ANNUAL FINANCIAL REPORT

COFFEE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2010

TENNESSEE
COMPTROLLER
OF THE TREASURY

ANNUAL FINANCIAL REPORT

COFFEE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2010

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

COFFEE COUNTY, TENNESSEE
TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		6-7
INTRODUCTORY SECTION		8
Coffee County Officials		9-10
FINANCIAL SECTION		11
Independent Auditor's Report		12-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Assets	A	16-17
Statement of Activities	B	18-19
Governmental Funds:		
Balance Sheet	C-1	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22-23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	24
Proprietary Fund:		
Statement of Net Assets	D-1	25
Statement of Revenues, Expenses, and Changes in Net Assets	D-2	26
Statement of Cash Flows	D-3	27
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	28
Notes to the Financial Statements		29-76
REQUIRED SUPPLEMENTARY INFORMATION:		77
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	F-1	78-81
Highway/Public Works Fund	F-2	82

	Exhibit	Page(s)
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Coffee County School Department	F-3	83
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Coffee County School Department	F-4	84
Notes to the Required Supplementary Information		85
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		86
Nonmajor Governmental Funds:		87-89
Combining Balance Sheet	G-1	90-91
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	92-95
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Solid Waste/Sanitation Fund	G-3	96
Local Purpose Tax Fund	G-4	97
Drug Control Fund	G-5	98
Commissary Fund	G-6	99
General Debt Service Fund	G-7	100
Rural Debt Service Fund	G-8	101
Education Debt Service Fund	G-9	102
Other Debt Service Fund	G-10	103
Major Governmental Fund:		104
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
Special Debt Service Fund	H	105
Fiduciary Funds:		106
Combining Statement of Fiduciary Assets and Liabilities	I-1	107
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	108-109
Component Unit:		
Discretely Presented Coffee County School Department:		110
Statement of Activities	J-1	111
Balance Sheet – Governmental Funds	J-2	112
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	J-3	113
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	114
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	115
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	116
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	J-7	117

	Exhibit	Page(s)
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	J-8	118-120
School Federal Projects Fund	J-9	121
Central Cafeteria Fund	J-10	122
Miscellaneous Schedules:		123
Schedule of Changes in Long-term Notes, Other Loans, and Bonds – Primary Government and Discretely Presented Coffee County School Department	K-1	124-126
Schedule of Long-term Debt Requirements by Year – Primary Government and Discretely Presented Coffee County School Department	K-2	127-130
Schedule of Transfers – Primary Government and Discretely Presented Coffee County School Department	K-3	131
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Coffee County School Department	K-4	132
Schedule of Detailed Revenues – All Governmental Fund Types	K-5	133-144
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Coffee County School Department	K-6	145-146
Schedule of Detailed Expenditures – All Governmental Fund Types	K-7	147-173
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Coffee County School Department	K-8	174-187
Schedule of Detailed Revenues and Expenses – Proprietary Fund	K-9	188
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	K-10	189
SINGLE AUDIT SECTION		190
Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards		191-193
Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133		194-196
Schedule of Expenditures of Federal Awards and State Grants		197-198
Schedule of Audit Findings Not Corrected		199
Schedule of Findings and Questioned Costs		200-206
Auditee Reporting Responsibilities		207

Audit Highlights

Annual Financial Report
Coffee County, Tennessee
For the Year Ended June 30, 2010

Scope

We have audited the basic financial statements of Coffee County as of and for the year ended June 30, 2010.

Results

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

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

Findings and Best Practices

The following are summaries of the audit findings and best practices:

OFFICE OF COUNTY MAYOR

- Compensation was paid in-lieu-of insurance benefits to some employees contrary to an opinion of the state attorney general.

OFFICE OF DIRECTOR OF SCHOOLS

- The School Federal Projects and Other Capital Projects funds required material audit adjustments for proper financial statement presentation.
- The Other Capital Projects Fund had a deficit in unreserved fund balance of $363,773 at June 30, 2010.
- Tax anticipation notes were not issued in compliance with state statutes.
- The office had deficiencies in computer system backup procedures.

OTHER FINDING

- ♦ Duties were not segregated adequately among the officials and employees in the Offices of County Mayor, Director of Schools, Trustee, County Clerk, Clerk and Master, Register, and Sheriff.

BEST PRACTICES

The Division of County Audit strongly believes that the items noted below are best practices that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Coffee County.

- Coffee County should adopt a central system of accounting and budgeting.
- Coffee County should establish an Audit Committee.

INTRODUCTORY SECTION

Coffee County Officials
June 30, 2010

Officials

David Pennington, County Mayor
Alvin Harper, Road Superintendent
Kenny Casteel, Director of Schools
James Wilhelm, Trustee
Jimmy White, Assessor of Property
Teresa McFadden, County Clerk
Heather Hinds Duncan, Circuit, General Sessions, and Juvenile Courts Clerk
Charlotte Broyles, Clerk and Master
Ellen Vaughn, Register
Steve Graves, Sheriff
Marianna Edinger, Director of Accounts and Budgets

Board of County Commissioners

David Pennington, County Mayor, Chairman
Virgil Alford
Rennie Bell
Jimmy Bradford
B. Rush Bricken
Bobby Bryan
G. Steven Cline
Lee Duckett
Jackie Duncan
Janet Fann
Kerry Farrar
Ted Frisby
Charles Harris
Robin Hines
Paul Hogan
Mark Kelly
Tim Morris
Don Northcutt
Sam Rittenberry
Mark Schempp
Robert Stewart
Wilma Thomas

Road Commission

Raymond Duke, Chairman
Ronald Bell
Dale Brandon
Grady Finney
Jamie Spry

Board of Education

Jimmy Sain, Chairman
Tommy Allen
Janet Galyen
Reggie Johnson
Ricky Milburn
Kathy Norton
Esther Sims

Budget and Finance Committee

Ted Frisby, Chairman
B. Rush Bricken
Lee Duckett
Robin Hines
Sam Rittenberry

FINANCIAL SECTION

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

March 2, 2011

Coffee County Mayor and
Board of County Commissioners
Coffee 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 Coffee County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Coffee County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Coffee 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 Public Library Fund, a special revenue fund, which represent 2.6 percent and 3.8 percent, respectively, of the assets and revenues of the aggregate remaining fund information as of June 30, 2010. Also, we did not audit the financial statements of the Coffee County Emergency Communications District, which represent 3.7 percent and 1.2 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, and the Industrial Board of Coffee County, which represent 4.8 percent and .6 percent, respectively, of the assets and revenues of the aggregate discretely presented component units as of June 30, 2010, and for the year then ended. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Library Fund, the Coffee County Emergency Communications District, and the Industrial Board of Coffee County is based on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the

United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

The financial statements of the Coffee County Public Building Authority, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the Coffee County Public Building Authority, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Coffee County Public Building Authority as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Coffee County, Tennessee, as of June 30, 2010, and the results of operations of the aggregate discretely presented component units, for the year ended, in conformity with accounting principles generally accepted in the United States of America

Additionally, 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, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of June 30 2010, 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 March 2, 2011, on our consideration of Coffee 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., Coffee County has adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to

supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 78 through 85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coffee County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Special Debt Service Fund, combining and individual fund financial statements of the Coffee 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 Special Debt Service Fund, combining and individual fund financial statements of the Coffee 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 report, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Basic Financial Statements

Exhibit A

Coffee County, Tennessee
Statement of Net Assets
June 30, 2010

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Coffee County School Department	Coffee County Emergency Communications District	Industrial Board of Coffee County
ASSETS						
Cash	$ 677,706	$ 0	$ 677,706	$ 8,073	$ 1,088,947	$ 852,394
Equity in Pooled Cash and Investments	8,807,818	3,544	8,811,362	7,613,749	0	0
Inventories	6,937	0	6,937	0	0	0
Accounts Receivable	3,283,681	2,544	3,286,225	63,096	26,817	8,133
Allowance for Uncollectibles	(1,061,048)	0	(1,061,048)	0	0	0
Due from Other Governments	1,545,470	0	1,545,470	1,095,068	16,820	0
Property Taxes Receivable	9,935,252	0	9,935,252	7,779,591	0	0
Allowance for Uncollectible Property Taxes	(305,140)	0	(305,140)	(179,979)	0	0
Prepaid Items	0	0	0	0	9,905	0
Note Receivable	0	0	0	0	0	76,442
Deferred Charges - Debt Issuance Costs	972,978	0	972,978	0	0	0
Capital Assets:						
Assets Not Depreciated:						
Land	3,426,551	30,120	3,456,671	1,438,853	0	0
Construction in Progress	0	0	0	8,561,972	158,398	0
Assets Net of Accumulated Depreciation:						
Buildings and Improvements	10,947,767	804,219	11,751,986	13,713,918	99,983	0
Infrastructure	7,447,424	0	7,447,424	0	0	0
Other Capital Assets	2,291,365	0	2,291,365	1,741,518	294,829	1,260,388
Total Assets	$ 47,976,761	$ 840,427	$ 48,817,188	$ 41,835,859	$ 1,695,699	$ 2,197,357
LIABILITIES						
Accounts Payable	$ 427,430	$ 396	$ 427,826	$ 41,940	$ 10,021	$ 0
Accrued Payroll	0	0	0	2,270,150	0	12,751
Payroll Deductions Payable	116,515	0	116,515	858,516	23	0
Contracts Payable	0	0	0	876,661	0	0
Retainage Payable	0	0	0	0	0	41,720
Claims and Judgments Payable	0	0	0	205,931	0	0
Accrued Interest Payable	301,685	0	301,685	2,216	0	0

(Continued)

Exhibit A

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

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Coffee County School Department	Coffee County Emergency Communications District	Industrial Board of Coffee County
LIABILITIES (Cont.)						
Other Current Liabilities	$ 0	$ 0	$ 0	$ 209	$ 0	$ 0
Due to State of Tennessee	4,212	0	4,212	0	0	0
Deferred Revenue - Current Property Taxes	9,227,028	0	9,227,028	7,359,341	0	0
Noncurrent Liabilities:						
Due Within One Year	2,022,572	4,128	2,026,700	191,186	0	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premiums on debt)	32,067,306	306,460	32,373,766	2,710,107	0	875,417
Total Liabilities	$ 44,166,748	$ 310,984	$ 44,477,732	$ 14,516,257	$ 10,044	$ 929,888
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	$ 16,416,944	$ 523,751	$ 16,940,695	$ 24,947,149	$ 0	$ 343,251
Invested in Capital Assets	0	0	0	0	553,210	0
Restricted for:						
Public Library	377,399	0	377,399	0	0	0
Solid Waste/Sanitation	1,114,123	0	1,114,123	0	0	0
Local Purpose Tax	123,956	0	123,956	0	0	0
Drug Control	619,357	0	619,357	0	0	0
District Attorney General	116,931	0	116,931	0	0	0
Highway/Public Works	1,509,917	0	1,509,917	0	0	0
School Federal Projects	0	0	0	246,435	0	0
Central Cafeteria	0	0	0	778,471	0	0
Capital Projects	361,610	0	361,610	1,955,543	0	0
Debt Service	4,768,587	0	4,768,587	0	0	0
Other Purposes	277,838	0	277,838	216,184	0	0
Unrestricted	(21,876,649)	5,692	(21,870,957)	(824,180)	1,132,445	924,218
Total Net Assets	$ 3,810,013	$ 529,443	$ 4,339,456	$ 27,319,602	$ 1,685,655	$ 1,267,469

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

Exhibit B

Coffee County, Tennessee
Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Coffee County School Department	Component Units: Coffee County Emergency Communications District	Component Units: Industrial Board of Coffee County
Primary Government:										
Governmental Activities:										
General Government	$ 2,497,601	$ 818,374	$ 161,364	$ 0	$ (1,517,863)	$ 0	$ (1,517,863)	$ 0	$ 0	$ 0
Finance	1,266,628	1,355,910	14,646	0	103,928	0	103,928	0	0	0
Administration of Justice	2,118,403	2,015,074	0	0	(103,329)	0	(103,329)	0	0	0
Public Safety	6,621,022	1,139,965	142,790	156,445	(5,181,822)	0	(5,181,822)	0	0	0
Public Health and Welfare	4,372,931	1,313,638	745,991	34,300	(2,279,002)	0	(2,279,002)	0	0	0
Social, Cultural, and Recreational Services	1,174,517	88,540	18,078	0	(1,067,899)	0	(1,067,899)	0	0	0
Agriculture and Natural Resources	288,432	0	0	0	(288,432)	0	(288,432)	0	0	0
Other Operations	852,623	0	0	5,572	(847,051)	0	(847,051)	0	0	0
Highways	2,407,286	2,713	1,828,269	125,958	(450,346)	0	(450,346)	0	0	0
Education	13,234,866	0	0	0	(13,234,866)	0	(13,234,866)	0	0	0
Interest on Long-term Debt	2,035,992	0	0	0	(2,035,992)	0	(2,035,992)	0	0	0
Other Debt Service	163,248	0	0	0	(163,248)	0	(163,248)	0	0	0
Total Governmental Activities	$ 37,033,549	$ 6,734,214	$ 2,911,138	$ 322,275	$ (27,065,922)	$ 0	$ (27,065,922)	$ 0	$ 0	$ 0
Business-type Activities:										
Wayside Acres Sewer Fund	$ 77,652	$ 36,180	$ 0	$ 0	$ 0	$ (41,472)	$ (41,472)	$ 0	$ 0	$ 0
Total Business-type Activities	$ 77,652	$ 36,180	$ 0	$ 0	$ 0	$ (41,472)	$ (41,472)	$ 0	$ 0	$ 0
Total Primary Government	$ 37,111,201	$ 6,770,394	$ 2,911,138	$ 322,275	$ (27,065,922)	$ (41,472)	$ (27,107,394)	$ 0	$ 0	$ 0
Component Units:										
Coffee County School Department	$ 36,546,959	$ 960,023	$ 3,829,372	$ 13,234,866	$ 0	$ 0	$ 0	$ (18,522,698)	$ 0	$ 0
Emergency Communications District	463,654	217,088	0	272,737	0	0	0	0	26,171	0
Industrial Board of Coffee County	317,336	0	0	0	0	0	0	0	0	(317,336)
Total Component Units	$ 37,327,949	$ 1,177,111	$ 3,829,372	$ 13,507,603	$ 0	$ 0	$ 0	$ (18,522,698)	$ 26,171	$ (317,336)

(Continued)

Exhibit B

Coffee County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Coffee County School Department	Component Units: Coffee County Emergency Communications District	Component Units: Industrial Board of Coffee County
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes					$ 7,820,586	$ 0	$ 7,820,586	$ 7,311,805	$ 0	$ 0
Property Taxes Levied for Debt Service					1,521,931	0	1,521,931	0	0	0
Local Option Sales Taxes					2,624,754	0	2,624,754	3,442,918	0	0
Litigation Taxes					390,734	0	390,734	0	0	0
Wholesale Beer Tax					254,181	0	254,181	0	0	0
Mineral Severance Tax					85,696	0	85,696	0	0	0
Business Tax					774,723	0	774,723	0	0	0
Other Local Taxes					1,875	0	1,875	2,009	0	0
Grants and Contributions Not Restricted for Specific Programs					913,042	0	913,042	19,288,137	56,000	258,258
Unrestricted Investment Earnings					193,101	0	193,101	1,773	33,548	41,697
Miscellaneous					54,072	0	54,072	25,027	0	10,000
Sale of Equipment					16,830	0	16,830	3,127	0	0
Amortized Premium					19,995	0	19,995	0	0	0
Total General Revenues					$ 14,671,520	$ 0	$ 14,671,520	$ 30,074,796	$ 89,548	$ 309,955
Insurance Recovery					$ 15,692	$ 0	$ 15,692	$ 0	$ 15,265	$ 0
Special Item - Sales Tax Court Judgment					(2,000,000)	0	(2,000,000)	0	15,265	0
Change in Net Assets					$ (14,378,710)	$ (41,472)	$ (14,420,182)	$ 11,552,098	$ 130,984	$ (7,381)
Prior-period Adjustment					0	0	0	0	(50,573)	(13,542)
Net Assets, July 1, 2009					18,188,723	570,915	18,759,638	15,767,504	1,605,244	1,288,392
Net Assets, June 30, 2010					$ 3,810,013	$ 529,443	$ 4,339,456	$ 27,319,602	$ 1,685,655	$ 1,267,469

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

Exhibit C-1

Coffee County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2010

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	Special Debt Service	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS					
Cash	$ 1,500	$ 0	$ 0	$ 676,206	$ 677,706
Equity in Pooled Cash and Investments	939,289	1,513,595	2,317,863	4,037,071	8,807,818
Inventories	6,937	0	0	0	6,937
Accounts Receivable	3,209,191	47	0	74,443	3,283,681
Allowance for Uncollectibles	(1,061,048)	0	0	0	(1,061,048)
Due from Other Governments	572,173	345,612	256,107	371,578	1,545,470
Due from Other Funds	23,294	0	0	38,799	62,093
Property Taxes Receivable	7,195,746	0	0	2,739,506	9,935,252
Allowance for Uncollectible Property Taxes	(166,569)	0	0	(138,571)	(305,140)
Total Assets	$ 10,720,513	$ 1,859,254	$ 2,573,970	$ 7,799,032	$ 22,952,769
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 67,378	$ 319,049	$ 0	$ 41,003	$ 427,430
Payroll Deductions Payable	106,056	6,686	0	3,773	116,515
Due to Other Funds	38,799	0	0	23,294	62,093
Due to State of Tennessee	3,839	0	0	373	4,212
Deferred Revenue - Current Property Taxes	6,806,680	0	0	2,420,348	9,227,028
Deferred Revenue - Delinquent Property Taxes	192,654	0	0	171,495	364,149
Other Deferred Revenues	1,766,591	145,204	115,973	81,885	2,109,653
Total Liabilities	$ 8,981,997	$ 470,939	$ 115,973	$ 2,742,171	$ 12,311,080
Fund Balances					
Reserved for Encumbrances	$ 138,049	$ 17,940	$ 0	$ 16,167	$ 172,156
Reserved for Alcohol and Drug Treatment	22,735	0	0	0	22,735
Reserved for Drug Court	23,276	0	0	0	23,276
Reserved for Sexual Offender Registration	8,908	0	0	0	8,908
Reserved for Courtroom Security	7,369	0	0	0	7,369
Reserved for Computer System - Register	24,870	0	0	0	24,870
Reserved for Automation Purposes - Chancery Court	12,835	0	0	0	12,835
Reserved for Automation Purposes - County Clerk	9,092	0	0	0	9,092
Reserved for State Reappraisal Grant	132,481	0	0	0	132,481
Reserved for Inventory	6,937	0	0	0	6,937
Reserved for Other General Purposes	29,335	0	0	0	29,335
Unreserved, Reported In:					
General Fund	1,322,629	0	0	0	1,322,629
Special Revenue Funds	0	1,370,375	0	2,533,999	3,904,374
Debt Service Funds	0	0	2,457,997	2,165,276	4,623,273
Capital Projects Funds	0	0	0	341,419	341,419
Total Fund Balances	$ 1,738,516	$ 1,388,315	$ 2,457,997	$ 5,056,861	$ 10,641,689
Total Liabilities and Fund Balances	$ 10,720,513	$ 1,859,254	$ 2,573,970	$ 7,799,032	$ 22,952,769

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

Exhibit C-2

Coffee County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Assets
June 30, 2010

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)		$ 10,641,689
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in in the governmental funds.		
Add: land	$ 3,426,551	
Add: infrastructure net of accumulated depreciation	7,447,424	
Add: buildings and improvements net of accumulated depreciation	10,947,767	
Add: other capital assets net of accumulated depreciation	2,291,365	24,113,107
(2) Long-term liabilities are not due in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	$ (109,000)	
Less: other loans payable	(11,840,000)	
Less: bonds payable	(19,386,719)	
Add: deferred amount on refunding	204,499	
Add: deferred charges - debt issuance costs	972,978	
Less: compensated absences payable	(571,419)	
Less: other postemployment benefits liability	(225,470)	
Less: claims and judgments payable	(2,000,000)	
Less: accrued interest on outstanding debt	(301,685)	
Less: other deferred revenue - premium on debt	(161,769)	(33,418,585)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		2,473,802
Net assets of governmental activities (Exhibit A)		$ 3,810,013

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

Exhibit C-3

Coffee County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	Special Debt Service	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues						
Local Taxes	$ 8,419,360	$ 85,696	$ 1,293,733	$ 0	$ 3,781,732	$ 13,580,521
Licenses and Permits	182,717	0	0	0	6,943	189,660
Fines, Forfeitures, and Penalties	431,429	0	0	0	217,663	649,092
Charges for Current Services	1,720,685	0	0	0	1,707,054	3,427,739
Other Local Revenues	284,521	3,004	0	0	489,340	776,865
Fees Received from County Officials	1,327,782	0	0	0	0	1,327,782
State of Tennessee	1,979,616	1,972,341	0	0	86,504	4,038,461
Federal Government	320,487	0	376,132	0	10,814	707,433
Other Governments and Citizens Groups	21,535	0	0	0	84,094	105,629
Total Revenues	$ 14,688,132	$ 2,061,041	$ 1,669,865	$ 0	$ 6,384,144	$ 24,803,182
Expenditures						
Current:						
General Government	$ 1,780,292	$ 0	$ 0	$ 0	$ 171,168	$ 1,951,460
Finance	826,818	0	0	0	420,150	1,246,968
Administration of Justice	1,277,371	0	0	0	831,340	2,108,711
Public Safety	6,246,666	0	0	0	237,362	6,484,028
Public Health and Welfare	2,760,497	0	0	0	1,386,661	4,147,158
Social, Cultural, and Recreational Services	179,426	0	0	0	997,566	1,176,992
Agriculture and Natural Resources	289,841	0	0	0	0	289,841
Other Operations	1,076,428	0	0	0	102,117	1,178,545
Highways	0	2,301,631	0	0	0	2,301,631

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	Special Debt Service	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Expenditures (cont.)						
Debt Service:						
Principal on Debt	0	0	425,000	0	1,881,467	2,306,467
Interest on Debt	0	0	1,409,600	0	550,581	1,960,181
Other Debt Service	0	0	12,931	616,719	97,556	727,206
Capital Projects	0	0	0	0	149,282	149,282
Capital Projects - Donated	0	0	0	13,234,866	0	13,234,866
Total Expenditures	$ 14,437,339	$ 2,301,631	$ 1,847,531	$ 13,851,585	$ 6,825,250	$ 39,263,336
Excess (Deficiency) of Revenues Over Expenditures	$ 250,793	$ (240,590)	$ (177,666)	$ (13,851,585)	$ (441,106)	$ (14,460,154)
Other Financing Sources (Uses)						
Bonds Issued	$ 0	$ 0	$ 0	$ 11,616,719	$ 0	$ 11,616,719
Refunding Debt Issued	0	0	0	0	1,500,000	1,500,000
Premiums on Debt Issued	0	0	0	0	45,840	45,840
Other Loans Issued	0	0	0	2,234,866	0	2,234,866
Insurance Recovery	15,692	0	0	0	0	15,692
Transfers In	38,260	0	0	0	1,031,897	1,070,157
Transfers Out	(878,325)	0	0	0	(191,832)	(1,070,157)
Payments to Refunded Debt Escrow Agent	0	0	0	0	(1,500,000)	(1,500,000)
Total Other Financing Sources (Uses)	$ (824,373)	$ 0	$ 0	$ 13,851,585	$ 885,905	$ 13,913,117
Net Change in Fund Balances	$ (573,580)	$ (240,590)	$ (177,666)	$ 0	$ 444,799	$ (547,037)
Fund Balance, July 1, 2009	2,312,096	1,628,905	2,635,663	0	4,612,062	11,188,726
Fund Balance, June 30, 2010	$ 1,738,516	$ 1,388,315	$ 2,457,997	$ 0	$ 5,056,861	$ 10,641,689

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

Exhibit C-4

Coffee 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, 2010

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)		$ (547,037)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	$ 838,667	
Less: current year depreciation expense	(1,256,387)	(417,720)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on the disposal of capital assets		(14,514)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2010	$ 2,473,802	
Less: deferred delinquent property taxes and other deferred June 30, 2009	(2,657,832)	(184,030)
(4) The issuance of long-term debt (e.g., bonds, other loans) 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:		
Less: bond proceeds	$ (2,234,866)	
Less: other loan proceeds	(13,116,719)	
Less: change in premium on debt issuances	(25,845)	
Add: change in deferred debt issuance costs	605,759	
Add: principal payments on bonds	1,015,000	
Add: payment to refunding agent	1,500,000	
Add: principal payments on notes	486,467	
Add: principal payments on other loans	805,000	
Less: change in deferred amount on refunding debt	(41,801)	(11,007,005)
(5) Some expenses reported in the statement of activities do not require the uses of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	$ (75,811)	
Change in compensated absences payable	(23,590)	
Change in claims and judgments payable	(2,000,000)	
Change in other postemployment benefits liability	(109,003)	(2,208,404)
Change in net assets of governmental activities (Exhibit B)		$ (14,378,710)

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

Exhibit D-1

Coffee County, Tennessee
Statement of Net Assets
Proprietary Fund
June 30, 2010

	Business-type Activities Nonmajor Enterprise Fund Wayside Acres Sewer Fund
ASSETS	
Current Assets:	
Equity in Pooled Assets and Investments	$ 3,544
Accounts Receivable	2,544
Total Current Assets	$ 6,088
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation):	
Land	$ 30,120
Buildings and Improvements	804,219
Total Noncurrent Assets	$ 834,339
Total Assets	$ 840,427
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 396
Current Maturities of Long-term Debt	4,128
Total Current Liabilities	$ 4,524
Noncurrent Liabilities:	
Long-term Debt	$ 306,460
Total Noncurrent Liabilities	$ 306,460
Total Liabilities	$ 310,984
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	$ 523,751
Unrestricted	5,692
Total Net Assets	$ 529,443

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

Exhibit D-2

Coffee County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2010

	Business-type Activities
	Nonmajor Enterprise Fund
	Wayside Acres Sewer Fund
Operating Revenues	
Charges for Current Services	$ 36,180
Total Operating Revenues	$ 36,180
Operating Expenses	
Public Health and Welfare	$ 28,961
Depreciation	35,475
Total Operating Expenses	$ 64,436
Operating Income (Loss)	$ (28,256)
Nonoperating Revenues (Expenses)	
Interest on Other Loans	$ (13,216)
Total Nonoperating Expenses	$ (13,216)
Change in Net Assets	$ (41,472)
Net Assets, July 1, 2009	570,915
Net Assets, June 30, 2010	$ 529,443

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

Exhibit D-3

Coffee County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2010

	Business-type Activities Nonmajor Enterprise Fund Wayside Acres Sewer Fund
Cash Flows from Operating Activities	
Receipts from Customers and Users	$ 36,134
Payments to Suppliers	(28,974)
Net Cash Provided By (Used In) Operating Activities	$ 7,160
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Other Loans	$ (3,896)
Interest Paid on Other Loans	(13,216)
Acquistion of Capital Assets	0
Net Cash Provided By (Used In) Capital and Related Financing Activities	$ (17,112)
Net Increase (Decrease) in Cash	$ (9,952)
Cash, July 1, 2009	13,496
Cash, June 30, 2010	$ 3,544
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	$ (28,256)
Adjustment to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	35,475
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Payable	(47)
Increase (Decrease) in Accounts Payable	(12)
Net Cash Provided By (Used In) Operating Activities	$ 7,160

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

Exhibit E

Coffee County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2010

	Agency Funds
ASSETS	
Cash	$ 1,978,752
Equity in Pooled Cash and Investments	290,589
Due from Other Governments	2,313,670
Property Taxes Receivable	6,982,554
Allowance for Uncollectible Property Taxes	(166,117)
Total Assets	$ 11,399,448
LIABILITIES	
Accounts Payable	$ 538
Payroll Deductions Payable	1,346
Due to State of Tennessee	126
Due to Other Taxing Units	9,186,915
Due to Litigants, Heirs, and Others	1,978,752
Due to Joint Ventures	231,771
Total Liabilities	$ 11,399,448

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

COFFEE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Coffee 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 Coffee County:

A. Reporting Entity

Coffee County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Coffee 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 Coffee County School Department operates the public school system in the county, and the voters of Coffee 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 Coffee County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Coffee County, and the Coffee 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 Industrial Board of Coffee County provides and assists industry in Coffee County, and the Coffee County Commission appoints its board of directors. The board comprises three members each from the City of Tullahoma, the City of Manchester, and from rural areas. The board is primarily funded by appropriations from the county.

