHER POSTEMPLOYMENT BENEFITS INFORMATION AS REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**
(Noncompliance Under Government Auditing Standards)

The Obion County general government provides postemployment healthcare benefits through a commercial carrier that allows pre-65 age retirees to remain in the plan at the active employees rate. Obion County did not obtain an actuarial valuation to determine the data necessary for the measurement, recognition, and display of other postemployment benefits (OPEB) necessary to prepare government-wide financial statements and note disclosures as required by Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB is the standard-setting body for accounting principles that state and local governments are required to follow. This statement establishes standards for the measurement, recognition, and display of OPEB expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the county's financial statements. The general government recognized only the current year cost (expense) of these benefits on a pay-as-you go basis. However, we believe the omission of this data is not material to the government-wide financial statements.

RECOMMENDATION

Obion County should present government-wide financial statements and note disclosures in conformity with generally accepted accounting principles. The county should contract for a biennial actuarial valuation of the plan and provide the necessary information for the measurement, recognition, and display of OPEB.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

County management concurs that our financial statements did not include other postemployment benefits data. This actuarial valuation would be a substantial cost to the

county. Also, the county has no direct liability for these benefits since the pre-65 aged employees who continue the health coverage after terminating employment are required, and agree, to pay 100 percent of the cost of their premium.

AUDITOR'S COMMENT

When the county's health plan commingles active employees and pre-65 retirees at the same base premium, the county has an implicit rate subsidy, which should be calculated and reported in the county's financial statements as required by generally accepted accounting principles. These numbers are provided from an actuarial study performed every two years.

OFFICE OF HIGHWAY SUPERINTENDENT

FINDING 09.04 **THE HIGHWAY DEPARTMENT DID NOT MAINTAIN A SYSTEM TO ACCOUNT FOR SOME ROAD MATERIALS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

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

RECOMMENDATION

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

FINDING 09.05 **THE HIGHWAY PUBLIC/WORKS FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2009, certain general ledger account balances in the Highway/Public Works Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Obion County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting systems did not prevent, detect, or correct potential misstatements in

the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. We presented audit adjustments to management that they approved and posted to present the financial statements in this report properly.

RECOMMENDATION

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

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 09.06 **THE OFFICE HAD DEFICIENCIES IN ACCOUNTING FOR
EMPLOYEE HEALTH INSURANCE TRANSACTIONS**
(Internal Control – Significant Deficiency Under Government
Auditing Standards)

The Obion County School Department participates in the state-administered Local Education Group Insurance Fund (LEGIF) to provide its employees with health insurance coverage. Insurance premiums are funded by employee payroll deductions and School Department contributions. Our review of employee health insurance transactions revealed the following deficiencies:

- A. Employee payroll deductions and corresponding employer's contributions for health insurance premiums were not reconciled with health insurance billings monthly. We could not determine the last time such a reconciling procedure was performed. Sound business practices dictate that payroll insurance deductions and the employer's contributions for health insurance premiums be reconciled with billings for health insurance coverage monthly. The failure to regularly reconcile payroll deduction accounts and the employer's contributions with billings is a significant deficiency that increases the risk that errors will not be discovered and corrected in a timely manner. We also noted that School Department personnel failed to make timely notifications to the insurance vendor of any changes in employees' health insurance coverage due to employee elective changes in coverage, new hires, or terminations. Such notifications are necessary to keep billings accurate and up to date.

- B. The insurance clearing account was overdrawn at June 30, 2009, by \$4,351. This account is used to deposit employee payroll deductions and the School Department employer contributions for employee health insurance premiums, which are then withdrawn from the account by the LEGIF. The overdraft can be attributed to the deficiencies noted in Part A above.

RECOMMENDATION

Officials should ensure that payroll health insurance deductions and School Department employer health insurance contributions are reconciled with health insurance billings monthly. Any errors discovered should be corrected promptly. The insurance vendor should be notified promptly of any changes in employee health insurance coverage. Steps should be taken to eliminate the overdraft in the insurance clearing account.

OFFICE OF TRUSTEE

FINDING 09.07 **THE OFFICE DID NOT REVIEW SOFTWARE AUDIT LOGS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated a daily log that displayed changes made by users. This log provides the only audit trail of these changes and should be reviewed daily for inappropriate activity. During the prior-year audit, we advised management of the importance of this log. However, management chose not to review this log.

RECOMMENDATION

Management should review the audit log on a routine basis. Any unusual transactions should be investigated.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 09.08 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF TRUSTEE; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; AND REGISTER**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among officials and employees in the Offices of Trustee; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; and Register. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability 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.

FINDING 09.09 **A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAD NOT BEEN ADOPTED**
(Internal Control – Control Deficiency Under Government Auditing Standards)

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

County management concurs with this finding. However, if we did establish a system as noted, the current staff performing these duties would be retained with the added expenses of hiring a finance director to oversee the newly created office, thus adding an additional cost burden to the taxpayers.

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

There were no findings and questioned costs for federal awards.

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OBION 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.