The Coffee County Public Building Authority oversees the operations of the conference center, which benefits the citizens of the City of Manchester and Coffee County. The Coffee County Commission appoints the seven-member board of directors, and Coffee County and the City of Manchester share equally in the profits and losses of the conference center. The center is primarily funded by charges assessed for the use of the facility. The financial statements of the Coffee County Public Building Authority were not available from other auditors in time for inclusion in this report.

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

Administrative Offices:

Coffee County Emergency Communications District
911 Jack Welch Drive
Manchester, TN 37355

Industrial Board of Coffee County
1329 McArthur Street, Suite 4
Manchester, TN 37355

Coffee County Public Building Authority
147 Hospitality Boulevard
Manchester, TN 37355

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 Coffee 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.

Coffee County issues debt for the discretely presented Coffee County School Department. Net debt issues totaling $13,234,866 were contributed by the county to the School Department during the year ended June 30, 2010.

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 enterprise fund are reported as separate columns in the fund financial statements.

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

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

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

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds and the 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. Fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Coffee 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 county's debt service funds for payments to be made early in the following year.

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

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

Coffee County reports the following major governmental funds:

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

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

Special Debt Service Fund – This fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs of school construction and renovation projects to be financed with the first-half of the additional three-fourths cent sales tax approved in 2007.

Education Capital Projects Fund – This fund accounts for debt proceeds issued by Coffee County that are contributed to the Coffee County School Department.

Additionally, Coffee County reports the following fund types:

Enterprise Fund – The Wayside Acres Sewer Fund is used to account for the transactions of the Wayside Acres sewer operation.

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 Coffee County, the city school systems' share of educational revenues, and state grants and other restricted revenues held for the benefit of the Fourteenth Judicial District Drug Task Force. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Coffee County School Department reports the following major governmental funds:

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.

Other Capital Projects Fund – This fund is used to account for school building construction and renovations.

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

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

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated

resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund used to account for the transactions of the Wayside Acres sewer operation. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are charges for services.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on deposit with the county trustee.

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

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

to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.38 percent of total taxes levied.

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

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

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

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

3. Inventories

Inventories in governmental funds consist of expendable supplies held for consumption and are valued at the lower of cost or market based on the first-in, first-out method.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $5,000 ($10,000 for the discretely presented Coffee County School Department) or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

Assets	Years
Buildings and Improvements	10 - 50
Land Improvements	10 - 50
Infrastructure	15 - 40
Other Capital Assets	3 - 20
Library Assets	2 - 40

5. Compensated Absences

The general policy of Coffee County (except for the Highway Department) allows employees to accumulate a limited number of unused vacation days. Unused vacation days that exceed the limit allowed by county policy are transferred to sick days on the employee's anniversary date. These vacation days have no guaranteed payment

attached, and no liability is accrued and recorded in the governmental funds. The general policy of the Highway Department does not allow for the accumulation of vacation days beyond year-end. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

County employees (except for the Highway Department) are allowed to accumulate unlimited sick leave days; however, the granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. Highway Department employees earn sick leave at the rate of one day per month, and unused sick leave is paid to employees each December.

The general policy of the discretely presented Coffee County School Department does not allow for the accumulation of vacation days beyond year-end for professional employees. Support staff is allowed to accumulate unused vacation days. Vacation pay is accrued for support staff when incurred in the government-wide financial 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. All professional personnel (teachers) of the School Department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

6. 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, claims and judgments, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Assets and Fund Equity

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

a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

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

On the government-wide Statement of Net Assets (Exhibit A), the account Restricted for Other Purposes for the primary government consists of various restrictions totaling $277,838, with the primary restrictions being for: (1) alcohol and drug treatment ($22,735); (2) drug court ($23,276); (3) computer systems for various offices ($46,797); and (4) state reappraisal grant funds ($132,481). For the discretely presented School Department, the account balance in Restricted for Other Purposes of $216,184 consists primarily of a restriction for the Basic Education Program ($197,741).

As of June 30, 2010, Coffee County had $23,571,719 in outstanding debt for capital purposes for the discretely presented Coffee County School Department. This debt is a liability of Coffee County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Coffee 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 with the government-wide Statement of Net Assets.

Discretely Presented Coffee County School Department

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

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

Discretely Presented Coffee 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

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Public Library, Constitutional Officers - Fees, and District Attorney General funds (special revenue funds), which are not budgeted, and the capital projects

funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

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

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

B. Fund Deficit

The Other Capital Projects Fund had a deficit in unreserved fund balance of $363,773 at June 30, 2010. This deficit resulted from the unperformed portions of construction contracts of $2,319,316 being reserved as encumbrances and from management's failure to recognize contracts payable totaling $876,661 at June 30, 2010. Funding for these future expenditures is expected to be received from the issuance of debt.

C. Tax Anticipation Notes Were Not Issued in Compliance With State Statutes

During the year, the Other Capital Projects Fund loaned $215,000 to the General Purpose School Fund to provide temporary operating funds without the approval of the state Comptroller's Office. Section 9-21-801, Tennessee Code Annotated, allows the County Commission to issue tax anticipation notes with the approval of the state Comptroller's Office.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase

agreements. Repurchase agreements must be approved by the state Comptroller's Office 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 fair value of the securities on the day of purchase.

The county had no pooled or nonpooled investments as of June 30, 2010.

B. Capital Assets

Capital assets activity for the year ended June 30, 2010, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	$ 3,430,951	$ 0	$ (4,400)	$ 3,426,551
Total Capital Assets Not Depreciated	$ 3,430,951	$ 0	$ (4,400)	$ 3,426,551
Capital Assets Depreciated:				
Buildings and Improvements	$ 17,705,014	$ 0	$ 0	$ 17,705,014
Infrastructure	12,905,838	403,691	0	13,309,529
Other Capital Assets	4,990,928	434,976	(24,000)	5,401,904
Total Capital Assets Depreciated	$ 35,601,780	$ 838,667	$ (24,000)	$ 36,416,447
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 6,386,441	$ 370,806	$ 0	$ 6,757,247
Infrastructure	5,424,609	437,496	0	5,862,105
Other Capital Assets	2,676,340	448,085	(13,886)	3,110,539
Total Accumulated Depreciation	$ 14,487,390	$ 1,256,387	$ (13,886)	$ 15,729,891
Total Capital Assets Depreciatied, Net	$ 21,114,390	$ (417,720)	$ (10,114)	$ 20,686,556
Governmental Activities Capital Assets, Net	$ 24,545,341	$ (417,720)	$ (14,514)	$ 24,113,107

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

Governmental Activities:

General Government	$ 331,933
Finance	3,504
Administration of Justice	4,469
Public Safety	125,174
Public Health and Welfare	147,701
Social, Cultural, and Recreational	134,622
Other General Government	1,283
Highways/Public Works	507,701
Total Depreciation Expense - Governmental Activities	$ 1,256,387

Business-type Activities

	Balance 7-1-09	Increases	Balance 6-30-10
Capital Assets Not Depreciated:			
Land	$ 30,120	$ 0	$ 30,120
Total Capital Assets Not Depreciated	$ 30,120	$ 0	$ 30,120
Capital Assets Depreciated:			
Infrastructure	$ 886,852	$ 0	$ 886,852
Total Capital Assets Depreciated	$ 886,852	$ 0	$ 886,852
Less Accumulated Depreciation For:			
Infrastructure	$ 47,159	$ 35,474	$ 82,633
Total Accumulated Depreciation	$ 47,159	$ 35,474	$ 82,633
Total Capital Assets Depreciatied, Net	$ 839,693	$ (35,474)	$ 804,219
Business-type Activities Capital Assets, Net	$ 869,813	$ (35,474)	$ 834,339

Discretely Presented Coffee County School Department

Governmental Activities:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	$ 1,438,853	$ 0	$ 0	$ 1,438,853
Construction in Progress	2,179,616	10,426,570	(4,044,214)	8,561,972
Total Capital Assets Not Depreciated	$ 3,618,469	$ 10,426,570	$ (4,044,214)	$ 10,000,825
Capital Assets Depreciated:				
Buildings and Improvements	$ 17,097,207	$ 4,044,214	$ (18,540)	$ 21,122,881
Other Capital Assets	3,175,784	263,858	0	3,439,642
Total Capital Assets Depreciated	$ 20,272,991	$ 4,308,072	$ (18,540)	$ 24,562,523
Less Accumulated Depreciation:				
Buildings and Improvements	$ 7,021,761	$ 402,962	$ (15,760)	$ 7,408,963
Other Capital Assets	1,451,148	246,981	(5)	1,698,124
Total Accumulated Depreciation	$ 8,472,909	$ 649,943	$ (15,765)	$ 9,107,087
Total Capital Assets Depreciatied, Net	$ 11,800,082	$ 3,658,129	$ (2,775)	$ 15,455,436
Governmental Activities Capital Assets, Net	$ 15,418,551	$ 14,084,699	$ (4,046,989)	$ 25,456,261

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

Governmental Activities:

Instruction	$ 405,657
Support Services	238,271
Operation of Non-Instructional Services	6,015
Total Depreciation Expense - Governmental Activities	$ 649,943

C. Construction Commitments

At June 30, 2010, the discretely presented Coffee County School Department had uncompleted construction contracts of approximately $2,319,316 for renovations at the elementary schools payable through the Other Capital

Projects Fund. Funding for these future expenditures is expected to be received from other loans.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2010, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 23,294
Nonmajor governmental	General	38,799
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	52

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2010, consisted of the following amounts:

Primary Government

	Transfers In	
Transfers Out	General Fund	Nonmajor Govern-mental Funds
General Fund	$ 0	$ 878,325
Nonmajor governmental funds	38,260	153,572
Total	$ 38,260	$ 1,031,897

Discretely Presented Coffee County School Department

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental funds	$ 18,685

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

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds and other loans have been issued to refund other general obligation bonds and other loans. 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 35 years for bonds, up to six years for notes, and up to 20 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. General obligation bonds included in long-term debt as of June 30, 2010, will be retired from the General Debt Service, Rural Debt Service, Special Debt Service, and Education Debt Service funds. Notes and other loans included in long-term debt will be retired from the General Debt Service and Special Debt Service funds.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2010, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
General Obligation Bonds - Refunding	2.56 to 4 %	$ 10,970,000	$ 7,770,000
General Obligation Bonds	4.75	11,616,719	11,616,719
Capital Outlay Notes	3.4	654,000	109,000
Other Loans	3.75 to 5	10,455,134	11,840,000
Other Loans - Enterprise Fund	4.125 to 4.325	324,000	310,588

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2010, including interest payments, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	$ 109,000	$ 2,780	$ 111,780
Total	$ 109,000	$ 2,780	$ 111,780

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2011	$ 580,000	$ 515,515	$ 1,095,515
2012	485,000	490,908	975,908
2013	520,000	471,508	991,508
2014	565,000	450,708	1,015,708
2015	600,000	428,108	1,028,108
2016-2020	4,780,000	1,652,625	6,432,625
2021-2025	3,615,000	661,300	4,276,300
2026	695,000	34,750	729,750
Total	$ 11,840,000	$ 4,705,422	$ 16,545,422

Year Ending June 30	Bonds Principal	Bonds Interest	Bonds Total
2011	$ 1,055,000	$ 1,367,088	$ 2,422,088
2012	1,095,000	1,474,525	2,569,525
2013	1,125,000	1,430,725	2,555,725
2014	1,160,000	1,388,725	2,548,725
2015	1,200,000	1,345,325	2,545,325
2016-2020	2,135,000	6,241,771	8,376,771
2021-2025	0	6,121,500	6,121,500
2026-2030	0	6,121,500	6,121,500
2031-2035	0	6,121,500	6,121,500
2036-2040	6,675,000	5,972,750	12,647,750
2041-2042	4,941,719	1,662,344	6,604,063
Total	$ 19,386,719	$ 39,247,753	$ 58,634,472

There is $4,623,273 available in the debt service funds to service long-term debt. Bonded debt per capita totaled $404, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans totaled $653, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2009	$ 7,285,000	$ 595,467	$ 11,910,134
Additions	13,116,719	0	2,234,866
Deductions	(1,015,000)	(486,467)	(2,305,000)
Balance, June 30, 2010	$ 19,386,719	$ 109,000	$ 11,840,000
Balance Due Within One Year	$ 1,055,000	$ 109,000	$ 580,000

	Claims and Judgments	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2009	$ 0	$ 547,829	$ 116,467
Additions	2,000,000	588,202	135,277
Deductions	0	(564,612)	(26,274)
Balance, June 30, 2010	$ 2,000,000	$ 571,419	$ 225,470
Balance Due Within One Year	$ 250,000	$ 28,572	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	$ 34,132,608
Less: Balance Due Within One Year	(2,022,572)
Add: Unamortized Premium on Debt	161,769
Less: Deferred Amount on Refunding	(204,499)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 32,067,306

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds. Claims and judgments payable will be paid from the General Fund.

Advance Refunding

On October 1, 2009, Coffee County advance refunded an other loan issue with a separate general obligation bond issue. The county received bond proceeds of $1,500,000, which were used to refund a variable rate other loan. As a result, the refunded other loan is considered defeased, and the liability has been removed from the county's long-term debt. Due to the variable interest rates on the refunded other loan issue, the county's economic gain from the reduction in total debt service payments over the next eight years (the term of the refunding bond) cannot be calculated.

Wayside Acres Sewer Fund (enterprise fund)

Other loans outstanding as of June 30, 2010, for business-type activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
Other Loans	4.125 to 4.325 %	$ 324,000	$ 310,588

The annual requirements to amortize all other loans outstanding as of June 30, 2010, including interest payments, are presented in the following table:

Year Ending June 30	Other Loans Principal	Interest	Total
2011	$ 4,128	$ 12,984	$ 17,112
2012	4,305	12,807	17,112
2013	4,489	12,623	17,112
2014	4,680	12,432	17,112
2015	4,880	12,232	17,112
2016-2020	27,714	57,846	85,560
2021-2025	34,171	51,389	85,560
2026-2030	42,137	43,423	85,560
2031-2035	51,963	33,597	85,560
2036-2040	64,089	21,470	85,559
2041-2045	68,032	6,563	74,595
Total	$ 310,588	$ 277,366	$ 587,954

Changes in Long-term Liabilities

Long-term liability activity for the Wayside Acres Sewer Fund (enterprise fund) for the year ended June 30, 2010, was as follows:

Business-type Activities:

	Other Loans
Balance, July 1, 2009	$ 314,484
Deductions	(3,896)
Balance, June 30, 2010	$ 310,588
Balance Due Within One Year	$ 4,128

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	$ 310,588
Less: Balance Due Within One Year	(4,128)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 306,460

Discretely Presented Coffee County School Department

Capital Outlay Notes

Coffee County issues capital outlay notes on behalf of the School Department to fund capital facilities and other capital outlay purchases, such as equipment.

Capital outlay notes are direct obligations and pledge the full faith and credit of the government. Capital outlay notes outstanding were issued for an original term of up to eight years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Capital outlay notes outstanding at June 30, 2010, will be retired from the General Purpose School Fund.

The capital outlay notes outstanding as of June 30, 2010, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
Capital Outlay Notes	0 to 4.07 %	$ 872,000	$ 509,112

The annual requirements to amortize capital outlay notes outstanding as of June 30, 2010, including interest, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	$ 151,969	$ 3,324	$ 155,293
2012	71,429	0	71,429
2013	71,429	0	71,429
2014	71,429	0	71,429
2015	71,429	0	71,429
2016	71,428	0	71,428
Total	$ 509,112	$ 3,324	$ 512,436

Debt per capita for the School Department totaled $11, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Notes	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2009	$ 657,889	$ 41,315	$ 1,495,171
Additions	0	44,169	1,363,553
Deductions	(148,777)	(36,463)	(515,563)
Balance, June 30, 2010	$ 509,112	$ 49,021	$ 2,343,161
Balance Due Within One Year	$ 151,969	$ 39,217	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	$ 2,901,293
Less: Balance Due Within One Year	(191,186)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 2,710,107

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Coffee 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, 2010, were $177,155 and $24,376, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

The county and the discretely presented Coffee County School Department issued revenue anticipation notes in advance of collections and deposited the proceeds in the General, General Debt Service, Education Debt Service, General Purpose School, and School Federal Projects funds. These notes were necessary because funds were not available to meet fund obligations

coming due before current revenue collections. Short-term debt activity for the year ended June 30, 2010, was as follows:

Fund	Balance 7-1-09	Issued	Paid	Balance 6-30-10
Primary Government:				
General	$ 0	$ 1,000,000	$ (1,000,000)	$ 0
General Debt Service	0	495,000	(495,000)	0
Education Debt Service	0	5,000	(5,000)	0
Discretely Presented School Department:				
General Purpose School	0	1,840,000	(1,840,000)	0
School Federal Projects	0	150,000	(150,000)	0

V. OTHER INFORMATION

A. Risk Management

Primary Government

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

The Highway Department's risk of loss relating to general liability, property, casualty, and workers' compensation is covered by participation in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund, which are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The Highway Department pays an annual premium to the pools for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of these pools provides for them to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims of more than $100,000 for each insured event.

The Coffee County Ambulance Service purchases commercial insurance for the risk of losses to which it is exposed. These risks include general liability,

property, casualty, and accident. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

Discretely Presented Coffee County School Department

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

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

The School Department provides a self-insured dental and vision plan for all full-time employees through the General Purpose School Fund. Retirees are not allowed to participate in the program. The cost of this plan was provided by appropriations made for that purpose. Payroll deductions were made from employees' compensation for the portion of premiums relating to family coverage. The dental and vision plan provides maximum yearly benefit amounts for participants. The maximum calendar year benefit under the dental plan is $1,500 per person. The vision plan also contains limits on benefits and the number of procedures covered by the plan. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The self-insurance program funds established claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim

adjustments and expenditures, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	End of Fiscal Year Liability
2008-09	$ 146,368	$ 411,501	$ 379,114	$ 178,755
2009-10	178,755	431,564	404,388	205,931

B. Accounting Changes

Provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments became effective for the year ended June 30, 2010.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets. Intangible assets have three characteristics: lack of physical substance, nonfinancial in nature, and a useful life that extends beyond a single reporting period. Assets that have these characteristics and are identifiable to the government should be reported as capital assets and amortized over their useful lives. Easements, water rights, patents, and computer software are examples of intangible assets that should be recognized under GASB Statement No. 51. Coffee County and the School Department had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably expected that Coffee County and the School Department may acquire intangible assets in subsequent years.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the cost of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. For the same reasons, derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Coffee County's derivative transactions. GASB Statement

No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investment purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statement of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e., effective) derivative instruments are reported in the Statement of Net Assets as deferrals. Coffee County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Coffee County may enter into derivative transactions in subsequent years.

C. Subsequent Events

Subsequent to June 30, 2010, the county and the discretely presented Coffee County School Department issued revenue anticipation notes in advance of collections and deposited the proceeds as follows:

Fund	Date Issued	Amount
Primary Government:		
General	8-6-10	$ 500,000
"	9-1-10	500,000
"	9-30-10	500,000
"	10-29-10	500,000
General Debt Service	1-26-11	250,000
Discretely Presented School Department:		
General Purpose School	8-13-10	750,000
"	10-13-10	625,000
School Federal Projects	8-10-10	100,000
"	9-14-10	25,000

On August 31, 2010, Alvin Harper left the Office of Road Superintendent and was succeeded by Steve Parks.

D. Contingent Liabilities

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

E. Claims and Judgments Payable

The county was the defendant in a lawsuit filed by the City of Tullahoma and its board of education. The city was seeking reimbursement of certain sales tax proceeds that they alleged was due them since Coffee County failed to follow state statute relative to the disbursement of sales tax proceeds, which are used for educational purposes. In October 2009, a settlement was reached between the parties for a payment to the City of Tullahoma totaling $2,000,000. In accordance with the settlement, Coffee County made a payment to the city of Tullahoma of $250,000 from the General Fund on October 1, 2010. The balance of $1,750,000 is to be paid on or before December 31, 2011. The county has increased its tax rate in the General Fund in fiscal year 2011 to pay for this settlement.

F. Joint Venture

The Fourteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourteenth Judicial District and participating municipalities in the district. The DTF interlocal agreement was signed by the sheriff of Coffee County and the police chiefs of the cities of Manchester and Tullahoma. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriff, and police chiefs of participating law enforcement agencies within each judicial district. Coffee County made no contributions to the DTF for the year ended June 30, 2010.

Coffee County does not have an equity interest in the above-noted joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Fourteenth Judicial District
307 South Woodland
Manchester, TN 37355

G. Jointly Governed Organization

Primary Government

The Tri-County Railroad Authority is jointly operated by Coffee County, in conjunction with Warren and White counties. The authority's board comprises the county mayor/executive of each county and one member

selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity.

Discretely Presented Coffee County School Department

The Coffee County School Department is a member of the Volunteer State Cooperative (VOLCO). The cooperative was established through a contractual agreement between the Boards of Education of Bedford County, Coffee County, Dickson County, Humphreys County, Marshall County, Fayetteville City, Manchester City, Maury County, Stewart County, and Robertson County. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Stewart County School Department) and a service provider to provide these services. The cooperative is governed by a Representative Committee, including one representative from each of the member districts, and an Executive Council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the Representative Committee. The cooperative began operations in July 1998.

H. Retirement Commitments

Employees

Plan Description

Employees of Coffee 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 Coffee 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/PS/.

Funding Policy

Coffee County requires employees to contribute five percent of their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 8.26 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Coffee County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2010, Coffee County's annual pension cost of $1,019,296 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected postretirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Coffee County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was 11 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	$1,019,296	100%	$0
6-30-09	1,008,995	100	0
6-30-08	1,081,150	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 83.12 percent funded. The actuarial accrued liability for benefits was $27.88 million, and the actuarial value of assets was $23.18 million, resulting in an unfunded actuarial accrued liability (UAAL) of $4.71 million. The covered payroll (annual payroll of active employees covered by the plan) was $12.25 million, and the ratio of the UAAL to the covered payroll was 38.44 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year 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 TCRS uses the frozen entry age actuarial cost method to calculate the annual required contribution. Effective July 1, 2009, the TCRS reestablished the unfunded accrued liabilities for all groups.

School Teachers

Plan Description

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

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

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, 2010, 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, 2010, 2009, and 2008, were $1,059,169, $1,068,966, and $1,006,487, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Plan Description

Coffee County and the Coffee County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, Tennessee Code Annotated (TCA), for local education employees and Section 8-27-207, TCA, for local governments. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at http://tn.gov/finance/act/cafr.html.

Funding Policy

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

however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for retirees ranges from ten percent to 55 percent based on the years of service. During the year ended June 30, 2010, the county and the discretely presented School Department contributed $26,274 and $515,563, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	$ 135,000	$ 1,360,000
Interest on the NPO	5,241	67,283
Adjustment to the ARC	(4,964)	(63,730)
Annual OPEB cost	$ 135,277	$ 1,363,553
Amount of contribution	(26,274)	(515,563)
Increase/decrease in NPO	$ 109,003	$ 847,990
Net OPEB obligation, 7-1-09	116,467	1,495,171
Net OPEB obligation, 6-30-10	$ 225,470	$ 2,343,161

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Government Group	$ 204,643	55 %	$ 91,890
6-30-09	"	63,564	61	116,467
6-30-10	"	135,277	19	225,470
6-30-08	Local Education Group	1,124,000	36	720,121
6-30-09	"	1,142,866	32	1,495,171
6-30-10	"	1,363,553	38	2,343,161

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, was as follows:

	Local Government Group Plan	Local Education Group Plan
Actuarial valuation date	7-1-09	7-1-09
Actuarial accrued liability (AAL)	$ 1,040,000	$ 11,462,000
Actuarial value of plan assets	$ 0	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 1,040,000	$ 11,462,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	$ 7,192,986	$ 19,838,260
UAAL as a % of covered payroll	14%	58%

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 multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

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

In the July 1, 2009, actuarial valuation the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses). The Local Education Plan had an annual healthcare cost trend rate of four percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Local Government Plan was three percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Each rate includes a

three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

J. Purchasing Laws

Offices of County Mayor and Road Superintendent

Purchasing procedures for these offices are governed by provisions of the County Purchasing Law of 1957, Section 5-14-101, et seq., Tennessee Code Annotated (TCA). Purchasing procedures in the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, TCA. These statutes provide for the purchasing agent to make purchases for these departments, with purchases exceeding $5,000 ($10,000 Highway Department) to be made on the basis of competitive bids solicited through public advertisement.

Office of Director of Schools

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

VI. OTHER NOTES – PUBLIC LIBRARY FUND

A. Organization and Reporting Entity

The Coffee County Library Board is a part of the primary government of Coffee County, Tennessee. This board does not have separate legal standing from the primary government of Coffee County, Tennessee. The board was organized to administer the affairs of the Coffee County Libraries. This board is made up of seven members appointed by the Coffee County Board of Commissioners; four members from the Manchester area who act as a committee to administer the affairs of the Manchester Public Library on a monthly basis, and three members from the Tullahoma area who act as a committee to administer the affairs of the Lannom Memorial Public Library on a monthly basis. Board members are appointed for three-year terms and are eligible to serve two consecutive terms. Then, members must stay off the board for one year before being eligible to be reappointed to the board. Each library committee has one member's term expiring each year. Every third year (beginning with 1998), the terms of two members from the Manchester committee expire. The Coffee County Library Board submits a line-item budget to the Coffee County Board of Commissioners who set county appropriations to the library systems. Allocation from the primary government is the major source of revenue for the Public Library Fund.

B. Summary of Significant Accounting Policies

1. Basis of Presentation

The Coffee County Library Board is reported as a special revenue fund of Coffee County, the primary government.

2. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the liability is incurred.

3. Budgets and Budgetary Accounting

Revenues from city and county allocations are classified as appropriated funds, and all other sources of funds are classified as unappropriated funds. A budget is prepared only for the appropriated funds. Since the budget only covers selected revenues and expenditures, it is not appropriate to present a Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual as part of the financial statements.

4. Capital Assets and Depreciation

Capital assets are reported in the government-wide Statement of Net Assets. The libraries follow the capitalization policy adopted by Coffee County. The valuation basis for capital assets is historical cost. The capitalization threshold for an individual item is $5,000. Depreciation of capital assets is computed and recorded by the straight-line method. The estimated useful life of buildings is 40 years, improvements are 15 years, furnishings are five years, office equipment is ten years, audio visual media is three years, and books are divided into paperbacks, which have a useful life of two years, and hardbound books with a useful life of seven years.

C. Pension Plan

The employees of the Coffee County Library Board are covered under the plan covering employees of Coffee County. The Coffee County Government pays for this plan.

D. Insurance

The libraries are covered by the county for the risks of losses to which it is exposed. These risks include general liability, property and casualty, workers' compensation, and environmental. Settled claims have not exceeded commercial coverage in the past three fiscal years, and there are currently no pending lawsuits.

E. Bank Deposits

The libraries are authorized to invest in the following types of securities and indebtedness, in accordance with governing statutes:

1. Bonds, notes, treasury bills or similar types of indebtedness to the United States.

2. Non-convertible debt including Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank, and Student Loan Marketing Association.

3. Other obligations not specified above, which provide guaranteed principal and interest by the United States or any of its agencies.

4. Repurchase agreements, which involve obligations of the United States or its agencies, provided the term of the repurchase agreement does not extend beyond the maturity date of the obligation and the market value of the security exceeds the cost of the security.

5. Money market funds invested in any of the aforementioned securities.

The carrying amount of total cash deposits (including petty cash) at June 30, 2010, is $406,269. With the exception of petty cash, all cash deposits were entirely covered by federal depository insurance or by collateral held by the libraries' custodial banks in the libraries' name.

F. Commitments and Contingencies

Both the Coffee County Manchester Public Library and the Tullahoma Lannom Memorial Library participate in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent the libraries have not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinions of both the Coffee County Manchester Public Library and the Tullahoma Lannom Memorial Library, there are no significant contingent liabilities relating to the compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

G. Budget Variances

The libraries' actual expenditures exceeded the amount appropriated. This practice is contrary to state statutes, which require all expenditures to be authorized by the governing body.

H. Capital Assets

Changes in capital assets are summarized by major classifications for the year ended June 30, 2010, as follows:

Assets	Balance 7-1-09	Increases	Balance 6-30-10
Land	$ 8,050	$ 0	$ 8,050
Buildings/Improvements	1,405,297	0	1,405,297
Furniture and Office Equipment	67,783	10,210	77,993
Other Capital Assets	811,125	131,268	942,393
Total Assets	$ 2,292,255	$ 141,478	$ 2,433,733
Less: Accumulated Depreciation			
Buildings/Improvements	$ (764,849)	$ (15,887)	$ (780,736)
Furniture and Office Equipment	(65,179)	(1,021)	(66,200)
Other Capital Assets	(727,583)	(117,714)	(845,297)
Total Assets	$ (1,557,611)	$ (134,622)	$ (1,692,233)
Capital Assets, Net	$ 734,644	$ 6,856	$ 741,500

VII. OTHER NOTES – DISCRETELY PRESENTED COFFEE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

The Coffee County Emergency Communications District was established on April 4, 1987, to provide an enhanced level of 911 service to the Coffee County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of address and information. It is a discretely presented component unit of Coffee County. A board of directors appointed by Coffee County runs the Coffee County Emergency Communications District. The district must file a budget with Coffee County each year. Any bond issued by the district is subject to approval by Coffee County.

The district uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred. Generally accepted accounting principles for local governments include those principles

prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board. As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the board has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989.

1. Depreciation

Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives using the straight-line method. Depreciation begins when the capital assets are placed in service. Depreciation is summarized as follows:

	Method	Estimated Useful Life (Years)	2010 Depreciation
Buildings/Improvements	S/L	10-30	$ 4,487
Office Equipment	S/L	5-10	4,964
Furniture and Fixtures	S/L	5-10	5,948
Communication Equipment	S/L	5-20	63,371
Total			$ 78,770

2. Major Source of Revenue

The major source of operating revenue is emergency telephone and wireless surcharges. The district's nonoperating revenue consists of a grant, contributions from other governments and agencies, insurance proceeds, interest/investment income, and sales of map books.

B. Cash and Cash Investments

The following is a schedule of bank accounts at June 30, 2010:

Checking – First National Bank	$ 170,874
Money Market – American City Bank	57,519
Certificates of Deposit – Coffee County Bank	282,110
Certificates of Deposit – Peoples Bank	153,750
Certificates of Deposit – American City Bank	205,455
Certificates of Deposit – First National Bank	219,239
Total	$ 1,088,947

At June 30, 2010, the carrying amount of the Coffee County Emergency Communications District's cash deposits was $1,088,947. The district's deposit accounts are covered up to $250,000 by the Federal Deposit Insurance Corporation. Any amounts over $250,000 are covered by collateralization held by First National Bank and Coffee County Bank in the district's name. Peoples Bank and American City Bank are members of the Government Collateralization Pool. The district is authorized to deposit and invest funds according to the provisions of Section 5-8-301, Tennessee Code Annotated.

C. Bonding and Insurance

Coffee County Emergency Communications District had a bond covering certain members of the board at June 30, 2010. The district has liability insurance covering the building and its contents. The policy also insures employees automobiles used in the counsel of business. The district had no settlements that exceeded the coverage for the past three years.

D. Capital Assets

The following is a schedule of capital assets at June 30, 2010:

Assets	Cost	Accumulated Depreciation	Net
Construction in Progress	$ 158,398	$ 0	$ 158,398
Buildings/Improvements	$ 185,450	$ 85,467	$ 99,983
Office Equipment	37,014	27,271	9,743
Furniture and Fixtures	46,405	34,014	12,391
Communication Equipment	629,227	356,532	272,695
Total	$ 1,056,494	$ 503,284	$ 553,210

Assets	Balance 7-1-09	Additions	Retire-ments	Balance 6-30-10
Non-Depreciable Assets				
Construction in Progress	$ 50,573	$ 158,398	$ (50,573)	$ 158,398
Depreciable Assets				
Buildings/Improvements	$ 117,428	$ 68,023	$ 0	$ 185,451
Office Equipment	45,318	0	(8,304)	37,014
Furniture and Fixtures	42,903	4,438	(937)	46,404
Communication Equipment	747,865	50,432	(169,070)	629,227
Subtotal	$ 953,514	$ 122,893	$ (178,311)	$ 898,096
Total	$ 1,004,087	$ 281,291	$ (228,884)	$ 1,056,494

E. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

F. Accounts Receivable/Due from Other Governments

The amounts due to the district from subscriber services and wireless charges include the following:

AT&T	$	12,067
Ben Lomand		1,432
Other Telephone Companies		4,818
Sub-total	$	18,317
State Emergency Communications Board		16,820
Total	$	35,137

G. Compensated Absences

There were no compensated absences as of June 30, 2010.

H. Salaries and Wages

In accordance with a contract, Coffee County provides the director and dispatcher for the district.

I. Calculation of Invested in Capital Assets

Net Book Value	$	553,210
Current and Noncurrent Debt		0
Total Invested in Capital Assets	$	553,210

J. Budgetary Information

The district must file a budget with the county each year, which must be legally adopted by the county. The budget is prepared on the accrual basis of accounting. Compliance with the legally adopted budget is required at the program level as well as the object level.

K. Prior-period Adjustment

Capital assets were restated $50,573 from the prior-year because construction in progress was overstated.

VIII. OTHER NOTES - DISCRETELY PRESENTED INDUSTRIAL BOARD OF COFFEE COUNTY

A. Summary of Significant Accounting Policies

The Industrial Board of Coffee County, Tennessee, was incorporated in 1969. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Industrial Board of Coffee County, Tennessee, Inc. The board is a discretely presented component unit of Coffee County, Tennessee (the primary government). The primary government appoints the members of the board of directors, and the board is funded primarily by appropriations from the county. The purpose of the board is to promote industry and develop trade for Coffee County, Tennessee.

The financial statements of the Industrial Board of Coffee County, Tennessee, Inc., have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standard Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below:

1. Government-wide Statements

In the government-wide Statement of Net Assets, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The government-wide Statement of Activities reports both the gross and the net cost of the board's programs. The functions are also supported by general governmental revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function.

The board adopted the provisions of Governmental Accounting Standards Board Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which include a Statement of Net Assets, a Statement of Activities and Changes in Net Assets, and a Statement of Cash Flows. It requires the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt – This component of net assets 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. If there are significant unspent related debt proceeds at year-end, the portion of debt is included in the same net assets component as the unspent proceeds.

- Restricted – This component of net assets consists of constraints placed on the use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

2. Estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Equipment

Equipment is stated at cost, less accumulated depreciation, which is computed by the straight-line method over an estimated useful life of five to 20 years. Major expenditures for equipment and for repairs, which substantially increase the useful lives, are capitalized. Maintenance, minor repairs, and minor acquisitions are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts, and resulting gains or losses are included in revenue or expense.

4. Cash and Cash Equivalents

For purposes of reporting cash flows, cash equivalents include all short-term highly liquid investments with maturities of three months or less.

5. Accounts Receivable

The board considers accounts receivable to be fully collectible at June 30, 2010; accordingly, no allowance for doubtful accounts is

required. If amounts become uncollectible, they will be charged off when that determination is made.

6. Compensated Absences

There are no compensated absences to be accrued.

7. Pension Plan

The board does not provide a pension plan for its employees; however, they are covered under the plan for Coffee County.

8. Federal Income Taxes

The Industrial Board of Coffee County is exempt from federal and state income tax.

B. Cash Deposits with Financial Institutions

The board is authorized to deposit its funds in banks, trust companies, or other depositories as the board may select. Deposits are carried at cost. At year-end the carrying amount of deposits was $852,394, and the bank balance was $914,019. Of the banks balances, $624,033 was covered by federal deposit insurance, $249,986 was collateralized with securities pledged that comply with statutes as acceptable collateral, and $40,000 was unsecured as of June 30, 2010.

C. Capital Assets

Property, plant, and equipment consist of various office machines and improvements, which are depreciated over five to 20 years using the straight-line method.

A summary of changes in the capital assets is as follows:

	Balance 7-1-09	Additions	Balance 6-30-10
Capital Assets Depreciated:			
Equipment	$ 16,324	$ 0	$ 16,324
Land Improvements	45,080	0	45,080
Construction in Progress	318,585	723,864	1,042,449
Vehicles	199,705	0	199,705
Total Capital Assets Depreciated	$ 579,694	$ 723,864	$ 1,303,558
Less: Accumulated Depreciation:			
Equipment	$ (11,570)	$ (1,644)	$ (13,214)
Vehicles	(19,971)	(9,985)	(29,956)
Total Accumulated Depreciation	$ (31,541)	$ (11,629)	$ (43,170)
Total	$ 548,153	$ 712,235	$ 1,260,388

Depreciation expense for the year ended June 30, 2010, was $11,629.

D. Notes Payable

Notes payable by the board at June 30, 2010, consist of:

	Interest Rate	Outstanding 6-30-10
Note with DREMC	3 %	$ 360,000
Short-term Construction Loan with Bank	4.75	360,917
Note with City of Manchester - Speculative Building	0	154,500
Total Outstanding		$ 875,417

Changes in notes payable consist of:

	Balance 7-1-09	Additions	Retirements	Balance 6-30-10
Notes Payable:				
Construction Line of Credit	$ 50,000	$ 50,000	$ (100,000)	$ 0
DREMC	0	360,000	0	360,000
Short-term Construction Loan	0	360,917	0	360,917
City of Manchester*	154,500	0	0	154,500
Total Notes Payable	$ 204,500	$ 770,917	$ (100,000)	$ 875,417
Due in One Year:				
Short-term Construction Loan		$ 360,917		

* Restated beginning balance, see Note H.

E. Commitments and Contingency

The board receives a substantial amount of its support from local governments. A significant reduction in the level of such support, if this were to occur, may have an effect on the board's programs and activities.

The board had entered in an agreement to build a speculative building in the City of Manchester Industrial Park. The infrastructure is to be partially paid with a FastTrack grant of $750,000 obtained by the City of Manchester. The board will fund $135,000 of the cost. These funds will be reimbursed by the city to the board upon sale of the property. The total cost of the spec building project is estimated at $1,835,000 (not including land cost). The City of Manchester sold 10.3 acres of land for the building to the board for $154,500. This amount is to be reimbursed when the building is sold. Funding for the project will be from loans through local banks, grant funds to the City of Manchester, DREMC loan, and TVA loan. Construction costs as of June 30, 2010, totaled $1,042,449.

F. Note Receivable

The board has a note receivable due from an individual dated September 28, 2006, to sell 17.42 acres located in the Coffee County Interstate Industrial Park. The gross sales price was $104,520, with $42,000 paid to the board at closing, and a note receivable for the remainder of $62,520. The note is due September 28, 2013, and is secured by a deed of trust on the property. No monthly payments are due until September 28, 2010, at which time payments of $633 will commence for not more than three years, with the remainder being due at September 28, 2013. According to the terms of the note, interest is to be added to the principal

balance annually. The interest rate is 5.5 percent. The balance of the note receivable at June 30, 2010, was $76,442.

G. Lease Agreement

The board purchased a fire truck in July 2007 for $199,705. The truck is leased to Hickerson Station Fire Department. There is no stated monthly lease payment. The fire department is responsible for insurance, maintenance, and service on the truck; however, the board retains ownership of the vehicle. The lease is for continuous 12-month periods with 60-day notice by either party to terminate the lease agreement.

H. Prior-period Adjustment

Notes payable were restated $13,542 from the prior-year. The note was reduced in the prior-year by the amount of grant funds paid on a project; however, it was subsequently learned that those payments do not reduce the amount of the loan.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 8,419,360	$ 0	$ 0	$ 8,419,360	$ 8,401,527	$ 8,401,527	$ 17,833
Licenses and Permits	182,717	0	0	182,717	254,000	254,000	(71,283)
Fines, Forfeitures, and Penalties	431,429	0	0	431,429	400,900	404,559	26,870
Charges for Current Services	1,720,685	0	0	1,720,685	1,922,330	1,929,830	(209,145)
Other Local Revenues	284,521	0	0	284,521	279,914	281,162	3,359
Fees Received from County Officials	1,327,782	0	0	1,327,782	1,385,000	1,385,000	(57,218)
State of Tennessee	1,979,616	0	0	1,979,616	1,949,096	2,021,215	(41,599)
Federal Government	320,487	0	0	320,487	31,000	258,427	62,060
Other Governments and Citizens Groups	21,535	0	0	21,535	8,850	8,850	12,685
Total Revenues	$ 14,688,132	$ 0	$ 0	$ 14,688,132	$ 14,632,617	$ 14,944,570	$ (256,438)
Expenditures							
General Government							
County Commission	$ 42,821	$ 0	$ 0	$ 42,821	$ 48,433	$ 48,433	$ 5,612
Board of Equalization	1,735	0	0	1,735	3,230	3,230	1,495
Other Boards and Committees	23,155	0	0	23,155	26,850	26,850	3,695
County Mayor/Executive	198,358	0	0	198,358	202,905	202,905	4,547
County Attorney	61,041	0	0	61,041	34,800	64,800	3,759
Election Commission	289,570	(250)	0	289,320	330,991	330,991	41,671
Register of Deeds	70,895	(2,082)	1,800	70,613	90,904	90,904	20,291
Codes Compliance	147,325	0	0	147,325	188,204	188,204	40,879
County Buildings	847,712	(13,677)	14,452	848,487	770,511	925,654	77,167
Other General Administration	92,500	0	0	92,500	115,950	115,950	23,450
Preservation of Records	5,180	0	0	5,180	5,500	5,500	320

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Finance							
Accounting and Budgeting	$ 264,650	$ 0	$ 0	$ 264,650	$ 272,541	$ 272,541	$ 7,891
Property Assessor's Office	361,865	0	0	361,865	370,624	370,624	8,759
Reappraisal Program	12,042	0	0	12,042	20,765	20,765	8,723
County Trustee's Office	82,959	(4,356)	1,508	80,111	82,779	82,779	2,668
County Clerk's Office	105,302	0	0	105,302	126,027	126,027	20,725
Administration of Justice							
Circuit Court	258,318	(550)	290	258,058	263,356	267,015	8,957
General Sessions Court	15,655	0	238	15,893	17,950	17,950	2,057
General Sessions Judge	334,839	0	0	334,839	342,882	342,882	8,043
Drug Court	194,652	0	0	194,652	0	194,652	0
Chancery Court	125,924	(322)	740	126,342	127,784	128,959	2,617
Judicial Commissioners	125,684	0	0	125,684	126,716	128,716	3,032
Probation Services	222,299	(301)	360	222,358	229,140	229,140	6,782
Public Safety							
Sheriff's Department	2,335,084	(5,492)	2,654	2,332,246	2,427,704	2,427,704	95,458
Traffic Control	22,360	0	0	22,360	29,000	29,000	6,640
Administration of the Sexual Offender Registry	1,878	0	0	1,878	3,000	3,000	1,122
Jail	2,189,726	(25,519)	34,328	2,198,535	2,237,528	2,241,958	43,423
Juvenile Services	327,292	(2,428)	392	325,256	341,391	341,391	16,135
Rural Fire Protection	257,000	0	0	257,000	257,000	257,000	0
Civil Defense	277,644	(202)	13,087	290,529	114,884	304,323	13,794
Rescue Squad	17,000	0	0	17,000	17,000	17,000	0
Other Emergency Management	3,688	0	0	3,688	0	3,688	0
County Coroner/Medical Examiner	40,000	0	0	40,000	40,000	40,000	0

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Public Safety (Cont.)							
Other Public Safety	$ 774,994	$ 0	$ 0	$ 774,994	$ 799,404	$ 799,404	$ 24,410
Public Health and Welfare							
Local Health Center	648,019	0	18,820	666,839	810,194	834,044	167,205
Rabies and Animal Control	90,492	0	0	90,492	97,175	97,175	6,683
Ambulance/Emergency Medical Services	1,863,865	(6,183)	39,930	1,897,612	2,180,741	2,187,059	289,447
Alcohol and Drug Programs	2,000	0	0	2,000	2,000	2,000	0
Appropriation to State	85,743	0	0	85,743	86,378	86,378	635
General Welfare Assistance	31,580	0	0	31,580	31,580	31,580	0
Other Waste Disposal	38,798	0	0	38,798	60,346	60,346	21,548
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	179,426	0	0	179,426	181,087	181,087	1,661
Libraries	0	0	0	0	878,325	0	0
Agriculture and Natural Resources							
Agriculture Extension Service	202,143	0	0	202,143	198,945	205,846	3,703
Soil Conservation	87,698	0	0	87,698	88,039	88,039	341
Other Operations							
Industrial Development	258,258	0	0	258,258	258,258	258,258	0
Veterans' Services	18,550	0	0	18,550	19,331	19,331	781
Other Charges	590,678	0	9,450	600,128	608,286	608,286	8,158
Contributions to Other Agencies	39,000	0	0	39,000	39,000	39,000	0
Payments to Cities	28,500	0	0	28,500	28,500	28,500	0
Miscellaneous	141,442	(69,095)	0	72,347	30,000	73,470	1,123
Total Expenditures	$ 14,437,339	$ (130,457)	$ 138,049	$ 14,444,931	$ 15,663,938	$ 15,450,338	$ 1,005,407

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Excess (Deficiency) of Revenues Over Expenditures	$ 250,793	$ 130,457	$ (138,049)	$ 243,201	$ (1,031,321)	$ (505,768)	$ 748,969
Other Financing Sources (Uses)							
Insurance Recovery	$ 15,692	$ 0	$ 0	$ 15,692	$ 0	$ 14,461	$ 1,231
Transfers In	38,260	0	0	38,260	0	38,259	1
Transfers Out	(878,325)	0	0	(878,325)	0	(878,325)	0
Total Other Financing Sources (Uses)	$ (824,373)	$ 0	$ 0	$ (824,373)	$ 0	$ (825,605)	$ 1,232
Net Change in Fund Balance	$ (573,580)	$ 130,457	$ (138,049)	$ (581,172)	$ (1,031,321)	$ (1,331,373)	$ 750,201
Fund Balance, July 1, 2009	2,312,096	(130,457)	0	2,181,639	1,921,540	1,921,540	260,099
Fund Balance, June 30, 2010	$ 1,738,516	$ 0	$ (138,049)	$ 1,600,467	$ 890,219	$ 590,167	$ 1,010,300

Exhibit F-2

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 85,696	$ 0	$ 0	$ 85,696	$ 82,000	$ 82,000	$ 3,696
Other Local Revenues	3,004	0	0	3,004	350	350	2,654
State of Tennessee	1,972,341	0	0	1,972,341	1,940,189	1,940,189	32,152
Total Revenues	$ 2,061,041	$ 0	$ 0	$ 2,061,041	$ 2,022,539	$ 2,022,539	$ 38,502
Expenditures							
Highways							
Administration	$ 217,750	$ 0	$ 0	$ 217,750	$ 233,238	$ 233,238	$ 15,488
Highway and Bridge Maintenance	1,697,347	(20,000)	17,340	1,694,687	1,734,630	1,969,235	274,548
Operation and Maintenance of Equipment	262,435	(600)	600	262,435	308,475	308,475	46,040
Other Charges	124,099	0	0	124,099	161,221	161,221	37,122
Total Expenditures	$ 2,301,631	$ (20,600)	$ 17,940	$ 2,298,971	$ 2,437,564	$ 2,672,169	$ 373,198
Excess (Deficiency) of Revenues Over Expenditures	$ (240,590)	$ 20,600	$ (17,940)	$ (237,930)	$ (415,025)	$ (649,630)	$ 411,700
Net Change in Fund Balance	$ (240,590)	$ 20,600	$ (17,940)	$ (237,930)	$ (415,025)	$ (649,630)	$ 411,700
Fund Balance, July 1, 2009	1,628,905	(20,600)	0	1,608,305	1,607,595	1,607,595	710
Fund Balance, June 30, 2010	$ 1,388,315	$ 0	$ (17,940)	$ 1,370,375	$ 1,192,570	$ 957,965	$ 412,410

Exhibit F-3

Coffee County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and the Discretely Presented Coffee County School Department
June 30, 2010

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-09	$ 23,177	$ 27,884	$ 4,707	83.12 %	$ 12,247	38.44 %
7-1-07	20,582	24,136	3,554	85.28	11,243	31.61

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the frozen entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the frozen entry age actuarial cost method went into effect during the year of the 2007 actuarial valuation; therefore, only the two most recent actuarial valuations are presented.

Exhibit F-4

Coffee County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and the Discretely Presented Coffee County School Department
June 30, 2010

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date *	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government							
Local Government Group	7-1-07	$ 0	$ 1,645	$ 1,645	0 %	$ 7,319	22 %
"	7-1-09	0	1,040	1,040	0	7,193	14
Discretely Presented Coffee County School Department							
Local Education Group	7-1-07	0	9,666	9,666	0	20,180	48
"	7-1-09	0	11,462	11,462	0	19,838	58

*Data only available for two actuarial valuations.

COFFEE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2010

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

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

The county's budgetary basis of accounting is consistent with 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.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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 the transactions of the Coffee County Public Libraries.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for the transactions relating to the disposal of solid waste.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for a special property tax levied on the Interstate Industrial Park to provide city services for the park.

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

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

Commissary Fund – The Commissary Fund is used to account for transactions of the commissary operation administered by the Sheriff's Office. This fund closed during the year.

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.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

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.

Rural Debt Service Fund – The Rural 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 of school projects outside the territorial limits of the Special School District.

Education Debt Service Fund – The Education Debt Service Fund is used to account for the accumulation of resources for, and the retirement of, bonds issued for improvements to the county's senior high school.

Other Debt Service Fund – The Other 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 of future school construction and renovation projects to be financed with the second-half of the additional three-fourths cent sales tax approved in 2007.

Capital Projects Funds

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county. The remaining balance in this fund represents unexpended bond proceeds to be used for various projects including renovation of the justice center, construction of a workhouse at the jail, and construction of water and sewer lines in the rural areas of the county.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for expenditures related to the acquisition and repair of capital assets of the Coffee County Ambulance Department. This fund closed during the year.

Exhibit G-1

Coffee County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Special Revenue Funds						
	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Constitu - tional Officers - Fees	Total
ASSETS							
Cash	$ 406,269	$ 0	$ 0	$ 0	$ 0	$ 269,937	$ 676,206
Equity in Pooled Cash and Investments	0	974,706	82,068	619,357	116,931	0	1,793,062
Accounts Receivable	0	62,751	0	0	0	11,692	74,443
Due from Other Governments	0	40,192	0	0	0	0	40,192
Due from Other Funds	0	38,799	0	0	0	0	38,799
Property Taxes Receivable	0	871,467	192,066	0	0	0	1,063,533
Allowance for Uncollectible Property Taxes	0	(45,409)	(34,242)	0	0	0	(79,651)
Total Assets	$ 406,269	$ 1,942,506	$ 239,892	$ 619,357	$ 116,931	$ 281,629	$ 3,606,584
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	$ 8,400	$ 32,603	$ 0	$ 0	$ 0	$ 0	$ 41,003
Payroll Deductions Payable	0	3,773	0	0	0	0	3,773
Due to Other Funds	0	0	0	0	0	23,294	23,294
Due to State of Tennessee	0	373	0	0	0	0	373
Deferred Revenue - Current Property Taxes	0	765,377	115,936	0	0	0	881,313
Deferred Revenue - Delinquent Property Taxes	0	58,045	41,887	0	0	0	99,932
Other Deferred Revenues	0	6,730	0	0	0	0	6,730
Total Liabilities	$ 8,400	$ 866,901	$ 157,823	$ 0	$ 0	$ 23,294	$ 1,056,418
Fund Balances							
Reserved for Encumbrances	$ 0	$ 14,743	$ 0	$ 1,424	$ 0	$ 0	$ 16,167
Unreserved	397,869	1,060,862	82,069	617,933	116,931	258,335	2,533,999
Total Fund Balances	$ 397,869	$ 1,075,605	$ 82,069	$ 619,357	$ 116,931	$ 258,335	$ 2,550,166
Total Liabilities and Fund Balances	$ 406,269	$ 1,942,506	$ 239,892	$ 619,357	$ 116,931	$ 281,629	$ 3,606,584

(Continued)

Exhibit G-1

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

	Debt Service Funds					Capital Projects Fund	Total
	General Debt Service	Rural Debt Service	Education Debt Service	Other Debt Service -	Total	General Capital Projects	Nonmajor Governmental Funds
ASSETS							
Cash	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 676,206
Equity in Pooled Cash and Investments	108,970	517,531	233,714	1,111,213	1,971,428	272,581	4,037,071
Accounts Receivable	0	0	0	0	0	0	74,443
Due from Other Governments	0	118,705	0	123,652	242,357	89,029	371,578
Due from Other Funds	0	0	0	0	0	0	38,799
Property Taxes Receivable	694,764	497,808	483,401	0	1,675,973	0	2,739,506
Allowance for Uncollectible Property Taxes	(15,611)	(25,943)	(17,366)	0	(58,920)	0	(138,571)
Total Assets	$ 788,123	$ 1,108,101	$ 699,749	$ 1,234,865	$ 3,830,838	$ 361,610	$ 7,799,032
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 41,003
Payroll Deductions Payable	0	0	0	0	0	0	3,773
Due to Other Funds	0	0	0	0	0	0	23,294
Due to State of Tennessee	0	0	0	0	0	0	373
Deferred Revenue - Current Property Taxes	658,926	437,190	442,919	0	1,539,035	0	2,420,348
Deferred Revenue - Delinquent Property Taxes	17,525	33,169	20,869	0	71,563	0	171,495
Other Deferred Revenues	0	26,921	0	28,043	54,964	20,191	81,885
Total Liabilities	$ 676,451	$ 497,280	$ 463,788	$ 28,043	$ 1,665,562	$ 20,191	$ 2,742,171
Fund Balances							
Reserved for Encumbrances	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 16,167
Unreserved	111,672	610,821	235,961	1,206,822	2,165,276	341,419	5,040,694
Total Fund Balances	$ 111,672	$ 610,821	$ 235,961	$ 1,206,822	$ 2,165,276	$ 341,419	$ 5,056,861
Total Liabilities and Fund Balances	$ 788,123	$ 1,108,101	$ 699,749	$ 1,234,865	$ 3,830,838	$ 361,610	$ 7,799,032

Exhibit G-2

Coffee County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue Funds							
	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Commissary	Constitu - tional Officers - Fees	Total
Revenues								
Local Taxes	$ 0	$ 1,127,732	$ 134,728	$ 0	$ 0	$ 0	$ 0	$ 1,262,460
Licenses and Permits	0	6,943	0	0	0	0	0	6,943
Fines, Forfeitures, and Penalties	0	0	0	217,663	0	0	0	217,663
Charges for Current Services	88,540	79,213	0	0	0	5,171	1,374,130	1,547,054
Other Local Revenues	5,094	56,737	0	32,135	200	63,478	0	157,644
State of Tennessee	0	80,894	0	38	0	0	0	80,932
Federal Government	0	0	0	10,814	0	0	0	10,814
Other Governments and Citizens Groups	34,478	0	0	0	49,616	0	0	84,094
Total Revenues	$ 128,112	$ 1,351,519	$ 134,728	$ 260,650	$ 49,816	$ 68,649	$ 1,374,130	$ 3,367,604
Expenditures								
Current:								
General Government	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 171,168	$ 171,168
Finance	0	0	0	0	0	0	420,150	420,150
Administration of Justice	0	0	0	0	30,444	0	800,896	831,340
Public Safety	0	0	0	159,717	0	77,579	66	237,362
Public Health and Welfare	0	1,249,796	0	0	0	0	0	1,249,796
Social, Cultural, and Recreational Services	997,566	0	0	0	0	0	0	997,566
Other Operations	0	24,422	77,695	0	0	0	0	102,117
Debt Service:								
Principal on Debt	0	0	112,500	0	0	0	0	112,500
Interest on Debt	0	0	4,020	0	0	0	0	4,020
Other Debt Service	0	0	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0	0	0
Total Expenditures	$ 997,566	$ 1,274,218	$ 194,215	$ 159,717	$ 30,444	$ 77,579	$ 1,392,280	$ 4,126,019
Excess (Deficiency) of Revenues Over Expenditures	$ (869,454)	$ 77,301	$ (59,487)	$ 100,933	$ 19,372	$ (8,930)	$ (18,150)	$ (758,415)
Other Financing Sources (Uses)								
Refunding Debt Issued	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Premiums on Debt Issued	0	0	0	0	0	0	0	0

(Continued)

Exhibit G-2

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

	Special Revenue Funds							
	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Commissary	Constitu - tional Officers - Fees	Total
Other Financing Sources (Uses) (Cont.)								
Transfers In	$ 878,325	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 878,325
Transfers Out	0	0	0	0	0	(38,260)	0	(38,260)
Payments to Refunded Debt Escrow Agent	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	$ 878,325	$ 0	$ 0	$ 0	$ 0	$ (38,260)	$ 0	$ 840,065
Net Change in Fund Balances	$ 8,871	$ 77,301	$ (59,487)	$ 100,933	$ 19,372	$ (47,190)	$ (18,150)	$ 81,650
Fund Balance, July 1, 2009	388,998	998,304	141,556	518,424	97,559	47,190	276,485	2,468,516
Fund Balance, June 30, 2010	$ 397,869	$ 1,075,605	$ 82,069	$ 619,357	$ 116,931	$ 0	$ 258,335	$ 2,550,166

(Continued)

Exhibit G-2

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

	Debt Service Funds					Capital Projects Funds			Total
	General Debt Service	Rural Debt Service	Education Debt Service	Other Debt Service -	Total	General Capital Projects	Other Capital Projects	Total	Nonmajor Governmental Funds
Revenues									
Local Taxes	$ 657,642	$ 796,045	$ 445,160	$ 360,713	$ 2,259,560	$ 259,712	$ 0	$ 259,712	$ 3,781,732
Licenses and Permits	0	0	0	0	0	0	0	0	6,943
Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	0	217,663
Charges for Current Services	0	0	0	0	0	0	160,000	160,000	1,707,054
Other Local Revenues	289,219	42,477	0	0	331,696	0	0	0	489,340
State of Tennessee	0	0	0	0	0	5,572	0	5,572	86,504
Federal Government	0	0	0	0	0	0	0	0	10,814
Other Governments and Citizens Groups	0	0	0	0	0	0	0	0	84,094
Total Revenues	$ 946,861	$ 838,522	$ 445,160	$ 360,713	$ 2,591,256	$ 265,284	$ 160,000	$ 425,284	$ 6,384,144
Expenditures									
Current:									
General Government	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 171,168
Finance	0	0	0	0	0	0	0	0	420,150
Administration of Justice	0	0	0	0	0	0	0	0	831,340
Public Safety	0	0	0	0	0	0	0	0	237,362
Public Health and Welfare	0	0	0	0	0	0	136,865	136,865	1,386,661
Social, Cultural, and Recreational Services	0	0	0	0	0	0	0	0	997,566
Other Operations	0	0	0	0	0	0	0	0	102,117
Debt Service:									
Principal on Debt	909,000	423,300	295,000	0	1,627,300	0	141,667	141,667	1,881,467
Interest on Debt	326,267	82,261	136,425	0	544,953	0	1,608	1,608	550,581
Other Debt Service	69,370	14,328	10,363	3,495	97,556	0	0	0	97,556
Capital Projects	0	0	0	0	0	149,282	0	149,282	149,282
Total Expenditures	$ 1,304,637	$ 519,889	$ 441,788	$ 3,495	$ 2,269,809	$ 149,282	$ 280,140	$ 429,422	$ 6,825,250
Excess (Deficiency) of Revenues Over Expenditures	$ (357,776)	$ 318,633	$ 3,372	$ 357,218	$ 321,447	$ 116,002	$ (120,140)	$ (4,138)	$ (441,106)
Other Financing Sources (Uses)									
Refunding Debt Issued	$ 1,500,000	$ 0	$ 0	$ 0	$ 1,500,000	$ 0	$ 0	$ 0	$ 1,500,000
Premiums on Debt Issued	45,840	0	0	0	45,840	0	0	0	45,840

(Continued)

Exhibit G-2

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

	Debt Service Funds					Capital Projects Funds			Total
	General Debt Service	Rural Debt Service	Education Debt Service	Other Debt Service -	Total	General Capital Projects	Other Capital Projects	Total	Nonmajor Governmental Funds
Other Financing Sources (Uses) (Cont.)									
Transfers In	$ 153,572	$ 0	$ 0	$ 0	$ 153,572	$ 0	$ 0	$ 0	$ 1,031,897
Transfers Out	0	0	0	0	0	(153,572)	0	(153,572)	(191,832)
Payments to Refunded Debt Escrow Agent	(1,500,000)	0	0	0	(1,500,000)	0	0	0	(1,500,000)
Total Other Financing Sources (Uses)	$ 199,412	$ 0	$ 0	$ 0	$ 199,412	$ (153,572)	$ 0	$ (153,572)	$ 885,905
Net Change in Fund Balances	$ (158,364)	$ 318,633	$ 3,372	$ 357,218	$ 520,859	$ (37,570)	$ (120,140)	$ (157,710)	$ 444,799
Fund Balance, July 1, 2009	270,036	292,188	232,589	849,604	1,644,417	378,989	120,140	499,129	4,612,062
Fund Balance, June 30, 2010	$ 111,672	$ 610,821	$ 235,961	$ 1,206,822	$ 2,165,276	$ 341,419	$ 0	$ 341,419	$ 5,056,861

Exhibit G-3

Coffee 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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 1,127,732	$ 0	$ 0	$ 1,127,732	$ 1,098,125	$ 1,098,125	$ 29,607
Licenses and Permits	6,943	0	0	6,943	6,000	6,000	943
Charges for Current Services	79,213	0	0	79,213	102,346	102,346	(23,133)
Other Local Revenues	56,737	0	0	56,737	22,550	22,550	34,187
State of Tennessee	80,894	0	0	80,894	86,926	86,926	(6,032)
Total Revenues	$ 1,351,519	$ 0	$ 0	$ 1,351,519	$ 1,315,947	$ 1,315,947	$ 35,572
Expenditures							
Public Health and Welfare							
Sanitation Management	$ 153,581	$ (568)	$ 0	$ 153,013	$ 165,742	$ 165,742	$ 12,729
Waste Pickup	642,251	0	3,424	645,675	702,970	702,970	57,295
Convenience Centers	372,409	0	11,319	383,728	331,289	431,289	47,561
Other Waste Collection	81,555	0	0	81,555	102,010	122,010	40,455
Other Waste Disposal	0	0	0	0	4,500	4,500	4,500
Other Operations							
Other Charges	24,422	0	0	24,422	24,422	24,422	0
Total Expenditures	$ 1,274,218	$ (568)	$ 14,743	$ 1,288,393	$ 1,330,933	$ 1,450,933	$ 162,540
Excess (Deficiency) of Revenues Over Expenditures	$ 77,301	$ 568	$ (14,743)	$ 63,126	$ (14,986)	$ (134,986)	$ 198,112
Net Change in Fund Balance	$ 77,301	$ 568	$ (14,743)	$ 63,126	$ (14,986)	$ (134,986)	$ 198,112
Fund Balance, July 1, 2009	998,304	(568)	0	997,736	997,739	997,739	(3)
Fund Balance, June 30, 2010	$ 1,075,605	$ 0	$ (14,743)	$ 1,060,862	$ 982,753	$ 862,753	$ 198,109

Exhibit G-4

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 134,728	$ 137,324	$ 137,324	$ (2,596)
Total Revenues	$ 134,728	$ 137,324	$ 137,324	$ (2,596)
Expenditures				
Other Operations				
Industrial Development	$ 77,695	$ 79,000	$ 79,000	$ 1,305
Principal on Debt				
General Government	112,500	22,500	135,000	22,500
Interest on Debt				
General Government	4,020	4,163	8,663	4,643
Total Expenditures	$ 194,215	$ 105,663	$ 222,663	$ 28,448
Excess (Deficiency) of Revenues Over Expenditures	$ (59,487)	$ 31,661	$ (85,339)	$ 25,852
Net Change in Fund Balance	$ (59,487)	$ 31,661	$ (85,339)	$ 25,852
Fund Balance, July 1, 2009	141,556	141,556	141,556	0
Fund Balance, June 30, 2010	$ 82,069	$ 173,217	$ 56,217	$ 25,852

Exhibit G-5

Coffee 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, 2010

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Fines, Forfeitures, and Penalties	$ 217,663	$ 0	$ 217,663	$ 125,000	$ 125,000	$ 92,663
Other Local Revenues	32,135	0	32,135	0	22,356	9,779
State of Tennessee	38	0	38	0	0	38
Federal Government	10,814	0	10,814	0	10,814	0
Total Revenues	$ 260,650	$ 0	$ 260,650	$ 125,000	$ 158,170	$ 102,480
Expenditures						
Public Safety						
Drug Enforcement	$ 159,717	$ 1,424	$ 161,141	$ 99,500	$ 202,555	$ 41,414
Total Expenditures	$ 159,717	$ 1,424	$ 161,141	$ 99,500	$ 202,555	$ 41,414
Excess (Deficiency) of Revenues Over Expenditures	$ 100,933	$ (1,424)	$ 99,509	$ 25,500	$ (44,385)	$ 143,894
Other Financing Sources (Uses)						
Insurance Recovery	$ 0	$ 0	$ 0	$ 0	$ 31,145	$ (31,145)
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 0	$ 0	$ 31,145	$ (31,145)
Net Change in Fund Balance	$ 100,933	$ (1,424)	$ 99,509	$ 25,500	$ (13,240)	$ 112,749
Fund Balance, July 1, 2009	518,424	0	518,424	518,324	518,324	100
Fund Balance, June 30, 2010	$ 619,357	$ (1,424)	$ 617,933	$ 543,824	$ 505,084	$ 112,849

Exhibit G-6

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Commissary Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Charges for Current Services	$ 5,171	$ 0	$ 5,171	$ 7,000	$ 7,000	$ (1,829)
Other Local Revenues	63,478	0	63,478	108,000	108,000	(44,522)
Total Revenues	$ 68,649	$ 0	$ 68,649	$ 115,000	$ 115,000	$ (46,351)
Expenditures						
Public Safety						
Commissary	$ 77,579	$ (630)	$ 76,949	$ 112,125	$ 112,125	$ 35,176
Total Expenditures	$ 77,579	$ (630)	$ 76,949	$ 112,125	$ 112,125	$ 35,176
Excess (Deficiency) of Revenues Over Expenditures	$ (8,930)	$ 630	$ (8,300)	$ 2,875	$ 2,875	$ (11,175)
Other Financing Sources (Uses)						
Transfers Out	$ (38,260)	$ 0	$ (38,260)	$ 0	$ (38,260)	$ 0
Total Other Financing Sources (Uses)	$ (38,260)	$ 0	$ (38,260)	$ 0	$ (38,260)	$ 0
Net Change in Fund Balance	$ (47,190)	$ 630	$ (46,560)	$ 2,875	$ (35,385)	$ (11,175)
Fund Balance, July 1, 2009	47,190	(630)	46,560	46,561	46,561	(1)
Fund Balance, June 30, 2010	$ 0	$ 0	$ 0	$ 49,436	$ 11,176	$ (11,176)

Exhibit G-7

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 657,642	$ 688,073	$ 688,073	$ (30,431)
Other Local Revenues	289,219	400,240	300,240	(11,021)
Total Revenues	$ 946,861	$ 1,088,313	$ 988,313	$ (41,452)
Expenditures				
Principal on Debt				
General Government	$ 909,000	$ 909,000	$ 909,000	$ 0
Interest on Debt				
General Government	326,267	358,000	357,468	31,201
Other Debt Service				
General Government	69,370	23,500	69,872	502
Total Expenditures	$ 1,304,637	$ 1,290,500	$ 1,336,340	$ 31,703
Excess (Deficiency) of Revenues Over Expenditures	$ (357,776)	$ (202,187)	$ (348,027)	$ (9,749)
Other Financing Sources (Uses)				
Refunding Debt Issued	$ 1,500,000	$ 0	$ 1,500,000	$ 0
Premiums on Debt Issued	45,840	0	45,840	0
Transfers In	153,572	0	150,000	3,572
Payments to Refunded Debt Escrow Agent	(1,500,000)	0	(1,500,000)	0
Total Other Financing Sources (Uses)	$ 199,412	$ 0	$ 195,840	$ 3,572
Net Change in Fund Balance	$ (158,364)	$ (202,187)	$ (152,187)	$ (6,177)
Fund Balance, July 1, 2009	270,036	270,037	270,037	(1)
Fund Balance, June 30, 2010	$ 111,672	$ 67,850	$ 117,850	$ (6,178)

Exhibit G-8

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural Debt Service Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 796,045	$ 824,672	$ 824,672	$ (28,627)
Other Local Revenues	42,477	0	0	42,477
Total Revenues	$ 838,522	$ 824,672	$ 824,672	$ 13,850
Expenditures				
Principal on Debt				
Education	$ 423,300	$ 423,330	$ 423,330	$ 30
Interest on Debt				
Education	82,261	83,000	83,000	739
Other Debt Service				
General Government	0	16,000	0	0
Education	14,328	0	16,000	1,672
Total Expenditures	$ 519,889	$ 522,330	$ 522,330	$ 2,441
Excess (Deficiency) of Revenues Over Expenditures	$ 318,633	$ 302,342	$ 302,342	$ 16,291
Net Change in Fund Balance	$ 318,633	$ 302,342	$ 302,342	$ 16,291
Fund Balance, July 1, 2009	292,188	292,187	292,187	1
Fund Balance, June 30, 2010	$ 610,821	$ 594,529	$ 594,529	$ 16,292

Exhibit G-9

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Debt Service Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 445,160	$ 445,887	$ 445,887	$ (727)
Total Revenues	$ 445,160	$ 445,887	$ 445,887	$ (727)
Expenditures				
Principal on Debt				
Education	$ 295,000	$ 295,000	$ 295,000	$ 0
Interest on Debt				
Education	136,425	136,425	136,425	0
Other Debt Service				
General Government	0	12,200	0	0
Education	10,363	0	12,200	1,837
Total Expenditures	$ 441,788	$ 443,625	$ 443,625	$ 1,837
Excess (Deficiency) of Revenues Over Expenditures	$ 3,372	$ 2,262	$ 2,262	$ 1,110
Net Change in Fund Balance	$ 3,372	$ 2,262	$ 2,262	$ 1,110
Fund Balance, July 1, 2009	232,589	232,588	232,588	1
Fund Balance, June 30, 2010	$ 235,961	$ 234,850	$ 234,850	$ 1,111

Exhibit G-10

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Debt Service Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 360,713	$ 360,809	$ 360,809	$ (96)
Total Revenues	$ 360,713	$ 360,809	$ 360,809	$ (96)
Expenditures				
Other Debt Service				
General Government	$ 0	$ 4,500	$ 0	$ 0
Education	3,495	0	4,500	1,005
Total Expenditures	$ 3,495	$ 4,500	$ 4,500	$ 1,005
Excess (Deficiency) of Revenues Over Expenditures	$ 357,218	$ 356,309	$ 356,309	$ 909
Net Change in Fund Balance	$ 357,218	$ 356,309	$ 356,309	$ 909
Fund Balance, July 1, 2009	849,604	849,605	849,605	(1)
Fund Balance, June 30, 2010	$ 1,206,822	$ 1,205,914	$ 1,205,914	$ 908

Major Governmental Fund

Special Debt Service Fund

The Special 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 of future school construction and renovation projects to be financed with the first-half of the additional three-fourths cent sales tax approved in 2007.

Exhibit H

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Debt Service Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,293,733	$ 1,365,387	$ 1,365,387	$ (71,654)
Federal Government	376,132	0	376,132	0
Total Revenues	$ 1,669,865	$ 1,365,387	$ 1,741,519	$ (71,654)
Expenditures				
Principal on Debt				
Education	$ 425,000	$ 425,000	$ 425,000	$ 0
Interest on Debt				
Education	1,409,600	1,201,918	1,578,050	168,450
Other Debt Service				
General Government	0	15,000	0	0
Education	12,931	0	15,000	2,069
Total Expenditures	$ 1,847,531	$ 1,641,918	$ 2,018,050	$ 170,519
Excess (Deficiency) of Revenues Over Expenditures	$ (177,666)	$ (276,531)	$ (276,531)	$ 98,865
Net Change in Fund Balance	$ (177,666)	$ (276,531)	$ (276,531)	$ 98,865
Fund Balance, July 1, 2009	2,635,663	2,635,663	2,635,663	0
Fund Balance, June 30, 2010	$ 2,457,997	$ 2,359,132	$ 2,359,132	$ 98,865

Fiduciary Funds

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

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

City School ADA - Tullahoma Fund – The City School ADA - Tullahoma Fund is used to account for the Tullahoma City School's share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis.

City School ADA - Manchester Fund – The City School ADA - Manchester Fund is used to account for the Manchester City School's share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance 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.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues held in trust for the benefit of the Fourteenth Judicial District Drug Task Force.

Exhibit I-1

Coffee County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2010

	Agency Funds					
	Cities - Sales Tax	City School ADA-Tullahoma Fund	City School ADA-Manchester Fund	Constitu-tional Officers - Agency	Judicial District Drug Fund	Total
ASSETS						
Cash	$ 0	$ 0	$ 0	$ 1,978,752	$ 0	$ 1,978,752
Equity in Pooled Cash and Investments	0	44,622	19,888	0	226,079	290,589
Due from Other Governments	2,305,593	259	116	0	7,702	2,313,670
Property Taxes Receivable	0	4,662,033	2,320,521	0	0	6,982,554
Allowance for Uncollectible Property Taxes	0	(113,859)	(52,258)	0	0	(166,117)
Total Assets	$ 2,305,593	$ 4,593,055	$ 2,288,267	$ 1,978,752	$ 233,781	$ 11,399,448
LIABILITIES						
Accounts Payable	$ 0	$ 0	$ 0	$ 0	$ 538	$ 538
Payroll Deductions Payable	0	0	0	0	1,346	1,346
Due to State of Tennessee	0	0	0	0	126	126
Due to Other Taxing Units	2,305,593	4,593,055	2,288,267	0	0	9,186,915
Due to Litigants, Heirs, and Others	0	0	0	1,978,752	0	1,978,752
Due to Joint Ventures	0	0	0	0	231,771	231,771
Total Liabilities	$ 2,305,593	$ 4,593,055	$ 2,288,267	$ 1,978,752	$ 233,781	$ 11,399,448

Exhibit I-2

Coffee County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 12,648,864	$ 12,648,864	$ 0
Due from Other Governments	1,164,314	2,305,593	1,164,314	2,305,593
Total Assets	$ 1,164,314	$ 14,954,457	$ 13,813,178	$ 2,305,593
Liabilities				
Due to Other Taxing Units	$ 1,164,314	$ 14,954,457	$ 13,813,178	$ 2,305,593
Total Liabilities	$ 1,164,314	$ 14,954,457	$ 13,813,178	$ 2,305,593
City School ADA-Tullahoma Fund				
Assets				
Equity in Pooled Cash and Investments	$ 48,662	$ 4,883,863	$ 4,887,903	$ 44,622
Due from Other Governments	403	259	403	259
Property Taxes Receivable	5,104,793	4,662,033	5,104,793	4,662,033
Allowance for Uncollectible Property Taxes	(118,760)	118,760	113,859	(113,859)
Total Assets	$ 5,035,098	$ 9,664,915	$ 10,106,958	$ 4,593,055
Liabilities				
Due to Other Taxing Units	$ 5,035,098	$ 9,664,915	$ 10,106,958	$ 4,593,055
Total Liabilities	$ 5,035,098	$ 9,664,915	$ 10,106,958	$ 4,593,055
City School ADA-Manchester Fund				
Assets				
Equity in Pooled Cash and Investments	$ 20,643	$ 2,179,490	$ 2,180,245	$ 19,888
Due from Other Governments	171	116	171	116
Property Taxes Receivable	2,164,326	2,320,521	2,164,326	2,320,521
Allowance for Uncollectible Property Taxes	(49,929)	49,929	52,258	(52,258)
Total Assets	$ 2,135,211	$ 4,550,056	$ 4,397,000	$ 2,288,267
Liabilities				
Due to Other Taxing Units	$ 2,135,211	$ 4,550,056	$ 4,397,000	$ 2,288,267
Total Liabilities	$ 2,135,211	$ 4,550,056	$ 4,397,000	$ 2,288,267
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 1,672,914	$ 9,663,823	$ 9,357,985	$ 1,978,752
Total Assets	$ 1,672,914	$ 9,663,823	$ 9,357,985	$ 1,978,752
Liabilities				
Due to Litigants, Heirs, and Others	$ 1,672,914	$ 9,663,823	$ 9,357,985	$ 1,978,752
Total Liabilities	$ 1,672,914	$ 9,663,823	$ 9,357,985	$ 1,978,752

(Continued)

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
Judicial District Drug Fund				
Assets				
Equity in Pooled Cash and Investments	$ 261,220	$ 372,347	$ 407,488	$ 226,079
Due from Other Governments	29,611	7,702	29,611	7,702
Total Assets	$ 290,831	$ 380,049	$ 437,099	$ 233,781
Liabilities				
Accounts Payable	$ 338	$ 538	$ 338	$ 538
Payroll Deductions Payable	1,326	1,346	1,326	1,346
Due to State of Tennessee	78	126	78	126
Due to Joint Ventures	289,089	378,039	435,357	231,771
Total Liabilities	$ 290,831	$ 380,049	$ 437,099	$ 233,781
Totals - All Agency Funds				
Assets				
Cash	$ 1,672,914	$ 9,663,823	$ 9,357,985	$ 1,978,752
Equity in Pooled Cash and Investments	330,525	20,084,564	20,124,500	290,589
Due from Other Governments	1,194,499	2,313,670	1,194,499	2,313,670
Property Taxes Receivable	7,269,119	6,982,554	7,269,119	6,982,554
Allowance for Uncollectible Property Taxes	(168,689)	168,689	166,117	(166,117)
Total Assets	$ 10,298,368	$ 39,213,300	$ 38,112,220	$ 11,399,448
Liabilities				
Accounts Payable	$ 338	$ 538	$ 338	$ 538
Payroll Deductions Payable	1,326	1,346	1,326	1,346
Due to State of Tennessee	78	126	78	126
Due to Other Taxing Units	8,334,623	29,169,428	28,317,136	9,186,915
Due to Litigants, Heirs, and Others	1,672,914	9,663,823	9,357,985	1,978,752
Due to Joint Ventures	289,089	378,039	435,357	231,771
Total Liabilities	$ 10,298,368	$ 39,213,300	$ 38,112,220	$ 11,399,448

Coffee County School Department

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

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

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

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

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

Exhibit J-1

Coffee County, Tennessee
Statement of Activities
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Total Governmental Activities
Governmental Activities:					
Instruction	$ 23,352,844	$ 80,871	$ 2,308,283	$ 13,234,866	$ (7,728,824)
Support Services	10,442,771	0	0	0	(10,442,771)
Operation of Non-Instructional Services	2,744,209	879,152	1,521,089	0	(343,968)
Interest on Long-term Debt	4,389	0	0	0	(4,389)
Other Debt Service	2,746	0	0	0	(2,746)
Total Governmental Activities	$ 36,546,959	$ 960,023	$ 3,829,372	$ 13,234,866	$ (18,522,698)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					$ 7,311,805
Local Option Sales Taxes					3,442,918
Other Local Taxes					2,009
Grants and Contributions Not Restricted to Specific Programs					19,288,137
Unrestricted Investment Earnings					1,773
Miscellaneous					25,027
Sale of Equipment					3,127
Total General Revenues					$ 30,074,796
Change in Net Assets					$ 11,552,098
Net Assets, July 1, 2009					15,767,504
Net Assets, June 30, 2010					$ 27,319,602

Exhibit J-2

Coffee County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Coffee County School Department
June 30, 2010

	Major Funds		Nonmajor Funds	
	General Purpose School	Other Capital Projects	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS				
Cash	$ 186	$ 0	$ 7,887	$ 8,073
Equity in Pooled Cash and Investments	3,743,974	2,834,004	1,035,771	7,613,749
Accounts Receivable	62,861	0	235	63,096
Due from Other Governments	861,813	0	233,255	1,095,068
Due from Other Funds	0	0	52	52
Property Taxes Receivable	7,779,591	0	0	7,779,591
Allowance for Uncollectible Property Taxes	(179,979)	0	0	(179,979)
Total Assets	$ 12,268,446	$ 2,834,004	$ 1,277,200	$ 16,379,650
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	$ 40,140	$ 1,800	$ 0	$ 41,940
Accrued Payroll	2,077,932	0	192,218	2,270,150
Payroll Deductions Payable	798,439	0	60,076	858,515
Contracts Payable	0	876,661	0	876,661
Claims and Judgments Payable	205,931	0	0	205,931
Due to Other Funds	52	0	0	52
Other Current Liabilities	209	0	0	209
Deferred Revenue - Current Property Taxes	7,359,341	0	0	7,359,341
Deferred Revenue - Delinquent Property Taxes	208,400	0	0	208,400
Other Deferred Revenues	309,261	0	0	309,261
Total Liabilities	$ 10,999,705	$ 878,461	$ 252,294	$ 12,130,460
Fund Balances				
Reserved for Encumbrances	$ 145,442	$ 2,319,316	$ 270,790	$ 2,735,548
Other Local Education Reserves	17,535	0	0	17,535
Reserved for Career Ladder Program	908	0	0	908
Reserved for Basic Education Program	197,741	0	0	197,741
Reserved for Title I Grants to Local Education Agencies	0	0	5,150	5,150
Reserved for Special Education - Grants to States	0	0	52	52
Other Federal Reserves	0	0	20	20
Unreserved, Reported In:				
General Fund	907,115	0	0	907,115
Special Revenue Funds	0	0	748,894	748,894
Capital Projects Funds (Deficit)	0	(363,773)	0	(363,773)
Total Fund Balances	$ 1,268,741	$ 1,955,543	$ 1,024,906	$ 4,249,190
Total Liabilities and Fund Balances	$ 12,268,446	$ 2,834,004	$ 1,277,200	$ 16,379,650

Exhibit J-3

Coffee County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Coffee County School Department
June 30, 2010

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)		$ 4,249,190
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in in the governmental funds.		
Add: land	$ 1,438,853	
Add: construction in progress	8,561,972	
Add: buildings and improvements net of accumulated depreciation	13,713,918	
Add: other capital assets net of accumulated depreciation	1,741,518	25,456,261
(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	$ (509,112)	
Less: compensated absences payable	(49,021)	
Less: other postemployment benefits liability	(2,343,161)	
Less: accrued interest on notes	(2,216)	(2,903,510)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		517,661
Net assets of governmental activities (Exhibit A)		$ 27,319,602

Exhibit J-4

Coffee County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2010

	Major Funds		Nonmajor Funds	
	General Purpose School	Other Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues				
Local Taxes	$ 10,743,743	$ 0	$ 0	$ 10,743,743
Licenses and Permits	1,872	0	0	1,872
Charges for Current Services	174,265	0	782,032	956,297
Other Local Revenues	62,362	300	3,111	65,773
State of Tennessee	18,990,262	0	25,491	19,015,753
Federal Government	123,974	0	3,943,790	4,067,764
Other Governments and Citizens Groups	0	13,234,866	0	13,234,866
Total Revenues	$ 30,096,478	$ 13,235,166	$ 4,754,424	$ 48,086,068
Expenditures				
Current:				
Instruction	$ 19,079,039	$ 14,537	$ 1,866,582	$ 20,960,158
Support Services	9,870,583	392	339,803	10,210,778
Operation of Non-Instructional Services	812,618	0	2,175,451	2,988,069
Capital Outlay	120,969	0	0	120,969
Debt Service:				
Principal on Debt	148,777	0	0	148,777
Interest on Debt	6,516	0	0	6,516
Other Debt Service	2,746	0	0	2,746
Capital Projects	0	11,441,864	0	11,441,864
Total Expenditures	$ 30,041,248	$ 11,456,793	$ 4,381,836	$ 45,879,877
Excess (Deficiency) of Revenues Over Expenditures	$ 55,230	$ 1,778,373	$ 372,588	$ 2,206,191
Other Financing Sources (Uses)				
Transfers In	$ 18,685	$ 0	$ 0	$ 18,685
Transfers Out	0	0	(18,685)	(18,685)
Total Other Financing Sources (Uses)	$ 18,685	$ 0	$ (18,685)	$ 0
Net Change in Fund Balances	$ 73,915	$ 1,778,373	$ 353,903	$ 2,206,191
Fund Balance, July 1, 2009	1,194,826	177,170	671,003	2,042,999
Fund Balance, June 30, 2010	$ 1,268,741	$ 1,955,543	$ 1,024,906	$ 4,249,190

Exhibit J-5

Coffee County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2010

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)		$ 2,206,191
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	$ 10,690,434	
Less: current year depreciation expense	(649,943)	10,040,491
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets		
Less: loss on disposal of capital assets		(2,781)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2010	$ 517,661	
Less: deferred delinquent property taxes and other deferred June 30, 2009	(504,672)	12,989
(4) The issuance of long-term debt (e.g., bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on notes		148,777
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	$ 2,127	
Change in compensated absences payable	(7,706)	
Change in other postemployment benefits liability	(847,990)	(853,569)
Change in net assets of governmental activities (Exhibit B)		$ 11,552,098

Exhibit J-6

Coffee County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Coffee County School Department
June 30, 2010

	Special Revenue Funds		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
ASSETS			
Cash	$ 0	$ 7,887	$ 7,887
Equity in Pooled Cash and Investments	176,664	859,107	1,035,771
Accounts Receivable	0	235	235
Due from Other Governments	233,000	255	233,255
Due from Other Funds	52	0	52
Total Assets	$ 409,716	$ 867,484	$ 1,277,200
LIABILITIES AND FUND BALANCES			
Liabilities			
Accrued Payroll	$ 125,814	$ 66,404	$ 192,218
Payroll Deductions Payable	37,467	22,609	60,076
Total Liabilities	$ 163,281	$ 89,013	$ 252,294
Fund Balances			
Reserved for Encumbrances	$ 241,213	$ 29,577	$ 270,790
Reserved for Title I Grants to Local Education Agencies	5,150	0	5,150
Reserved for Special Education - Grants to States	52	0	52
Other Federal Reserves	20	0	20
Unreserved	0	748,894	748,894
Total Fund Balances	$ 246,435	$ 778,471	$ 1,024,906
Total Liabilities and Fund Balances	$ 409,716	$ 867,484	$ 1,277,200

Exhibit J-7

Coffee County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2010

	Special Revenue Funds		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
Revenues			
Charges for Current Services	$ 0	$ 782,032	$ 782,032
Other Local Revenues	0	3,111	3,111
State of Tennessee	0	25,491	25,491
Federal Government	2,446,692	1,497,098	3,943,790
Total Revenues	$ 2,446,692	$ 2,307,732	$ 4,754,424
Expenditures			
Current:			
Instruction	$ 1,866,582	$ 0	$ 1,866,582
Support Services	339,803	0	339,803
Operation of Non-Instructional Services	0	2,175,451	2,175,451
Total Expenditures	$ 2,206,385	$ 2,175,451	$ 4,381,836
Excess (Deficiency) of Revenues Over Expenditures	$ 240,307	$ 132,281	$ 372,588
Other Financing Sources (Uses)			
Transfers Out	$ (18,685)	$ 0	$ (18,685)
Total Other Financing Sources (Uses)	$ (18,685)	$ 0	$ (18,685)
Net Change in Fund Balances	$ 221,622	$ 132,281	$ 353,903
Fund Balance, July 1, 2009	24,813	646,190	671,003
Fund Balance, June 30, 2010	$ 246,435	$ 778,471	$ 1,024,906

Exhibit J-8

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
General Purpose School Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 10,743,743	$ 0	$ 0	$ 10,743,743	$ 11,193,701	$ 10,738,701	$ 5,042
Licenses and Permits	1,872	0	0	1,872	2,000	2,000	(128)
Charges for Current Services	174,265	0	0	174,265	263,000	263,000	(88,735)
Other Local Revenues	62,362	0	0	62,362	34,500	63,859	(1,497)
State of Tennessee	18,990,262	0	0	18,990,262	18,718,770	19,018,291	(28,029)
Federal Government	123,974	0	0	123,974	155,980	204,480	(80,506)
Total Revenues	$ 30,096,478	$ 0	$ 0	$ 30,096,478	$ 30,367,951	$ 30,290,331	$ (193,853)
Expenditures							
Instruction							
Regular Instruction Program	$ 15,094,979	$ (13,612)	$ 64,420	$ 15,145,787	$ 15,252,884	$ 15,276,236	$ 130,449
Special Education Program	2,655,621	0	10,653	2,666,274	2,699,234	2,699,234	32,960
Vocational Education Program	1,276,244	(1,325)	3,497	1,278,416	1,284,087	1,284,087	5,671
Student Body Education Program	52,195	0	0	52,195	58,743	58,743	6,548
Support Services							
Attendance	97,890	(40)	0	97,850	88,123	98,937	1,087
Health Services	420,429	(1,129)	49	419,349	440,094	441,594	22,245
Other Student Support	828,624	0	2,843	831,467	917,112	874,375	42,908
Regular Instruction Program	1,069,312	0	0	1,069,312	1,129,740	1,129,740	60,428
Special Education Program	258,336	0	475	258,811	261,935	261,935	3,124
Vocational Education Program	50,188	0	0	50,188	50,495	50,495	307
Other Programs	201,531	0	0	201,531	0	201,531	0
Board of Education	983,083	0	1,190	984,273	955,891	997,821	13,548
Director of Schools	264,943	0	0	264,943	276,357	276,357	11,414

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Office of the Principal	$ 1,443,518	$ (400)	$ 0	$ 1,443,118	$ 1,480,673	$ 1,480,673	$ 37,555
Fiscal Services	236,025	(75)	0	235,950	248,012	248,012	12,062
Operation of Plant	1,722,977	(80)	150	1,723,047	1,861,517	1,851,517	128,470
Maintenance of Plant	541,949	0	0	541,949	541,129	558,475	16,526
Transportation	1,751,778	(2,952)	2,375	1,751,201	1,812,604	1,813,334	62,133
Operation of Non-Instructional Services							
Community Services	239,321	(504)	21,953	260,770	268,211	398,461	137,691
Early Childhood Education	573,297	(1,727)	37,837	609,407	605,732	609,407	0
Capital Outlay							
Regular Capital Outlay	120,969	(58,133)	0	62,836	260,577	260,577	197,741
Principal on Debt							
Education	148,777	0	0	148,777	148,829	148,854	77
Interest on Debt							
Education	6,516	0	0	6,516	6,550	6,516	0
Other Debt Service							
Education	2,746	0	0	2,746	0	2,746	0
Total Expenditures	$ 30,041,248	$ (79,977)	$ 145,442	$ 30,106,713	$ 30,648,529	$ 31,029,657	$ 922,944
Excess (Deficiency) of Revenues Over Expenditures	$ 55,230	$ 79,977	$ (145,442)	$ (10,235)	$ (280,578)	$ (739,326)	$ 729,091
Other Financing Sources (Uses)							
Insurance Recovery	$ 0	$ 0	$ 0	$ 0	$ 0	$ 10,000	$ (10,000)

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Other Financing Sources (Uses) (Cont.)							
Transfers In	$ 18,685	$ 0	$ 0	$ 18,685	$ 20,000	$ 20,000	$ (1,315)
Transfers Out	0	0	0	0	0	(6,250)	6,250
Total Other Financing Sources (Uses)	$ 18,685	$ 0	$ 0	$ 18,685	$ 20,000	$ 23,750	$ (5,065)
Net Change in Fund Balance	$ 73,915	$ 79,977	$ (145,442)	$ 8,450	$ (260,578)	$ (715,576)	$ 724,026
Fund Balance, July 1, 2009	1,194,826	(79,977)	0	1,114,849	786,391	786,391	328,458
Fund Balance, June 30, 2010	$ 1,268,741	$ 0	$ (145,442)	$ 1,123,299	$ 525,813	$ 70,815	$ 1,052,484

Exhibit J-9

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
School Federal Projects Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Federal Government	$ 2,446,692	$ 0	$ 0	$ 2,446,692	$ 3,302,853	$ 3,308,139	$ (861,447)
Total Revenues	$ 2,446,692	$ 0	$ 0	$ 2,446,692	$ 3,302,853	$ 3,308,139	$ (861,447)
Expenditures							
Instruction							
Regular Instruction Program	$ 861,009	$ (389)	$ 14,580	$ 875,200	$ 923,297	$ 928,902	$ 53,702
Special Education Program	944,622	0	0	944,622	1,103,074	1,084,116	139,494
Vocational Education Program	60,951	(4,905)	5,415	61,461	58,200	61,652	191
Support Services							
Other Student Support	50,462	0	4,245	54,707	62,820	65,832	11,125
Regular Instruction Program	203,715	(4,400)	15,672	214,987	315,891	310,391	95,404
Special Education Program	82,907	0	0	82,907	559,719	551,897	468,990
Vocational Education Program	2,033	0	947	2,980	3,976	3,976	996
Office of the Principal	686	0	0	686	1,800	800	114
Transportation	0	0	200,354	200,354	270,000	290,354	90,000
Total Expenditures	$ 2,206,385	$ (9,694)	$ 241,213	$ 2,437,904	$ 3,298,777	$ 3,297,920	$ 860,016
Excess (Deficiency) of Revenues Over Expenditures	$ 240,307	$ 9,694	$ (241,213)	$ 8,788	$ 4,076	$ 10,219	$ (1,431)
Other Financing Sources (Uses)							
Transfers Out	$ (18,685)	$ 0	$ 0	$ (18,685)	$ (19,195)	$ (25,339)	$ 6,654
Total Other Financing Sources (Uses)	$ (18,685)	$ 0	$ 0	$ (18,685)	$ (19,195)	$ (25,339)	$ 6,654
Net Change in Fund Balance	$ 221,622	$ 9,694	$ (241,213)	$ (9,897)	$ (15,119)	$ (15,120)	$ 5,223
Fund Balance, July 1, 2009	24,813	(9,694)	0	15,119	24,813	24,813	(9,694)
Fund Balance, June 30, 2010	$ 246,435	$ 0	$ (241,213)	$ 5,222	$ 9,694	$ 9,693	$ (4,471)

Exhibit J-10

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Charges for Current Services	$ 782,032	$ 0	$ 0	$ 782,032	$ 915,370	$ 915,370	$ (133,338)
Other Local Revenues	3,111	0	0	3,111	4,000	4,000	(889)
State of Tennessee	25,491	0	0	25,491	26,000	27,500	(2,009)
Federal Government	1,497,098	0	0	1,497,098	1,254,500	1,417,813	79,285
Total Revenues	$ 2,307,732	$ 0	$ 0	$ 2,307,732	$ 2,199,870	$ 2,364,683	$ (56,951)
Expenditures							
Operation of Non-Instructional Services							
Food Service	$ 2,175,451	$ (6,897)	$ 29,577	$ 2,198,131	$ 2,198,080	$ 2,361,393	$ 163,262
Total Expenditures	$ 2,175,451	$ (6,897)	$ 29,577	$ 2,198,131	$ 2,198,080	$ 2,361,393	$ 163,262
Excess (Deficiency) of Revenues Over Expenditures	$ 132,281	$ 6,897	$ (29,577)	$ 109,601	$ 1,790	$ 3,290	$ 106,311
Net Change in Fund Balance	$ 132,281	$ 6,897	$ (29,577)	$ 109,601	$ 1,790	$ 3,290	$ 106,311
Fund Balance, July 1, 2009	646,190	(6,897)	0	639,293	373,025	373,025	266,268
Fund Balance, June 30, 2010	$ 778,471	$ 0	$ (29,577)	$ 748,894	$ 374,815	$ 376,315	$ 372,579

MISCELLANEOUS SCHEDULES

Exhibit K-1

Coffee County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
Primary Government and Discretely Presented Coffee County School Department
For the Year Ended June 30, 2010

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-10
PRIMARY GOVERNMENT									
GOVERNMENTAL ACTIVITIES:									
NOTES PAYABLE									
Payable through General Debt Service Fund									
County Improvement Capital Outlay Notes	$ 654,000	3.4 %	2-16-05	2-15-11	$ 218,000	$ 0	$ 109,000	$ 0	$ 109,000
Payable through Rural Debt Service Fund									
School Repairs	900,000	3.5	2-26-04	3-1-10	123,300	0	123,300	0	0
Payable through Local Purpose Tax Fund									
Road Improvements	135,000	3.65	6-11-08	6-30-10	112,500	0	112,500	0	0
Payable through Other Capital Projects Fund									
Ambulance Facilities, Series 2008	170,000	3.65	6-11-08	6-30-10	141,667	0	141,667	0	0
Total Notes Payable					$ 595,467	$ 0	$ 486,467	$ 0	$ 109,000
OTHER LOANS PAYABLE									
Payable through General Debt Service Fund									
Public Facilities, Industrial Park, Convention Center, and Water/Sewer Projects, Series 2001A	5,800,000	3.75 to 5	1-1-01	2-1-21	$ 735,000	$ 0	$ 355,000	$ 0	$ 380,000
Public Improvement Projects	1,500,000	Variable	10-24-02	10-1-09	1,500,000	0	0	1,500,000	0
Public Improvement, Series Z-4-A	4,510,000	3.55 to 4	11-2-06	3-1-21	4,435,000	0	25,000	0	4,410,000
Total Payable through General Debt Service Fund					$ 6,670,000	$ 0	$ 380,000	$ 1,500,000	$ 4,790,000
Payable through Special Debt Service Fund									
Education Improvement Series Z-6-A	7,600,000	4.75	12-10-08	6-1-26	$ 5,240,134	$ 2,234,866	$ 425,000	$ 0	$ 7,050,000
Total Other Loans Payable					$ 11,910,134	$ 2,234,866	$ 805,000	$ 1,500,000	$ 11,840,000

(Continued)

Exhibit K-1

Coffee County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
Primary Government and Discretely Presented Coffee County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-10
PRIMARY GOVERNMENT (CONT.)									
GOVERNMENTAL ACTIVITIES (CONT.)									
BONDS PAYABLE									
Payable through General Debt Service Fund									
General Obligation Refunding Bonds, Series 2006C	$ 2,745,000	4 %	11-29-06	2-1-15	$ 1,785,000	$ 0	$ 420,000	$ 0	$ 1,365,000
General Obligation Refunding Bonds, Series 2009	1,500,000	2.56	10-1-09	6-1-17	0	1,500,000	0		1,500,000
Total Payable through General Debt Service Fund					$ 1,785,000	$ 1,500,000	$ 420,000	$ 0	$ 2,865,000
Payable through Rural Debt Service Fund									
Rural School Refunding, Series 2006B	2,615,000	4	11-29-06	2-1-15	$ 2,005,000	$ 0	$ 300,000	$ 0	$ 1,705,000
Payable through Special Debt Service Fund									
Build America Bonds	(1)	4.75	7-15-09	6-1-42	0	11,616,719	0	0	11,616,719
Payable through Education Debt Service Fund									
Senior High School Refunding Bonds, Series 2006A	4,110,000	3.75 to 4	11-29-06	2-1-18	3,495,000	0	295,000	0	3,200,000
Total Bonds Payable					$ 7,285,000	$ 13,116,719	$ 1,015,000	$ 0	$ 19,386,719
BUSINESS-TYPE ACTIVITIES:									
OTHER LOANS PAYABLE									
Payable through Wayside Acres Sewer Fund									
Sewer Construction	224,000	4.125	10-10-06	10-10-44	$ 217,176	$ 0	$ 2,741	$ 0	$ 214,435
Sewer Construction	100,000	4.375	12-20-06	12-20-44	97,308	0	1,155	0	96,153
Total Other Loans Payable					$ 314,484	$ 0	$ 3,896	$ 0	$ 310,588

(Continued)

Exhibit K-1

Coffee County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
Primary Government and Discretely Presented Coffee County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-10
DISCRETELY PRESENTED COFFEE COUNTY SCHOOL DEPARTMENT									
NOTES PAYABLE									
Payable through General Purpose School Fund									
School Buses	$ 372,000	4.07 %	10-24-05	10-24-10	$ 157,889	$ 0	$ 77,348	$ 0	$ 80,541
Energy Efficiency Improvements	500,000	0	9-5-07	7-15-15	500,000	0	71,429	0	428,571
Total Notes Payable					$ 657,889	$ 0	$ 148,777	$ 0	$ 509,112

(1) Total amount approved was $17,125,000, of which $5,508,281 remains available for draws as of June 30, 2010.

Exhibit K-2

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

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES:

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	$ 109,000	$ 2,780	$ 111,780
Total	$ 109,000	$ 2,780	$ 111,780

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2011	$ 580,000	$ 515,515	$ 1,095,515
2012	485,000	490,908	975,908
2013	520,000	471,508	991,508
2014	565,000	450,708	1,015,708
2015	600,000	428,108	1,028,108
2016	850,000	404,108	1,254,108
2017	910,000	369,033	1,279,033
2018	945,000	332,583	1,277,583
2019	1,015,000	294,533	1,309,533
2020	1,060,000	252,368	1,312,368
2021	1,155,000	207,550	1,362,550
2022	600,000	157,750	757,750
2023	565,000	127,750	692,750
2024	615,000	99,500	714,500
2025	680,000	68,750	748,750
2026	695,000	34,750	729,750
Total	$ 11,840,000	$ 4,705,422	$ 16,545,422

(Continued)

Exhibit K-2

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

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES (CONT.)

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	$ 1,055,000	$ 1,367,088	$ 2,422,088
2012	1,095,000	1,474,525	2,569,525
2013	1,125,000	1,430,725	2,555,725
2014	1,160,000	1,388,725	2,548,725
2015	1,200,000	1,345,325	2,545,325
2016	1,005,000	1,300,325	2,305,325
2017	1,035,000	1,264,888	2,299,888
2018	95,000	1,227,958	1,322,958
2019	0	1,224,300	1,224,300
2020	0	1,224,300	1,224,300
2021	0	1,224,300	1,224,300
2022	0	1,224,300	1,224,300
2023	0	1,224,300	1,224,300
2024	0	1,224,300	1,224,300
2025	0	1,224,300	1,224,300
2026	0	1,224,300	1,224,300
2027	0	1,224,300	1,224,300
2028	0	1,224,300	1,224,300
2029	0	1,224,300	1,224,300
2030	0	1,224,300	1,224,300
2031	0	1,224,300	1,224,300
2032	0	1,224,300	1,224,300
2033	0	1,224,300	1,224,300
2034	0	1,224,300	1,224,300
2035	0	1,224,300	1,224,300
2036	0	1,224,300	1,224,300
2037	0	1,224,300	1,224,300
2038	2,125,000	1,224,300	3,349,300
2039	2,225,000	1,224,300	3,449,300
2040	2,325,000	1,075,550	3,400,550
2041	2,425,000	919,800	3,344,800
2042	2,516,719	742,544	3,259,263
Total	$ 19,386,719	$ 39,247,753	$ 58,634,472

(Continued)

Exhibit K-2

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

PRIMARY GOVERNMENT

BUSINESS-TYPE ACTIVITIES:

Year Ending June 30	Notes Principal	Notes Interest	Notes Total
2011	$ 4,128	$ 12,984	$ 17,112
2012	4,305	12,807	17,112
2013	4,489	12,623	17,112
2014	4,680	12,432	17,112
2015	4,880	12,232	17,112
2016	5,089	12,023	17,112
2017	5,306	11,806	17,112
2018	5,533	11,579	17,112
2019	5,770	11,342	17,112
2020	6,016	11,096	17,112
2021	6,274	10,838	17,112
2022	6,543	10,569	17,112
2023	6,822	10,290	17,112
2024	7,114	9,998	17,112
2025	7,418	9,694	17,112
2026	7,736	9,376	17,112
2027	8,067	9,045	17,112
2028	8,412	8,700	17,112
2029	8,773	8,339	17,112
2030	9,149	7,963	17,112
2031	9,540	7,572	17,112
2032	9,948	7,164	17,112
2033	10,375	6,737	17,112
2034	10,818	6,294	17,112
2035	11,282	5,830	17,112
2036	11,766	5,346	17,112
2037	12,269	4,843	17,112
2038	12,795	4,316	17,111
2039	13,344	3,768	17,112
2040	13,915	3,197	17,112
2041	14,511	2,601	17,112
2042	15,134	1,978	17,112
2043	15,782	1,330	17,112
2044	16,458	615	17,073
2045	6,147	39	6,186
Total	$ 310,588	$ 277,366	$ 587,954

(Continued)

Exhibit K-2

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

DISCRETELY PRESENTED COFFEE
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	$ 151,969	$ 3,324	$ 155,292
2012	71,429	0	71,429
2013	71,429	0	71,429
2014	71,429	0	71,429
2015	71,429	0	71,429
2016	71,429	0	71,429
Total	$ 509,112	$ 3,324	$ 512,436

Exhibit K-3

Coffee County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Coffee County School Department
For the Year Ended June 30, 2010

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Public Library	Operations	$ 878,325
General Capital Projects	General Debt Service	Construction	153,572
Commissary	General	To close fund	38,260
Total Transfers Primary Government			$ 1,070,157
DISCRETELY PRESENTED COFFEE COFFEE SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	$ 18,685

Exhibit K-4

Coffee County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Coffee County School Department
For the Year Ended June 30, 2010

Official	Authorization for Salary	Salary Paid During Period	(1)	Bond	Surety
County Mayor	Section 8-24-102, TCA	$ 73,866		$ 50,000	State Auto Insurance Company
Road Superintendent	Section 8-24-102, TCA	70,350		100,000	"
Director of Schools	State Board of Education and Coffee County Board of Education	99,395	(2)	(3)	
Trustee	Section 8-24-102, TCA	63,954		1,287,000	Auto-Owners Mutual Insurance Company
Assessor of Property	Section 8-24-102, TCA	63,954		10,000	State Auto Insurance Company
Director of Accounts and Budgets	Coffee County Commission	65,644		20,000	"
County Clerk	Section 8-24-102, TCA	63,954		50,000	"
Circuit Court Clerk	Section 8-24-102, TCA, and Coffee County Personnel Policies	63,954	(4)	50,000	"
Clerk and Master	Section 8-24-102, TCA	63,954		50,000	"
Register	Section 8-24-102, TCA	63,954		25,000	"
Sheriff	Section 8-24-102, TCA, and Coffee County Personnel Policies	70,350	(5)	25,000	"
Employee Blanket Bonds:					
Public Employee Dishonesty - County Departments (excluding Highway Department)				150,000	Tennessee Risk Management Trust
Public Employee Dishonesty - Highway Department				150,000	Local Government Insurance Pool
Public Employee Dishonesty - School Department				150,000	Tennessee Risk Management Trust

(1) All Coffee County employees have an option under the county's personnel policies to opt out of the medical insurance plan and receive an incentive payment equal to 67 percent of the cost of single coverage.
(2) Includes a chief executive officer training supplement of $600.
(3) The director is covered under the School Department's blanket bond.
(4) Does not include a $2,810 payment in-lieu-of insurance benefits.
(5) Does not include a $2,810 payment in-lieu-of insurance benefits and a law enforcement training supplement of $600.

Exhibit K-5

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2010

		Special Revenue Funds							
	General	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Commissary	Constitu - tional Officers - Fees	Highway / Public Works
Local Taxes									
County Property Taxes									
Current Property Tax	$ 6,484,822	$ 0	$ 734,623	$ 134,592	$ 0	$ 0	$ 0	$ 0	$ 0
Trustee's Collections - Prior Year	198,597	0	20,058	0	0	0	0	0	0
Trustee's Collections - Bankruptcy	19,481	0	411	0	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	69,618	0	18,147	0	0	0	0	0	0
Interest and Penalty	72,116	0	11,272	136	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	554	0	151	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	6,934	0	1,891	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	1,656	0	427	0	0	0	0	0	0
County Local Option Taxes									
Local Option Sales Tax	275,226	0	86,571	0	0	0	0	0	0
Litigation Tax - General	308,615	0	0	0	0	0	0	0	0
Litigation Tax - Special Purpose	45,326	0	0	0	0	0	0	0	0
Business Tax	756,938	0	0	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0	0	85,696
Statutory Local Taxes									
Bank Excise Tax	177,602	0	0	0	0	0	0	0	0
Wholesale Beer Tax	0	0	254,181	0	0	0	0	0	0
Interstate Telecommunications Tax	1,875	0	0	0	0	0	0	0	0
Total Local Taxes	$ 8,419,360	$ 0	$ 1,127,732	$ 134,728	$ 0	$ 0	$ 0	$ 0	$ 85,696
Licenses and Permits									
Licenses									
Cable TV Franchise	$ 110,041	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Permits									
Beer Permits	0	0	6,943	0	0	0	0	0	0
Building Permits	51,113	0	0	0	0	0	0	0	0
Plumbing Permits	3,485	0	0	0	0	0	0	0	0
Other Permits	18,078	0	0	0	0	0	0	0	0
Total Licenses and Permits	$ 182,717	$ 0	$ 6,943	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit K-5

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

		Special Revenue Funds							
	General	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Commissary	Constitu - tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties									
Circuit Court									
Fines	$ 4,778	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Officers Costs	12,656	0	0	0	0	0	0	0	0
Drug Control Fines	106,007	0	0	0	112,533	0	0	0	0
Data Entry Fee - Circuit Court	3,658	0	0	0	0	0	0	0	0
Courtroom Security Fee	92	0	0	0	0	0	0	0	0
General Sessions Court									
Fines	99,521	0	0	0	0	0	0	0	0
Officers Costs	103,369	0	0	0	0	0	0	0	0
Game and Fish Fines	429	0	0	0	0	0	0	0	0
Jail Fees	21,922	0	0	0	0	0	0	0	0
DUI Treatment Fines	15,092	0	0	0	0	0	0	0	0
Courtroom Security Fee	2,547	0	0	0	0	0	0	0	0
Juvenile Court									
Fines	1,829	0	0	0	0	0	0	0	0
Officers Costs	4,380	0	0	0	0	0	0	0	0
Chancery Court									
Officers Costs	3,121	0	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	2,836	0	0	0	0	0	0	0	0
Courtroom Security Fee	48	0	0	0	0	0	0	0	0
Other Courts - In-county									
Drug Control Fines	25,007	0	0	0	0	0	0	0	0
Drug Court Fees	24,137	0	0	0	0	0	0	0	0
Other Fines, Forfeitures, and Penalties									
Proceeds from Confiscated Property	0	0	0	0	105,130	0	0	0	0
Total Fines, Forfeitures, and Penalties	$ 431,429	$ 0	$ 0	$ 0	$ 217,663	$ 0	$ 0	$ 0	$ 0
Charges for Current Services									
General Service Charges									
Convenience Waste Centers Collection Charge	$ 0	$ 0	$ 7,821	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Solid Waste Disposal Fees	0	0	71,392	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

		Special Revenue Funds							
	General	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Commissary	Constitu - tional Officers - Fees	Highway / Public Works
Charges for Current Services (Cont.)									
General Service Charges (Cont.)									
Patient Charges	$ 1,263,004	$ 0	$ 0	$ 0	$ 0	$ 0	$ 5,171	$ 0	$ 0
Work Release Charges for Board	26,290	0	0	0	0	0	0	0	0
Other General Service Charges	1,660	0	0	0	0	0	0	0	0
Fees									
Subdivision Lot Fees	3,850	0	0	0	0	0	0	0	0
Recreation Fees	20,047	0	0	0	0	0	0	0	0
Copy Fees	8,371	0	0	0	0	0	0	0	0
Library Fees	0	88,540	0	0	0	0	0	0	0
Archives and Records Management Fee - County Clerk	10	0	0	0	0	0	0	0	0
Telephone Commissions	40,963	0	0	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0	1,374,130	0
Data Processing Fee - Register	17,394	0	0	0	0	0	0	0	0
Probation Fees	297,701	0	0	0	0	0	0	0	0
Data Processing Fee - Sheriff	1,703	0	0	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	4,050	0	0	0	0	0	0	0	0
Data Processing Fee - County Clerk	9,092	0	0	0	0	0	0	0	0
Other Charges for Services									
Other Charges for Services	26,550	0	0	0	0	0	0	0	0
Total Charges for Current Services	$ 1,720,685	$ 88,540	$ 79,213	$ 0	$ 0	$ 0	$ 5,171	$ 1,374,130	$ 0
Other Local Revenues									
Recurring Items									
Investment Income	$ 0	$ 5,094	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 228
Lease/Rentals	16,870	0	0	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0	0	0	515
Commissary Sales	4,523	0	0	0	0	0	63,478	0	0
Sale of Maps	428	0	0	0	0	0	0	0	0
Sale of Recycled Materials	0	0	56,356	0	0	0	0	0	2,198
Miscellaneous Refunds	11,319	0	13	0	0	200	0	0	63

(Continued)

Exhibit K-5

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

		Special Revenue Funds							
	General	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Commissary	Constitu - tional Officers - Fees	Highway / Public Works
Other Local Revenues (Cont.)									
Nonrecurring Items									
Accrued Interest on Debt Issues	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Sale of Equipment	7,051	0	0	0	9,779	0	0	0	0
Damages Recovered from Individuals	1,622	0	368	0	0	0	0	0	0
Contributions and Gifts	242,708	0	0	0	22,356	0	0	0	0
Total Other Local Revenues	$ 284,521	$ 5,094	$ 56,737	$ 0	$ 32,135	$ 200	$ 63,478	$ 0	$ 3,004
Fees Received from County Officials									
Excess Fees									
County Clerk	$ 299,464	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	316,587	0	0	0	0	0	0	0	0
Clerk and Master	74,078	0	0	0	0	0	0	0	0
Register	16,017	0	0	0	0	0	0	0	0
Trustee	599,000	0	0	0	0	0	0	0	0
Fees in-Lieu-of Salary									
Sheriff	22,636	0	0	0	0	0	0	0	0
Total Fees Received from County Officials	$ 1,327,782	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
State of Tennessee									
General Government Grants									
Juvenile Services Program	$ 13,140	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Solid Waste Grants	0	0	41,500	0	0	0	0	0	0
Public Safety Grants									
Law Enforcement Training Programs	25,200	0	0	0	0	0	0	0	0
Health and Welfare Grants									
Public Health Nurses	68,565	0	0	0	0	0	0	0	0
Public Works Grants									
State Aid Program	0	0	0	0	0	0	0	0	125,958
Litter Program	0	0	39,394	0	0	0	0	0	0
Tennessee Industrial Infrastructure Program	0	0	0	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

		Special Revenue Funds							
	General	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Commissary	Constitu - tional Officers - Fees	Highway / Public Works
State of Tennessee (Cont.)									
Other State Revenues									
Income Tax	$ 49,295	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Beer Tax	9,582	0	0	0	0	0	0	0	0
Alcoholic Beverage Tax	67,753	0	0	0	0	0	0	0	0
Mixed Drink Tax	1,607	0	0	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	216,782	0	0	0	0	0	0	0	0
Emergency Hospital - Prisoners	15,772	0	0	0	0	0	0	0	0
Contracted Prisoner Boarding	871,126	0	0	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0	0	1,807,823
Petroleum Special Tax	0	0	0	0	0	0	0	0	38,560
Reappraisal Program Reimbursement	14,646	0	0	0	0	0	0	0	0
T.B.I. - Equipment Reimbursement	2,351	0	0	0	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0	0	0	0	0
Other State Grants	601,532	0	0	0	0	0	0	0	0
Other State Revenues	5,885	0	0	0	38	0	0	0	0
Total State of Tennessee	$ 1,979,616	$ 0	$ 80,894	$ 0	$ 38	$ 0	$ 0	$ 0	$ 1,972,341
Federal Government									
Federal Through State									
Community Development	$ 34,300	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Civil Defense Reimbursement	66,382	0	0	0	0	0	0	0	0
Disaster Relief	5,559	0	0	0	0	0	0	0	0
Homeland Security Grants	154,094	0	0	0	0	0	0	0	0
Other Federal through State	39,833	0	0	0	0	0	0	0	0
Direct Federal Revenue									
Tax Credit Bond Rebate	0	0	0	0	0	0	0	0	0
Other Direct Federal Revenue	20,319	0	0	0	10,814	0	0	0	0
Total Federal Government	$ 320,487	$ 0	$ 0	$ 0	$ 10,814	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit K-5

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

		Special Revenue Funds							
	General	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Commissary	Constitu - tional Officers - Fees	Highway / Public Works
Other Governments and Citizens Groups									
Other Governments									
Contributions	$ 13,816	$ 21,400	$ 0	$ 0	$ 0	$ 49,616	$ 0	$ 0	$ 0
Contracted Services	7,719	0	0	0	0	0	0	0	0
Citizens Groups									
Donations	0	13,078	0	0	0	0	0	0	0
Total Other Governments and Citizens Groups	$ 21,535	$ 34,478	$ 0	$ 0	$ 0	$ 49,616	$ 0	$ 0	$ 0
Total	$ 14,688,132	$ 128,112	$ 1,351,519	$ 134,728	$ 260,650	$ 49,816	$ 68,649	$ 1,374,130	$ 2,061,041

(Continued)

Exhibit K-5

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

	Debt Service Funds					Capital Projects Funds		
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other Debt Service -	General Capital Projects	Other Capital Projects	Total
Local Taxes								
County Property Taxes								
Current Property Tax	$ 589,514	$ 419,795	$ 0	$ 417,031	$ 0	$ 0	$ 0	$ 8,780,377
Trustee's Collections - Prior Year	17,168	11,463	0	14,180	0	0	0	261,466
Trustee's Collections - Bankruptcy	1,079	261	0	424	0	0	0	21,656
Circuit/Clerk & Master Collections - Prior Years	6,049	10,370	0	6,913	0	0	0	111,097
Interest and Penalty	6,213	6,462	0	5,670	0	0	0	101,869
Payments in-Lieu-of Taxes - T.V.A.	50	86	0	58	0	0	0	899
Payments in-Lieu-of Taxes - Local Utilities	630	1,081	0	720	0	0	0	11,256
Payments in-Lieu-of Taxes - Other	146	244	0	164	0	0	0	2,637
County Local Option Taxes								
Local Option Sales Tax	0	346,283	1,293,733	0	360,713	259,712	0	2,622,238
Litigation Tax - General	0	0	0	0	0	0	0	308,615
Litigation Tax - Special Purpose	36,793	0	0	0	0	0	0	82,119
Business Tax	0	0	0	0	0	0	0	756,938
Mineral Severance Tax	0	0	0	0	0	0	0	85,696
Statutory Local Taxes								
Bank Excise Tax	0	0	0	0	0	0	0	177,602
Wholesale Beer Tax	0	0	0	0	0	0	0	254,181
Interstate Telecommunications Tax	0	0	0	0	0	0	0	1,875
Total Local Taxes	$ 657,642	$ 796,045	$ 1,293,733	$ 445,160	$ 360,713	$ 259,712	$ 0	$ 13,580,521
Licenses and Permits								
Licenses								
Cable TV Franchise	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 110,041
Permits								
Beer Permits	0	0	0	0	0	0	0	6,943
Building Permits	0	0	0	0	0	0	0	51,113
Plumbing Permits	0	0	0	0	0	0	0	3,485
Other Permits	0	0	0	0	0	0	0	18,078
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 189,660

(Continued)

Exhibit K-5

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

	Debt Service Funds					Capital Projects Funds		
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other Debt Service -	General Capital Projects	Other Capital Projects	Total
Fines, Forfeitures, and Penalties								
Circuit Court								
Fines	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 4,778
Officers Costs	0	0	0	0	0	0	0	12,656
Drug Control Fines	0	0	0	0	0	0	0	218,540
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	3,658
Courtroom Security Fee	0	0	0	0	0	0	0	92
General Sessions Court								
Fines	0	0	0	0	0	0	0	99,521
Officers Costs	0	0	0	0	0	0	0	103,369
Game and Fish Fines	0	0	0	0	0	0	0	429
Jail Fees	0	0	0	0	0	0	0	21,922
DUI Treatment Fines	0	0	0	0	0	0	0	15,092
Courtroom Security Fee	0	0	0	0	0	0	0	2,547
Juvenile Court								
Fines	0	0	0	0	0	0	0	1,829
Officers Costs	0	0	0	0	0	0	0	4,380
Chancery Court								
Officers Costs	0	0	0	0	0	0	0	3,121
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	2,836
Courtroom Security Fee	0	0	0	0	0	0	0	48
Other Courts - In-county								
Drug Control Fines	0	0	0	0	0	0	0	25,007
Drug Court Fees	0	0	0	0	0	0	0	24,137
Other Fines, Forfeitures, and Penalties								
Proceeds from Confiscated Property	0	0	0	0	0	0	0	105,130
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 649,092
Charges for Current Services								
General Service Charges								
Convenience Waste Centers Collection Charge	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 7,821
Solid Waste Disposal Fees	0	0	0	0	0	0	0	71,392

(Continued)

Exhibit K-5

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

	Debt Service Funds					Capital Projects Funds		
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other Debt Service -	General Capital Projects	Other Capital Projects	Total
Charges for Current Services (Cont.)								
General Service Charges (Cont.)								
Patient Charges	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 160,000	$ 1,428,175
Work Release Charges for Board	0	0	0	0	0	0	0	26,290
Other General Service Charges	0	0	0	0	0	0	0	1,660
Fees								
Subdivision Lot Fees	0	0	0	0	0	0	0	3,850
Recreation Fees	0	0	0	0	0	0	0	20,047
Copy Fees	0	0	0	0	0	0	0	8,371
Library Fees	0	0	0	0	0	0	0	88,540
Archives and Records Management Fee - County Clerk	0	0	0	0	0	0	0	10
Telephone Commissions	0	0	0	0	0	0	0	40,963
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0	1,374,130
Data Processing Fee - Register	0	0	0	0	0	0	0	17,394
Probation Fees	0	0	0	0	0	0	0	297,701
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	1,703
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	4,050
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	9,092
Other Charges for Services								
Other Charges for Services	0	0	0	0	0	0	0	26,550
Total Charges for Current Services	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 160,000	$ 3,427,739
Other Local Revenues								
Recurring Items								
Investment Income	$ 187,779	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 193,101
Lease/Rentals	101,440	0	0	0	0	0	0	118,310
Sale of Materials and Supplies	0	0	0	0	0	0	0	515
Commissary Sales	0	0	0	0	0	0	0	68,001
Sale of Maps	0	0	0	0	0	0	0	428
Sale of Recycled Materials	0	0	0	0	0	0	0	58,554
Miscellaneous Refunds	0	0	0	0	0	0	0	11,595

(Continued)

Exhibit K-5

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

	Debt Service Funds					Capital Projects Funds		
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other Debt Service -	General Capital Projects	Other Capital Projects	Total
Other Local Revenues (Cont.)								
Nonrecurring Items								
Accrued Interest on Debt Issues	$ 0	$ 42,477	$ 0	$ 0	$ 0	$ 0	$ 0	$ 42,477
Sale of Equipment	0	0	0	0	0	0	0	16,830
Damages Recovered from Individuals	0	0	0	0	0	0	0	1,990
Contributions and Gifts	0	0	0	0	0	0	0	265,064
Total Other Local Revenues	$ 289,219	$ 42,477	$ 0	$ 0	$ 0	$ 0	$ 0	$ 776,865
Fees Received from County Officials								
Excess Fees								
County Clerk	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 299,464
Circuit Court Clerk	0	0	0	0	0	0	0	316,587
Clerk and Master	0	0	0	0	0	0	0	74,078
Register	0	0	0	0	0	0	0	16,017
Trustee	0	0	0	0	0	0	0	599,000
Fees in-Lieu-of Salary								
Sheriff	0	0	0	0	0	0	0	22,636
Total Fees Received from County Officials	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,327,782
State of Tennessee								
General Government Grants								
Juvenile Services Program	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 13,140
Solid Waste Grants	0	0	0	0	0	0	0	41,500
Public Safety Grants								
Law Enforcement Training Programs	0	0	0	0	0	0	0	25,200
Health and Welfare Grants								
Public Health Nurses	0	0	0	0	0	0	0	68,565
Public Works Grants								
State Aid Program	0	0	0	0	0	0	0	125,958
Litter Program	0	0	0	0	0	0	0	39,394
Tennessee Industrial Infrastructure Program	0	0	0	0	0	5,572	0	5,572

(Continued)

Exhibit K-5

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

	Debt Service Funds					Capital Projects Funds		
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other Debt Service -	General Capital Projects	Other Capital Projects	Total
State of Tennessee (Cont.)								
Other State Revenues								
Income Tax	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 49,295
Beer Tax	0	0	0	0	0	0	0	9,582
Alcoholic Beverage Tax	0	0	0	0	0	0	0	67,753
Mixed Drink Tax	0	0	0	0	0	0	0	1,607
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0	216,782
Emergency Hospital - Prisoners	0	0	0	0	0	0	0	15,772
Contracted Prisoner Boarding	0	0	0	0	0	0	0	871,126
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0	1,807,823
Petroleum Special Tax	0	0	0	0	0	0	0	38,560
Reappraisal Program Reimbursement	0	0	0	0	0	0	0	14,646
T.B.I. - Equipment Reimbursement	0	0	0	0	0	0	0	2,351
Registrar's Salary Supplement	0	0	0	0	0	0	0	16,380
Other State Grants	0	0	0	0	0	0	0	601,532
Other State Revenues	0	0	0	0	0	0	0	5,923
Total State of Tennessee	$ 0	$ 0	$ 0	$ 0	$ 0	$ 5,572	$ 0	$ 4,038,461
Federal Government								
Federal Through State								
Community Development	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 34,300
Civil Defense Reimbursement	0	0	0	0	0	0	0	66,382
Disaster Relief	0	0	0	0	0	0	0	5,559
Homeland Security Grants	0	0	0	0	0	0	0	154,094
Other Federal through State	0	0	0	0	0	0	0	39,833
Direct Federal Revenue								
Tax Credit Bond Rebate	0	0	376,132	0	0	0	0	376,132
Other Direct Federal Revenue	0	0	0	0	0	0	0	31,133
Total Federal Government	$ 0	$ 0	$ 376,132	$ 0	$ 0	$ 0	$ 0	$ 707,433

(Continued)

Exhibit K-5

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

	Debt Service Funds					Capital Projects Funds		
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other Debt Service -	General Capital Projects	Other Capital Projects	Total
Other Governments and Citizens Groups								
Other Governments								
Contributions	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 84,832
Contracted Services	0	0	0	0	0	0	0	7,719
Citizens Groups								
Donations	0	0	0	0	0	0	0	13,078
Total Other Governments and Citizens Groups	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 105,629
Total	$ 946,861	$ 838,522	$ 1,669,865	$ 445,160	$ 360,713	$ 265,284	$ 160,000	$ 24,803,182

Exhibit K-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2010

	General Purpose School	School Federal Projects	Central Cafeteria	Other Capital Projects	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 6,929,039	$ 0	$ 0	$ 0	$ 6,929,039
Trustee's Collections - Prior Year	196,494	0	0	0	196,494
Trustee's Collections - Bankruptcy	17,034	0	0	0	17,034
Circuit/Clerk & Master Collections - Prior Years	68,672	0	0	0	68,672
Interest and Penalty	70,898	0	0	0	70,898
Payments in-Lieu-of Taxes - T.V.A.	591	0	0	0	591
Payments in-Lieu-of Taxes - Local Utilities	7,408	0	0	0	7,408
Payments in-Lieu-of Taxes - Other	1,644	0	0	0	1,644
County Local Option Taxes					
Local Option Sales Tax	3,449,954	0	0	0	3,449,954
Statutory Local Taxes					
Interstate Telecommunications Tax	2,009	0	0	0	2,009
Total Local Taxes	$ 10,743,743	$ 0	$ 0	$ 0	$ 10,743,743
Licenses and Permits					
Licenses					
Marriage Licenses	$ 1,872	$ 0	$ 0	$ 0	$ 1,872
Total Licenses and Permits	$ 1,872	$ 0	$ 0	$ 0	$ 1,872
Charges for Current Services					
Fees					
Recreation Fees	$ 1,377	$ 0	$ 0	$ 0	$ 1,377
Education Charges					
Tuition - Summer School	13,494	0	0	0	13,494
Lunch Payments - Children	0	0	481,569	0	481,569
Lunch Payments - Adults	0	0	52,543	0	52,543
Income from Breakfast	0	0	51,045	0	51,045
A la carte Sales	0	0	196,775	0	196,775
Receipts from Individual Schools	63,651	0	0	0	63,651
Community Service Fees - Children	95,723	0	0	0	95,723
Other Charges for Services					
Other Charges for Services	20	0	100	0	120
Total Charges for Current Services	$ 174,265	$ 0	$ 782,032	$ 0	$ 956,297
Other Local Revenues					
Recurring Items					
Investment Income	$ 0	$ 0	$ 1,773	$ 0	$ 1,773
Sale of Materials and Supplies	292	0	0	0	292
Refund of Telecommunication & Internet Fees (E-Rate)	24,359	0	0	0	24,359
Miscellaneous Refunds	1,494	0	0	300	1,794
Nonrecurring Items					
Sale of Equipment	2,322	0	805	0	3,127
Damages Recovered from Individuals	3,726	0	0	0	3,726
Contributions and Gifts	7,761	0	0	0	7,761
Other Local Revenues					
Other Local Revenues	22,408	0	533	0	22,941
Total Other Local Revenues	$ 62,362	$ 0	$ 3,111	$ 300	$ 65,773

(Continued)

Exhibit K-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Other Capital Projects	Total
State of Tennessee					
General Government Grants					
On-Behalf Contributions for OPEB	$ 201,531	$ 0	$ 0	$ 0	$ 201,531
State Education Funds					
Basic Education Program	16,254,001	0	0	0	16,254,001
Basic Education Program - ARRA	804,000	0	0	0	804,000
Early Childhood Education	609,407	0	0	0	609,407
School Food Service	0	0	23,991	0	23,991
Driver Education	16,770	0	0	0	16,770
Other State Education Funds	2,985	0	0	0	2,985
Coordinated School Health - ARRA	85,000	0	0	0	85,000
Internet Connectivity - ARRA	12,543	0	0	0	12,543
Family Resource Centers - ARRA	66,600	0	0	0	66,600
Statewide Student Management System (SSMS) - ARRA	10,814	0	0	0	10,814
Career Ladder Program	173,878	0	0	0	173,878
Career Ladder - Extended Contract - ARRA	65,784	0	0	0	65,784
Other State Revenues					
Alcoholic Beverage Tax	3,709	0	0	0	3,709
State Revenue Sharing - T.V.A.	671,240	0	0	0	671,240
Other State Grants	0	0	1,500	0	1,500
Safe Schools - ARRA	12,000	0	0	0	12,000
Total State of Tennessee	$ 18,990,262	$ 0	$ 25,491	$ 0	$ 19,015,753
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 978,787	$ 0	$ 978,787
USDA - Commodities	0	0	143,313	0	143,313
Breakfast	0	0	351,114	0	351,114
USDA - Other	0	0	3,884	0	3,884
USDA Food Service Equipment Grant - ARRA	0	0	20,000	0	20,000
Vocational Education - Basic Grants to States	0	84,777	0	0	84,777
Title I Grants to Local Education Agencies	0	839,924	0	0	839,924
Special Education - Grants to States	0	1,206,690	0	0	1,206,690
Special Education Preschool Grants	0	24,995	0	0	24,995
English Language Acquisition Grants	0	38,159	0	0	38,159
Safe and Drug-free Schools - State Grants	0	11,276	0	0	11,276
Education for Homeless Children and Youth	0	2,836	0	0	2,836
Eisenhower Professional Development State Grants	0	211,687	0	0	211,687
Other Federal through State	16,351	26,348	0	0	42,699
Direct Federal Revenue					
ROTC Reimbursement	49,259	0	0	0	49,259
Other Direct Federal Revenue	58,364	0	0	0	58,364
Total Federal Government	$ 123,974	$ 2,446,692	$ 1,497,098	$ 0	$ 4,067,764
Other Governments and Citizens Groups					
Other Governments					
Contributions	$ 0	$ 0	$ 0	$ 13,234,866	$ 13,234,866
Total Other Governments and Citizens Groups	$ 0	$ 0	$ 0	$ 13,234,866	$ 13,234,866
Total	$ 30,096,478	$ 2,446,692	$ 2,307,732	$ 13,235,166	$ 48,086,068

Exhibit K-7

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2010

General Fund				
General Government				
County Commission				
Board and Committee Members Fees	$	17,700		
Social Security		1,354		
Audit Services		14,404		
Dues and Memberships		1,700		
Maintenance Agreements		750		
Printing, Stationery, and Forms		232		
Travel		6,681		
Total County Commission			$	42,821
Board of Equalization				
Board and Committee Members Fees	$	1,626		
Social Security		109		
Total Board of Equalization				1,735
Other Boards and Committees				
Board and Committee Members Fees	$	20,955		
Social Security		1,603		
Travel		597		
Total Other Boards and Committees				23,155
County Mayor/Executive				
County Official/Administrative Officer	$	73,866		
Secretary(ies)		30,143		
Clerical Personnel		29,059		
Part-time Personnel		3,879		
Social Security		10,348		
State Retirement		10,991		
Medical Insurance		11,197		
Dental Insurance		774		
Unemployment Compensation		114		
Communication		3,021		
Dues and Memberships		13,433		
Legal Notices, Recording, and Court Costs		1,646		
Maintenance Agreements		1,233		
Travel		1,093		
Office Supplies		2,500		
Other Charges		5,061		
Total County Mayor/Executive				198,358

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
General Government (Cont.)		
County Attorney		
County Official/Administrative Officer	$ 4,800	
Legal Services	56,241	
Total County Attorney		$ 61,041
Election Commission		
County Official/Administrative Officer	$ 57,559	
Deputy(ies)	87,497	
Clerical Personnel	5,960	
Overtime Pay	126	
Election Commission	7,576	
Election Workers	24,809	
Social Security	12,249	
State Retirement	11,982	
Medical Insurance	22,989	
Dental Insurance	1,032	
Unemployment Compensation	334	
Communication	2,813	
Operating Lease Payments	1,636	
Legal Notices, Recording, and Court Costs	22,437	
Maintenance Agreements	20,018	
Maintenance and Repair Services - Equipment	2,239	
Travel	2,720	
Other Contracted Services	1,392	
Office Supplies	3,425	
Utilities	171	
In Service/Staff Development	606	
Total Election Commission		289,570
Register of Deeds		
Social Security	$ 12,700	
State Retirement	10,773	
Medical Insurance	20,926	
Dental Insurance	1,032	
Unemployment Compensation	181	
Communication	879	
Operating Lease Payments	15,391	
Maintenance Agreements	3,325	
Data Processing Supplies	2,979	
Office Supplies	2,709	
Total Register of Deeds		70,895

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
General Government (Cont.)		
Codes Compliance		
Assistant(s)	$ 10,747	
Supervisor/Director	33,624	
Secretary(ies)	23,191	
Social Security	5,017	
State Retirement	5,581	
Medical Insurance	13,119	
Dental Insurance	623	
Unemployment Compensation	120	
Communication	1,305	
Contracts with Private Agencies	21,687	
Operating Lease Payments	7,837	
Legal Notices, Recording, and Court Costs	847	
Maintenance and Repair Services - Office Equipment	1,173	
Maintenance and Repair Services - Vehicles	1,731	
Printing, Stationery, and Forms	1,262	
Gasoline	1,563	
Office Supplies	2,790	
Data Processing Equipment	15,108	
Total Codes Compliance		$ 147,325
County Buildings		
Supervisor/Director	$ 46,203	
Custodial Personnel	68,544	
Maintenance Personnel	75,550	
Part-time Personnel	8,589	
Overtime Pay	11,859	
Social Security	15,807	
State Retirement	16,698	
Medical Insurance	34,521	
Dental Insurance	1,547	
Unemployment Compensation	580	
Communication	34,828	
Contracts with Private Agencies	8,710	
Maintenance Agreements	74,290	
Maintenance and Repair Services - Buildings	81,532	
Maintenance and Repair Services - Equipment	5,692	
Maintenance and Repair Services - Vehicles	3,771	
Pest Control	3,955	
Disposal Fees	164	
Other Contracted Services	34,505	

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Custodial Supplies	$ 21,607	
Electricity	106,631	
Gasoline	6,019	
Natural Gas	35,693	
Office Supplies	754	
Water and Sewer	4,936	
Other Supplies and Materials	349	
Building Construction	38,480	
Building Improvements	93,100	
Maintenance Equipment	2,873	
Other Equipment	9,925	
Total County Buildings		$ 847,712
Other General Administration		
Communication	$ 3,638	
Data Processing Services	13,291	
Maintenance Agreements	20,754	
Postal Charges	54,817	
Total Other General Administration		92,500
Preservation of Records		
Other Supplies and Materials	$ 193	
Other Charges	4,987	
Total Preservation of Records		5,180
Finance		
Accounting and Budgeting		
Supervisor/Director	$ 65,644	
Accountants/Bookkeepers	96,261	
Secretary(ies)	27,403	
Social Security	14,728	
State Retirement	15,068	
Medical Insurance	21,194	
Dental Insurance	1,289	
Unemployment Compensation	389	
Communication	1,191	
Dues and Memberships	510	
Legal Notices, Recording, and Court Costs	5,312	
Maintenance Agreements	9,545	
Other Contracted Services	484	

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Finance (Cont.)		
Accounting and Budgeting (Cont.)		
Office Supplies	$ 4,925	
In Service/Staff Development	707	
Total Accounting and Budgeting		$ 264,650
Property Assessor's Office		
County Official/Administrative Officer	$ 63,954	
Clerical Personnel	168,671	
Social Security	18,305	
State Retirement	19,442	
Medical Insurance	30,738	
Dental Insurance	1,805	
Unemployment Compensation	357	
Audit Services	24,255	
Communication	2,110	
Data Processing Services	25,497	
Dues and Memberships	1,340	
Maintenance Agreements	235	
Maintenance and Repair Services - Vehicles	1,086	
Printing, Stationery, and Forms	367	
Gasoline	2,457	
Office Supplies	1,246	
Total Property Assessor's Office		361,865
Reappraisal Program		
Other Salaries and Wages	$ 4,476	
Social Security	199	
Data Processing Supplies	4,301	
Other Charges	3,066	
Total Reappraisal Program		12,042
County Trustee's Office		
Social Security	$ 13,157	
State Retirement	14,927	
Medical Insurance	27,887	
Dental Insurance	1,289	
Unemployment Compensation	239	
Communication	1,243	
Maintenance Agreements	8,972	
Maintenance and Repair Services - Office Equipment	168	
Postal Charges	7,796	

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Finance (Cont.)		
County Trustee's Office (Cont.)		
Printing, Stationery, and Forms	$ 1,677	
Office Supplies	2,459	
Office Equipment	3,145	
Total County Trustee's Office		$ 82,959
County Clerk's Office		
Social Security	$ 17,724	
State Retirement	18,395	
Medical Insurance	32,363	
Dental Insurance	1,891	
Unemployment Compensation	439	
Communication	1,389	
Maintenance Agreements	26,185	
Maintenance and Repair Services - Office Equipment	38	
Printing, Stationery, and Forms	1,882	
Office Supplies	4,996	
Total County Clerk's Office		105,302
Administration of Justice		
Circuit Court		
Jury and Witness Expense	$ 21,100	
Social Security	48,744	
State Retirement	42,938	
Medical Insurance	102,103	
Dental Insurance	5,349	
Unemployment Compensation	1,417	
Communication	2,066	
Maintenance Agreements	13,057	
Maintenance and Repair Services - Office Equipment	166	
Printing, Stationery, and Forms	5,294	
Duplicating Supplies	4,839	
Office Supplies	4,742	
Other Charges	3,658	
Office Equipment	2,845	
Total Circuit Court		258,318
General Sessions Court		
Maintenance Agreements	$ 2,806	
Printing, Stationery, and Forms	5,756	
Travel	254	

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
General Sessions Court (Cont.)		
Duplicating Supplies	$ 1,183	
Office Supplies	4,506	
Office Equipment	1,150	
Total General Sessions Court		$ 15,655
General Sessions Judge		
Judge(s)	$ 277,352	
Social Security	17,537	
State Retirement	11,455	
Medical Insurance	11,381	
Dental Insurance	516	
Communication	1,826	
Dues and Memberships	50	
Evaluation and Testing	1,200	
Legal Services	5,000	
Maintenance and Repair Services - Equipment	1,080	
Travel	1,148	
Office Supplies	245	
Periodicals	6,049	
Total General Sessions Judge		334,839
Drug Court		
Drug Treatment	$ 194,652	
Total Drug Court		194,652
Chancery Court		
Clerical Personnel	$ 52,710	
Social Security	13,733	
State Retirement	14,748	
Medical Insurance	22,578	
Dental Insurance	1,289	
Unemployment Compensation	290	
Communication	2,032	
Maintenance Agreements	9,487	
Printing, Stationery, and Forms	3,283	
Office Supplies	3,163	
Periodicals	977	
Other Supplies and Materials	434	
In Service/Staff Development	1,200	
Total Chancery Court		125,924

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Judicial Commissioners		
County Official/Administrative Officer	$ 77,977	
Temporary Personnel	12,797	
Social Security	6,865	
State Retirement	6,517	
Medical Insurance	16,846	
Dental Insurance	774	
Unemployment Compensation	265	
Communication	1,866	
Maintenance Agreements	342	
Office Supplies	257	
In Service/Staff Development	968	
Office Equipment	210	
Total Judicial Commissioners		$ 125,684
Probation Services		
Supervisor/Director	$ 37,449	
Probation Officer(s)	81,030	
Clerical Personnel	19,447	
Part-time Personnel	26,324	
Overtime Pay	500	
Social Security	12,351	
State Retirement	8,455	
Medical Insurance	19,584	
Dental Insurance	774	
Unemployment Compensation	534	
Communication	2,960	
Maintenance Agreements	1,760	
Maintenance and Repair Services - Vehicles	1,480	
Postal Charges	77	
Printing, Stationery, and Forms	832	
Travel	66	
Gasoline	531	
Office Supplies	3,356	
Uniforms	626	
Other Supplies and Materials	1,127	
Communication Equipment	300	
Furniture and Fixtures	1,135	
Office Equipment	1,601	
Total Probation Services		222,299

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 70,350	
Deputy(ies)	1,200,704	
Salary Supplements	24,600	
Secretary(ies)	38,952	
Clerical Personnel	54,344	
Overtime Pay	68,218	
Other Salaries and Wages	77,144	
Social Security	120,355	
State Retirement	115,371	
Medical Insurance	214,776	
Dental Insurance	9,844	
Unemployment Compensation	2,780	
Communication	24,806	
Dues and Memberships	2,850	
Evaluation and Testing	700	
Maintenance Agreements	4,832	
Maintenance and Repair Services - Equipment	1,345	
Maintenance and Repair Services - Vehicles	66,704	
Printing, Stationery, and Forms	540	
Travel	4,867	
Gasoline	148,335	
Instructional Supplies and Materials	5,042	
Law Enforcement Supplies	3,222	
Office Supplies	5,561	
Uniforms	4,189	
Communication Equipment	6,297	
Data Processing Equipment	1,547	
Law Enforcement Equipment	11,842	
Motor Vehicles	44,967	
Total Sheriff's Department		$ 2,335,084
Traffic Control		
Contracts with Other Public Agencies	$ 12,400	
Road Signs	9,960	
Total Traffic Control		22,360
Administration of the Sexual Offender Registry		
Law Enforcement Supplies	$ 1,878	
Total Administration of the Sexual Offender Registry		1,878

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Jail		
Deputy(ies)	$ 200,908	
Medical Personnel	90,413	
Guards	500,670	
Clerical Personnel	45,596	
Attendants	36,055	
Cafeteria Personnel	25,659	
Overtime Pay	29,851	
Bonus Payments	8,730	
Other Salaries and Wages	31,166	
Social Security	73,292	
State Retirement	63,223	
Medical Insurance	171,678	
Dental Insurance	8,096	
Unemployment Compensation	2,844	
Communication	14,523	
Contracts with Private Agencies	49,000	
Evaluation and Testing	1,725	
Maintenance Agreements	6,073	
Maintenance and Repair Services - Buildings	2,557	
Maintenance and Repair Services - Equipment	472	
Medical and Dental Services	355,096	
Printing, Stationery, and Forms	95	
Transportation - Other than Students	3,124	
Travel	3,864	
Custodial Supplies	42,256	
Electricity	88,734	
Food Supplies	234,710	
Law Enforcement Supplies	1,136	
Natural Gas	35,510	
Office Supplies	2,132	
Periodicals	858	
Prisoners Clothing	6,859	
Uniforms	4,260	
Water and Sewer	40,346	
Communication Equipment	2,898	
Data Processing Equipment	1,764	
Furniture and Fixtures	3,553	
Total Jail		$ 2,189,726

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Juvenile Services		
Supervisor/Director	$ 39,855	
Youth Service Officer(s)	121,747	
Salary Supplements	9,000	
Secretary(ies)	25,830	
Part-time Personnel	17,984	
Other Salaries and Wages	7,800	
In-Service Training	930	
Social Security	16,571	
State Retirement	16,870	
Medical Insurance	30,685	
Dental Insurance	1,547	
Unemployment Compensation	422	
Communication	2,345	
Contracts with Government Agencies	19,870	
Maintenance Agreements	1,549	
Travel	5,376	
Other Contracted Services	1,399	
Office Supplies	5,377	
Data Processing Equipment	826	
Furniture and Fixtures	1,309	
Total Juvenile Services		$ 327,292
Rural Fire Protection		
Contributions	$ 257,000	
Total Rural Fire Protection		257,000
Civil Defense		
Supervisor/Director	$ 38,608	
Deputy(ies)	34,714	
Other Salaries and Wages	18,696	
Social Security	6,178	
State Retirement	4,733	
Medical Insurance	13,361	
Dental Insurance	645	
Unemployment Compensation	193	
Communication	7,072	
Dues and Memberships	35	
Maintenance and Repair Services - Buildings	540	
Maintenance and Repair Services - Vehicles	1,678	
Travel	738	

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Civil Defense (Cont.)		
Food Supplies	$ 3,163	
Gasoline	2,950	
Office Supplies	2,894	
Uniforms	809	
In Service/Staff Development	707	
Other Charges	129,556	
Other Equipment	10,374	
Total Civil Defense		$ 277,644
Rescue Squad		
Contributions	$ 17,000	
Total Rescue Squad		17,000
Other Emergency Management		
Contracts with Government Agencies	$ 3,688	
Total Other Emergency Management		3,688
County Coroner/Medical Examiner		
Medical and Dental Services	$ 40,000	
Total County Coroner/Medical Examiner		40,000
Other Public Safety		
Supervisor/Director	$ 42,530	
Salary Supplements	32,492	
Dispatchers/Radio Operators	438,542	
Educational Assistants	37,051	
Overtime Pay	9,424	
Other Salaries and Wages	21,303	
Social Security	42,323	
State Retirement	46,715	
Medical Insurance	98,550	
Dental Insurance	4,857	
Unemployment Compensation	1,207	
Total Other Public Safety		774,994
Public Health and Welfare		
Local Health Center		
Medical Personnel	$ 175,682	
Clerical Personnel	154,524	
Educational Assistants	109,492	

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Local Health Center (Cont.)		
Social Security	$ 34,250	
State Retirement	28,139	
Medical Insurance	50,680	
Dental Insurance	2,575	
Unemployment Compensation	1,322	
Communication	7,456	
Contributions	40,000	
Maintenance and Repair Services - Buildings	5,393	
Postal Charges	10	
Travel	13,168	
Drugs and Medical Supplies	96	
Office Supplies	858	
Utilities	9,943	
Other Supplies and Materials	13,850	
Liability Insurance	491	
In Service/Staff Development	90	
Total Local Health Center		$ 648,019
Rabies and Animal Control		
Supervisor/Director	$ 35,430	
Deputy(ies)	17,653	
Overtime Pay	2,166	
Social Security	3,799	
State Retirement	2,703	
Medical Insurance	8,059	
Dental Insurance	451	
Unemployment Compensation	183	
Communication	2,485	
Dues and Memberships	125	
Maintenance and Repair Services - Buildings	338	
Maintenance and Repair Services - Vehicles	1,549	
Travel	13	
Veterinary Services	4,021	
Custodial Supplies	1,305	
Drugs and Medical Supplies	1,149	
Gasoline	4,594	
Office Supplies	2,161	
Uniforms	1,108	
Utilities	1,200	
Total Rabies and Animal Control		90,492

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Ambulance/Emergency Medical Services		
Supervisor/Director	$ 51,162	
Accountants/Bookkeepers	61,378	
Medical Personnel	705,274	
Overtime Pay	432,997	
In-Service Training	2,841	
Social Security	94,662	
State Retirement	89,173	
Medical Insurance	158,279	
Dental Insurance	6,813	
Unemployment Compensation	2,969	
Communication	8,660	
Consultants	3,000	
Data Processing Services	1,816	
Dues and Memberships	300	
Operating Lease Payments	2,797	
Licenses	3,568	
Maintenance and Repair Services - Buildings	8,304	
Maintenance and Repair Services - Equipment	12,973	
Maintenance and Repair Services - Vehicles	24,554	
Medical and Dental Services	1,152	
Travel	1,167	
Custodial Supplies	2,150	
Drugs and Medical Supplies	45,478	
Gasoline	39,149	
Office Supplies	5,366	
Tires and Tubes	6,812	
Uniforms	8,252	
Utilities	25,375	
Other Supplies and Materials	2,771	
Liability Insurance	19,641	
Vehicle and Equipment Insurance	24,546	
Communication Equipment	740	
Furniture and Fixtures	8,059	
Other Equipment	1,687	
Total Ambulance/Emergency Medical Services		$ 1,863,865
Alcohol and Drug Programs		
Other Supplies and Materials	$ 2,000	
Total Alcohol and Drug Programs		2,000

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Appropriation to State		
Contributions	$ 85,743	
Total Appropriation to State		$ 85,743
General Welfare Assistance		
Contributions	$ 31,580	
Total General Welfare Assistance		31,580
Other Waste Disposal		
Disposal Fees	$ 38,798	
Total Other Waste Disposal		38,798
Social, Cultural, and Recreational Services		
Senior Citizens Assistance		
Contributions	$ 66,087	
Tax Relief Program	113,339	
Total Senior Citizens Assistance		179,426
Agriculture and Natural Resources		
Agriculture Extension Service		
Salary Supplements	$ 74,640	
Secretary(ies)	47,718	
Social Security	766	
State Retirement	827	
Unemployment Compensation	58	
Other Fringe Benefits	37,488	
Communication	722	
Contracts with Private Agencies	30,000	
Maintenance and Repair Services - Office Equipment	1,606	
Travel	3,984	
Data Processing Supplies	2,203	
Office Supplies	188	
Utilities	1,943	
Total Agriculture Extension Service		202,143
Soil Conservation		
Secretary(ies)	$ 31,558	
Other Salaries and Wages	31,979	
Social Security	4,680	
State Retirement	5,248	
Medical Insurance	11,608	

(Continued)

Exhibit K-7

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

General Fund (Cont.)		
Agriculture and Natural Resources (Cont.)		
Soil Conservation (Cont.)		
Dental Insurance	$ 516	
Unemployment Compensation	109	
Contributions	2,000	
Total Soil Conservation		$ 87,698
Other Operations		
Industrial Development		
Contributions	$ 258,258	
Total Industrial Development		258,258
Veterans' Services		
Clerical Personnel	$ 13,820	
Social Security	1,057	
Unemployment Compensation	105	
Communication	660	
Dues and Memberships	50	
Travel	780	
Electricity	968	
Natural Gas	529	
Office Supplies	199	
Water and Sewer	382	
Total Veterans' Services		18,550
Other Charges		
Liability Insurance	$ 153,811	
Premiums on Corporate Surety Bonds	265	
Trustee's Commission	179,610	
Workers' Compensation Insurance	151,233	
Liability Claims	13,641	
Loss from Joint Ventures	77,365	
Other Charges	14,753	
Total Other Charges		590,678
Contributions to Other Agencies		
Contributions	$ 39,000	
Total Contributions to Other Agencies		39,000
Payments to Cities		
Contributions	$ 28,500	
Total Payments to Cities		28,500

(Continued)

Exhibit K-7

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

General Fund (Cont.)			
Other Operations (Cont.)			
Miscellaneous			
Contracts with Private Agencies	$ 3,409		
Engineering Services	29,170		
Other Contracted Services	65,686		
Instructional Supplies and Materials	9,167		
Other Charges	34,010		
Total Miscellaneous		$ 141,442	
Total General Fund			$ 14,437,339
Public Library Fund			
Social, Cultural, and Recreational Services			
Libraries			
Librarians	$ 498,509		
Dues and Memberships	4,650		
Janitorial Services	11,872		
Maintenance and Repair Services - Buildings	13,368		
Postal Charges	4,242		
Printing, Stationery, and Forms	2,389		
Travel	1,986		
Periodicals	4,424		
Utilities	49,681		
Other Supplies and Materials	178,693		
Liability Insurance	70,503		
Office Equipment	15,770		
Other Capital Outlay	141,479		
Total Libraries		$ 997,566	
Total Public Library Fund			997,566
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Sanitation Management			
Supervisor/Director	$ 44,857		
Secretary(ies)	31,979		
Overtime Pay	1,389		
In-Service Training	721		
Social Security	5,919		
State Retirement	6,480		
Medical Insurance	11,608		
Dental Insurance	516		

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)		
Public Health and Welfare (Cont.)		
Sanitation Management (Cont.)		
Unemployment Compensation	$ 109	
Communication	1,396	
Maintenance and Repair Services - Buildings	4,854	
Postal Charges	1,066	
Travel	998	
Custodial Supplies	314	
Utilities	7,338	
Other Supplies and Materials	4,247	
Trustee's Commission	19,398	
Other Charges	10,392	
Total Sanitation Management		$ 153,581
Waste Pickup		
Truck Drivers	$ 130,213	
Guards	22,798	
Overtime Pay	25,092	
Other Salaries and Wages	2,100	
Social Security	13,362	
State Retirement	9,448	
Medical Insurance	32,986	
Dental Insurance	1,290	
Unemployment Compensation	365	
Contracts with Government Agencies	22,500	
Contracts with Private Agencies	291,367	
Maintenance and Repair Services - Equipment	278	
Maintenance and Repair Services - Vehicles	14,502	
Diesel Fuel	43,997	
Garage Supplies	2,607	
Gasoline	6,227	
Tires and Tubes	6,047	
Uniforms	2,321	
Other Supplies and Materials	3,886	
Vehicle and Equipment Insurance	8,875	
Other Equipment	1,990	
Total Waste Pickup		642,251
Convenience Centers		
Attendants	$ 142,355	
Overtime Pay	3,545	
Other Salaries and Wages	21,408	

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)			
Public Health and Welfare (Cont.)			
Convenience Centers (Cont.)			
Social Security	$ 13,422		
State Retirement	8,568		
Medical Insurance	44,043		
Dental Insurance	1,913		
Unemployment Compensation	873		
Communication	6,373		
Maintenance and Repair Services - Buildings	780		
Maintenance and Repair Services - Equipment	14,045		
Rentals	6,480		
Crushed Stone	750		
Electricity	7,611		
Solid Waste Equipment	62,244		
Other Equipment	37,999		
Total Convenience Centers		$ 372,409	
Other Waste Collection			
Supervisor/Director	$ 13,197		
Secretary(ies)	8,156		
Overtime Pay	1,437		
Social Security	1,702		
State Retirement	1,867		
Unemployment Compensation	25		
Contracts with Government Agencies	768		
Contracts with Private Agencies	47,619		
Contracts with Vehicle Owners	6,419		
Maintenance and Repair Services - Equipment	365		
Total Other Waste Collection		81,555	
Other Operations			
Other Charges			
Workers' Compensation Insurance	$ 24,422		
Total Other Charges		24,422	
Total Solid Waste/Sanitation Fund			$ 1,274,218
Local Purpose Tax Fund			
Other Operations			
Industrial Development			
Contracts with Government Agencies	$ 75,000		
Trustee's Commission	2,695		
Total Industrial Development		$ 77,695	

(Continued)

Exhibit K-7

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

Local Purpose Tax Fund (Cont.)			
Principal on Debt			
General Government			
Principal on Notes	$ 112,500		
Total General Government		$ 112,500	
Interest on Debt			
General Government			
Interest on Notes	$ 4,020		
Total General Government		4,020	
Total Local Purpose Tax Fund			$ 194,215
Drug Control Fund			
Public Safety			
Drug Enforcement			
Confidential Drug Enforcement Payments	$ 15,000		
Dues and Memberships	110		
Maintenance and Repair Services - Equipment	353		
Travel	13,927		
Instructional Supplies and Materials	1,821		
Law Enforcement Supplies	5,238		
Trustee's Commission	867		
Other Charges	189		
Communication Equipment	13,798		
Data Processing Equipment	4,963		
Law Enforcement Equipment	36,703		
Motor Vehicles	66,748		
Total Drug Enforcement		$ 159,717	
Total Drug Control Fund			159,717
District Attorney General Fund			
Administration of Justice			
District Attorney General			
Communication	$ 6,906		
Dues and Memberships	95		
Janitorial Services	5,250		
Travel	1,500		
Other Contracted Services	1,335		
Office Supplies	597		
Other Supplies and Materials	3,246		
Other Charges	11,515		
Total District Attorney General		$ 30,444	
Total District Attorney General Fund			30,444

(Continued)

Exhibit K-7

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

Commissary Fund			
Public Safety			
Commissary			
Supervisor/Director	$ 19,947		
Other Salaries and Wages	2,932		
Social Security	1,730		
State Retirement	1,008		
Medical Insurance	3,459		
Dental Insurance	215		
Unemployment Compensation	104		
Communication	157		
Maintenance Agreements	2,200		
Maintenance and Repair Services - Vehicles	70		
Food Supplies	27,645		
Gasoline	172		
Office Supplies	1,390		
Other Supplies and Materials	11,028		
Trustee's Commission	52		
Workers' Compensation Insurance	167		
Other Charges	5,303		
Total Commissary		$ 77,579	
Total Commissary Fund			$ 77,579
Constitutional Officers - Fees Fund			
General Government			
Register of Deeds			
Constitutional Officers' Operating Expenses	$ 171,168		
Total Register of Deeds		$ 171,168	
Finance			
County Trustee's Office			
Constitutional Officers' Operating Expenses	$ 182,241		
Total County Trustee's Office		182,241	
County Clerk's Office			
Constitutional Officers' Operating Expenses	$ 237,909		
Total County Clerk's Office		237,909	
Administration of Justice			
Circuit Court			
Constitutional Officers' Operating Expenses	$ 663,149		
Total Circuit Court		663,149	

(Continued)

Exhibit K-7

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

Constitutional Officers - Fees Fund (Cont.)			
Administration of Justice (Cont.)			
General Sessions Court Clerk			
Constitutional Officers' Operating Expenses	$ 6,253		
Total General Sessions Court Clerk		$ 6,253	
Chancery Court			
Constitutional Officers' Operating Expenses	$ 131,494		
Total Chancery Court		131,494	
Public Safety			
Sheriff's Department			
Constitutional Officers' Operating Expenses	$ 66		
Total Sheriff's Department		66	
Total Constitutional Officers - Fees Fund			$ 1,392,280
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 70,350		
Assistant(s)	43,000		
Secretary(ies)	28,000		
Board and Committee Members Fees	6,300		
Social Security	11,297		
State Retirement	11,676		
Medical Insurance	25,079		
Dental Insurance	774		
Unemployment Compensation	467		
Accounting Services	12,000		
Dues and Memberships	3,230		
Evaluation and Testing	815		
Legal Services	350		
Printing, Stationery, and Forms	70		
Travel	1,051		
Other Contracted Services	215		
Office Supplies	1,364		
Other Charges	1,712		
Total Administration		$ 217,750	
Highway and Bridge Maintenance			
Equipment Operators	$ 311,315		
Truck Drivers	10,817		

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Highway and Bridge Maintenance (Cont.)		
Social Security	$ 24,549	
State Retirement	21,994	
Medical Insurance	120,773	
Dental Insurance	3,119	
Unemployment Compensation	2,733	
Other Contracted Services	634,496	
Asphalt - Cold Mix	8,970	
Asphalt - Liquid	385,176	
Crushed Stone	155,467	
Pipe - Concrete	11,651	
Road Signs	4,402	
Salt	1,306	
Structural Steel	534	
Other Supplies and Materials	45	
Total Highway and Bridge Maintenance		$ 1,697,347
Operation and Maintenance of Equipment		
Mechanic(s)	$ 60,672	
Social Security	4,612	
State Retirement	5,012	
Medical Insurance	23,641	
Dental Insurance	516	
Unemployment Compensation	430	
Laundry Service	3,787	
Maintenance and Repair Services - Equipment	816	
Tow-in Services	300	
Diesel Fuel	71,649	
Equipment and Machinery Parts	59,319	
Garage Supplies	196	
Gasoline	9,877	
Lubricants	3,142	
Tires and Tubes	14,762	
Other Supplies and Materials	3,704	
Total Operation and Maintenance of Equipment		262,435
Other Charges		
Communication	$ 3,849	
Electricity	5,020	
Natural Gas	1,861	
Water and Sewer	412	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Other Charges (Cont.)			
Liability Insurance	$ 40,649		
Trustee's Commission	19,164		
Workers' Compensation Insurance	52,444		
Other Charges	700		
Total Other Charges		$ 124,099	
Total Highway/Public Works Fund			$ 2,301,631
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 420,000		
Principal on Notes	109,000		
Principal on Other Loans	380,000		
Total General Government		$ 909,000	
Interest on Debt			
General Government			
Interest on Bonds	$ 101,400		
Interest on Notes	6,573		
Interest on Other Loans	218,294		
Total General Government		326,267	
Other Debt Service			
General Government			
Fiscal Agent Charges	$ 1,985		
Trustee's Commission	15,611		
Underwriter's Discount	11,250		
Other Debt Issuance Charges	34,590		
Other Debt Service	5,934		
Total General Government		69,370	
Total General Debt Service Fund			1,304,637
Rural Debt Service Fund			
Principal on Debt			
Education			
Principal on Bonds	$ 300,000		
Principal on Notes	123,300		
Total Education		$ 423,300	

(Continued)

Exhibit K-7

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

Rural Debt Service Fund (Cont.)			
Interest on Debt			
Education			
Interest on Bonds	$ 80,200		
Interest on Notes	2,061		
Total Education		$ 82,261	
Other Debt Service			
Education			
Trustee's Commission	$ 12,261		
Other Debt Service	2,067		
Total Education		14,328	
Total Rural Debt Service Fund			$ 519,889
Special Debt Service Fund			
Principal on Debt			
Education			
Principal on Other Loans	$ 425,000		
Total Education		$ 425,000	
Interest on Debt			
Education			
Interest on Bonds	$ 1,074,663		
Interest on Other Loans	334,937		
Total Education		1,409,600	
Other Debt Service			
Education			
Trustee's Commission	$ 12,931		
Total Education		12,931	
Total Special Debt Service Fund			1,847,531
Education Debt Service Fund			
Principal on Debt			
Education			
Principal on Bonds	$ 295,000		
Total Education		$ 295,000	
Interest on Debt			
Education			
Interest on Bonds	$ 136,425		
Total Education		136,425	

(Continued)

Exhibit K-7

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

Education Debt Service Fund (Cont.)			
Other Debt Service			
Education			
Trustee's Commission	$ 8,834		
Other Debt Service	1,529		
Total Education		$ 10,363	
Total Education Debt Service Fund			$ 441,788
Other Debt Service Fund			
Other Debt Service			
Education			
Trustee's Commission	$ 3,495		
Total Education		$ 3,495	
Total Other Debt Service Fund			3,495
General Capital Projects Fund			
Capital Projects			
General Administration Projects			
Trustee's Commission	$ 2,516		
Total General Administration Projects		$ 2,516	
Public Utility Projects			
Other Construction	$ 2,000		
Other Capital Outlay	144,766		
Total Public Utility Projects		146,766	
Total General Capital Projects Fund			149,282
Education Capital Projects Fund			
Other Debt Service			
Education			
Underwriter's Discount	$ 241,511		
Other Debt Issuance Charges	375,208		
Total Education		$ 616,719	
Capital Projects - Donated			
Capital Projects Donated to School Department			
Contributions	$ 13,234,866		
Total Capital Projects Donated to School Department		13,234,866	
Total Education Capital Projects Fund			13,851,585

(Continued)

Exhibit K-7

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

Other Capital Projects Fund			
Public Health and Welfare			
Ambulance/Emergency Medical Services			
Trustee's Commission	$ 1,600		
Motor Vehicles	135,265		
Total Ambulance/Emergency Medical Services		$ 136,865	
Principal on Debt			
General Government			
Principal on Notes	$ 141,667		
Total General Government		141,667	
Interest on Debt			
General Government			
Interest on Notes	$ 1,608		
Total General Government		1,608	
Total Other Capital Projects Fund			$ 280,140
Total Governmental Funds - Primary Government			$ 39,263,336

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2010

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 10,316,936	
Career Ladder Program	118,755	
Career Ladder Extended Contracts	50,865	
Homebound Teachers	25,500	
Instructional Computer Personnel	56,865	
Educational Assistants	203,390	
Other Salaries and Wages	15,694	
Certified Substitute Teachers	28,654	
Non-certified Substitute Teachers	146,248	
Social Security	633,413	
State Retirement	681,596	
Life Insurance	52,446	
Medical Insurance	1,714,295	
Dental Insurance	80,386	
Employer Medicare	150,618	
Communication	69,334	
Maintenance and Repair Services - Equipment	8,129	
Other Contracted Services	15,728	
Instructional Supplies and Materials	190,134	
Textbooks	319,711	
Other Supplies and Materials	64,324	
Other Charges	30,927	
Regular Instruction Equipment	121,031	
Total Regular Instruction Program		$ 15,094,979
Special Education Program		
Teachers	$ 1,494,148	
Career Ladder Program	19,674	
Homebound Teachers	14,382	
Educational Assistants	163,148	
Speech Pathologist	119,158	
Other Salaries and Wages	126,005	
Certified Substitute Teachers	2,500	
Non-certified Substitute Teachers	12,854	
Social Security	111,804	
State Retirement	120,584	
Life Insurance	7,551	
Medical Insurance	324,764	
Dental Insurance	21,455	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Special Education Program (Cont.)		
Employer Medicare	$ 26,503	
Maintenance and Repair Services - Equipment	595	
Other Contracted Services	81,196	
Instructional Supplies and Materials	8,677	
Other Charges	623	
Total Special Education Program		$ 2,655,621
Vocational Education Program		
Teachers	$ 910,644	
Career Ladder Program	5,500	
Educational Assistants	12,181	
Certified Substitute Teachers	3,330	
Non-certified Substitute Teachers	10,177	
Social Security	56,087	
State Retirement	60,301	
Life Insurance	3,566	
Medical Insurance	148,082	
Dental Insurance	5,431	
Employer Medicare	13,117	
Instructional Supplies and Materials	27,098	
Vocational Instruction Equipment	20,730	
Total Vocational Education Program		1,276,244
Student Body Education Program		
Other Salaries and Wages	$ 37,173	
Social Security	2,186	
State Retirement	2,723	
Employer Medicare	511	
Other Charges	9,602	
Total Student Body Education Program		52,195
Support Services		
Attendance		
Supervisor/Director	$ 61,032	
Career Ladder Program	1,000	
Social Security	3,442	
State Retirement	3,982	
Life Insurance	180	
Medical Insurance	9,432	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Attendance (Cont.)		
Dental Insurance	$ 272	
Employer Medicare	805	
Travel	1,698	
Other Contracted Services	10,814	
Other Supplies and Materials	2,253	
Attendance Equipment	2,980	
Total Attendance		$ 97,890
Health Services		
Medical Personnel	$ 281,397	
Secretary(ies)	19,572	
Other Salaries and Wages	7,148	
Social Security	18,008	
State Retirement	19,089	
Life Insurance	1,155	
Medical Insurance	45,240	
Dental Insurance	1,631	
Employer Medicare	4,212	
Travel	7,097	
Other Contracted Services	2,075	
Other Supplies and Materials	9,056	
Other Charges	112	
Other Equipment	1,179	
Other Capital Outlay	3,458	
Total Health Services		420,429
Other Student Support		
Career Ladder Program	$ 3,952	
Guidance Personnel	462,454	
Psychological Personnel	23,678	
Social Workers	23,698	
Secretary(ies)	64,949	
Other Salaries and Wages	16,185	
Social Security	35,011	
State Retirement	38,301	
Life Insurance	1,789	
Medical Insurance	91,373	
Dental Insurance	3,530	
Employer Medicare	8,166	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Other Student Support (Cont.)		
Evaluation and Testing	$ 52,384	
Travel	1,592	
Other Contracted Services	1,562	
Total Other Student Support		$ 828,624
Regular Instruction Program		
Supervisor/Director	$ 292,972	
Career Ladder Program	8,000	
Career Ladder Extended Contracts	6,205	
Librarians	333,865	
Secretary(ies)	87,189	
Other Salaries and Wages	35,733	
Social Security	41,214	
State Retirement	45,999	
Life Insurance	2,776	
Medical Insurance	133,464	
Dental Insurance	5,431	
Employer Medicare	10,351	
Travel	19,889	
Library Books/Media	24,952	
In Service/Staff Development	11,568	
Other Charges	6,512	
Other Equipment	3,192	
Total Regular Instruction Program		1,069,312
Special Education Program		
Supervisor/Director	$ 58,764	
Career Ladder Program	1,000	
Psychological Personnel	107,906	
Secretary(ies)	18,096	
Other Salaries and Wages	1,905	
Social Security	10,562	
State Retirement	12,535	
Life Insurance	632	
Medical Insurance	27,676	
Dental Insurance	1,086	
Employer Medicare	2,470	
Travel	13,791	
Other Supplies and Materials	1,001	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Special Education Program (Cont.)		
Other Charges	$ 912	
Total Special Education Program		$ 258,336
Vocational Education Program		
Supervisor/Director	$ 37,016	
Career Ladder Program	1,500	
Social Security	2,328	
State Retirement	2,473	
Life Insurance	182	
Medical Insurance	2,819	
Dental Insurance	272	
Employer Medicare	545	
Communication	1,830	
Travel	1,223	
Total Vocational Education Program		50,188
Other Programs		
On-Behalf Payments to OPEB	$ 201,531	
Total Other Programs		201,531
Board of Education		
Secretary to Board	$ 886	
Board and Committee Members Fees	19,675	
Social Security	1,136	
State Retirement	73	
Life Insurance	6,221	
Medical Insurance	152,329	
Dental Insurance	21,629	
Unemployment Compensation	31,061	
Employer Medicare	296	
Audit Services	5,935	
Bank Charges	940	
Dues and Memberships	6,066	
Legal Services	23,758	
Travel	2,164	
Liability Insurance	215,336	
Trustee's Commission	229,665	
Workers' Compensation Insurance	193,264	
In Service/Staff Development	14,190	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Board of Education (Cont.)		
Criminal Investigation of Applicants - TBI	$ 3,120	
Other Charges	55,339	
Total Board of Education		$ 983,083
Director of Schools		
County Official/Administrative Officer	$ 98,795	
Career Ladder Program	600	
Secretary(ies)	31,718	
Clerical Personnel	26,342	
Other Salaries and Wages	1,371	
Social Security	9,661	
State Retirement	11,290	
Life Insurance	541	
Medical Insurance	20,706	
Dental Insurance	815	
Employer Medicare	2,259	
Communication	8,175	
Dues and Memberships	2,608	
Maintenance and Repair Services - Equipment	13,120	
Postal Charges	2,236	
Travel	3,375	
Office Supplies	7,727	
Utilities	21,758	
In Service/Staff Development	1,846	
Total Director of Schools		264,943
Office of the Principal		
Principals	$ 505,047	
Career Ladder Program	11,000	
Accountants/Bookkeepers	52,935	
Assistant Principals	266,553	
Secretary(ies)	245,733	
Social Security	63,900	
State Retirement	74,636	
Life Insurance	4,140	
Medical Insurance	166,696	
Dental Insurance	7,332	
Employer Medicare	14,944	
Communication	23,482	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Office of the Principal (Cont.)		
Travel	$ 2,488	
Office Supplies	4,632	
Total Office of the Principal		$ 1,443,518
Fiscal Services		
Supervisor/Director	$ 41,338	
Accountants/Bookkeepers	121,610	
Social Security	9,782	
State Retirement	13,459	
Life Insurance	902	
Medical Insurance	30,328	
Dental Insurance	1,358	
Employer Medicare	2,288	
Travel	71	
Other Contracted Services	13,362	
Other Supplies and Materials	1,364	
In Service/Staff Development	163	
Total Fiscal Services		236,025
Operation of Plant		
Custodial Personnel	$ 483,182	
Social Security	27,175	
State Retirement	36,417	
Life Insurance	4,202	
Medical Insurance	137,077	
Dental Insurance	5,703	
Employer Medicare	6,536	
Laundry Service	4,666	
Electricity	795,532	
Natural Gas	96,696	
Propane Gas	7,923	
Water and Sewer	57,898	
Other Supplies and Materials	59,970	
Total Operation of Plant		1,722,977
Maintenance of Plant		
Supervisor/Director	$ 57,425	
Maintenance Personnel	202,496	
Other Salaries and Wages	16,819	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Maintenance of Plant (Cont.)		
Social Security	$ 16,249	
State Retirement	21,710	
Life Insurance	1,132	
Medical Insurance	54,584	
Dental Insurance	2,172	
Employer Medicare	3,800	
Communication	4,398	
Maintenance and Repair Services - Buildings	1,903	
Maintenance and Repair Services - Equipment	9,849	
Travel	180	
Other Supplies and Materials	133,695	
In Service/Staff Development	585	
Maintenance Equipment	14,952	
Total Maintenance of Plant		$ 541,949
Transportation		
Supervisor/Director	$ 55,551	
Mechanic(s)	134,717	
Bus Drivers	546,691	
Clerical Personnel	37,381	
Other Salaries and Wages	153,986	
Social Security	53,534	
State Retirement	72,589	
Life Insurance	8,805	
Medical Insurance	332,916	
Dental Insurance	14,664	
Employer Medicare	12,520	
Communication	1,702	
Laundry Service	3,938	
Maintenance and Repair Services - Equipment	181	
Travel	1,883	
Diesel Fuel	173,439	
Gasoline	15,837	
Tires and Tubes	16,381	
Utilities	14,583	
Vehicle Parts	82,521	
In Service/Staff Development	650	
Other Charges	4,909	
Administration Equipment	2,500	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Transportation (Cont.)		
Transportation Equipment	$ 9,900	
Total Transportation		$ 1,751,778
Operation of Non-Instructional Services		
Community Services		
Supervisor/Director	$ 58,480	
Other Salaries and Wages	121,780	
Social Security	11,030	
State Retirement	5,751	
Dental Insurance	3,530	
Employer Medicare	2,601	
Communication	1,167	
Travel	3,139	
Other Contracted Services	4,991	
Food Supplies	8,642	
In Service/Staff Development	13,017	
Other Charges	5,193	
Total Community Services		239,321
Early Childhood Education		
Teachers	$ 281,866	
Psychological Personnel	23,678	
Educational Assistants	75,617	
Other Salaries and Wages	13,200	
Certified Substitute Teachers	1,140	
Non-certified Substitute Teachers	8,737	
Social Security	23,104	
State Retirement	25,175	
Life Insurance	2,617	
Medical Insurance	92,926	
Employer Medicare	5,404	
Communication	2,399	
Travel	1,449	
Instructional Supplies and Materials	7,281	
Other Supplies and Materials	5,996	
Other Charges	978	
Regular Instruction Equipment	1,730	
Total Early Childhood Education		573,297

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)			
Capital Outlay			
Regular Capital Outlay			
Other Capital Outlay	$ 120,969		
Total Regular Capital Outlay		$ 120,969	
Principal on Debt			
Education			
Principal on Notes	$ 148,777		
Total Education		148,777	
Interest on Debt			
Education			
Interest on Notes	$ 6,516		
Total Education		6,516	
Other Debt Service			
Education			
Other Debt Service	$ 2,746		
Total Education		2,746	
Total General Purpose School Fund			$ 30,041,248
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 379,759		
Educational Assistants	87,829		
Other Salaries and Wages	52,791		
Certified Substitute Teachers	4,770		
Non-certified Substitute Teachers	9,490		
Social Security	31,876		
State Retirement	33,022		
Life Insurance	3,147		
Medical Insurance	107,500		
Employer Medicare	7,459		
Other Contracted Services	2,394		
Instructional Supplies and Materials	99,480		
Other Supplies and Materials	5,763		
Other Charges	2,491		
Regular Instruction Equipment	33,238		
Total Regular Instruction Program		$ 861,009	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)		
Instruction (Cont.)		
Special Education Program		
Teachers	$ 74,999	
Educational Assistants	381,169	
Other Salaries and Wages	17,113	
Certified Substitute Teachers	10,149	
Non-certified Substitute Teachers	17,977	
Social Security	29,278	
State Retirement	34,759	
Life Insurance	4,894	
Medical Insurance	195,818	
Employer Medicare	6,847	
Maintenance and Repair Services - Equipment	4,145	
Other Contracted Services	80,046	
Instructional Supplies and Materials	11,970	
Textbooks	522	
Other Supplies and Materials	57,852	
Other Charges	4,288	
Special Education Equipment	12,488	
Other Equipment	308	
Total Special Education Program		$ 944,622
Vocational Education Program		
Instructional Supplies and Materials	$ 7,994	
Vocational Instruction Equipment	52,957	
Total Vocational Education Program		60,951
Support Services		
Other Student Support		
Social Workers	$ 9,800	
Other Salaries and Wages	1,050	
Social Security	671	
State Retirement	697	
Employer Medicare	157	
Evaluation and Testing	4,331	
Travel	13,587	
Other Supplies and Materials	12,689	
In Service/Staff Development	3,883	
Other Charges	3,597	
Total Other Student Support		50,462

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Regular Instruction Program			
Supervisor/Director	$ 30,723		
Secretary(ies)	25,334		
In-Service Training	600		
Social Security	3,150		
State Retirement	4,103		
Life Insurance	257		
Medical Insurance	15,342		
Employer Medicare	737		
Maintenance and Repair Services - Equipment	139		
Travel	7,154		
Other Contracted Services	1,800		
Other Supplies and Materials	11,837		
In Service/Staff Development	99,699		
Other Equipment	2,840		
Total Regular Instruction Program		$ 203,715	
Special Education Program			
Psychological Personnel	$ 13,623		
Secretary(ies)	18,096		
Social Security	1,994		
State Retirement	1,727		
Life Insurance	252		
Medical Insurance	3,490		
Employer Medicare	466		
Travel	2,876		
Other Supplies and Materials	4,549		
In Service/Staff Development	33,035		
Other Charges	1,570		
Administration Equipment	610		
Other Equipment	619		
Total Special Education Program		82,907	
Vocational Education Program			
Travel	$ 1,157		
In Service/Staff Development	876		
Total Vocational Education Program		2,033	
Office of the Principal			
Communication	$ 686		
Total Office of the Principal		686	
Total School Federal Projects Fund			$ 2,206,385

(Continued)

Exhibit K-8

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

Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 52,947		
Accountants/Bookkeepers	32,314		
Cafeteria Personnel	602,644		
Other Salaries and Wages	13,835		
Social Security	41,019		
State Retirement	49,604		
Life Insurance	6,643		
Medical Insurance	229,376		
Dental Insurance	10,319		
Employer Medicare	9,593		
Accounting Services	608		
Communication	3,292		
Maintenance and Repair Services - Equipment	5,556		
Travel	10,970		
Other Contracted Services	19,743		
Food Preparation Supplies	63,388		
Food Supplies	808,442		
Office Supplies	1,860		
USDA - Commodities	143,313		
Other Supplies and Materials	2,396		
Liability Insurance	313		
In Service/Staff Development	4,693		
Other Charges	2,742		
Administration Equipment	1,483		
Food Service Equipment	58,358		
Total Food Service		$ 2,175,451	
Total Central Cafeteria Fund			$ 2,175,451
Other Capital Projects Fund			
Instruction			
Regular Instruction Program			
Instructional Supplies and Materials	$ 14,537		
Total Regular Instruction Program		$ 14,537	
Support Services			
Office of the Principal			
Office Supplies	$ 392		
Total Office of the Principal		392	

(Continued)

Exhibit K-8

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

Other Capital Projects Fund (Cont.)			
Capital Projects			
Education Capital Projects			
Architects	$ 147,113		
Liability Insurance	9,900		
Building Construction	7,698,340		
Building Improvements	2,998,368		
Data Processing Equipment	79,856		
Furniture and Fixtures	80,768		
Plant Operation Equipment	1,325		
Site Development	384,756		
Health Equipment	2,403		
Other Equipment	38,595		
Other Capital Outlay	440		
Total Education Capital Projects		$ 11,441,864	
Total Other Capital Projects Fund			$ 11,456,793
Total Governmental Funds - Coffee County School Department			$ 45,879,877

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2010

	Enterprise Fund Wayside Acres Sewer Fund
Revenues	
Operating Revenues	
Charges for Current Services	
Water Treatment Charges	$ 11,840
Other General Service Charges	18,367
Service Charges	5,973
Total Operating Revenues	$ 36,180
Total Revenues	$ 36,180
Expenses	
Operating Expenses	
Public Health and Welfare	
Communication	$ 505
Engineering Services	6,577
Maintenance and Repair Services - Equipment	807
Permits	20
Other Contracted Services	17,600
Electricity	2,312
Water and Sewer	77
Other Supplies and Materials	413
Liability Insurance	650
Depreciation	35,475
Total Operating Expenses	$ 64,436
Nonoperating Expenses	
Interest on Other Loans	$ 13,216
Total Nonoperating Expenses	$ 13,216
Total Expenses	$ 77,652

Exhibit K-10

Coffee County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2010

	Cities - Sales Tax Fund	City School ADA- Tullahoma Fund	City School ADA- Manchester Fund	Total
Cash Receipts				
Current Property Taxes	$ 0	$ 4,621,267	$ 2,062,208	$ 6,683,475
Trustee's Collections - Prior Years	0	145,241	64,811	210,052
Trustee's Collections - Bankruptcy	0	11,413	5,090	16,503
Circuit/Clerk and Master Collections - Prior Years	0	46,573	20,883	67,456
Interest and Penalty	0	47,777	21,344	69,121
Payments in-Lieu-of Taxes - TVA	0	396	177	573
Payments in-Lieu-of Taxes - Local Utilities	0	4,965	2,215	7,180
Payments in-Lieu-of Taxes - Other	0	1,101	492	1,593
Interstate Telecommunications Tax	0	1,346	601	1,947
Local Option Sales Tax	12,648,864	0	0	12,648,864
Marriage Licenses	0	1,299	560	1,859
Alcoholic Beverage Tax	0	2,485	1,109	3,594
Total Cash Receipts	$ 12,648,864	$ 4,883,863	$ 2,179,490	$ 19,712,217
Cash Disbursements				
Remittance of Revenues Collected	$ 12,522,376	$ 4,790,641	$ 2,136,845	$ 19,449,862
Trustee's Commission	126,488	97,262	43,400	267,150
Total Cash Disbursements	$ 12,648,864	$ 4,887,903	$ 2,180,245	$ 19,717,012
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0	$ (4,040)	$ (755)	$ (4,795)
Cash Balance, July 1, 2009	0	48,662	20,643	69,305
Cash Balance, June 30, 2010	$ 0	$ 44,622	$ 19,888	$ 64,510

SINGLE AUDIT SECTION

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

March 2, 2011

Coffee County Mayor and
Board of County Commissioners
Coffee 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 Coffee County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Coffee County's basic financial statements and have issued our report thereon dated March 2, 2011. Our report was modified to include a reference to other auditors. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Coffee County Public Building Authority, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Public Library Fund, Coffee County Emergency Communications District, and Industrial Board of Coffee County as described in our report on Coffee County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Coffee 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 Coffee County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Coffee 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 10.02.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 10.03 and 10.06.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coffee County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 10.01, 10.04, and 10.05.

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

Coffee 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 Coffee County's responses and, accordingly, we express no opinion on the responses.

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

Very truly yours,

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
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PHONE (615) 401-7841

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

March 2, 2011

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Coffee 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, 2010. Coffee 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 Coffee County's management. Our responsibility is to express an opinion on Coffee 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 auditing 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 Coffee County's compliance with those requirements and

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

In our opinion, Coffee 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, 2010.

Internal Control Over Compliance

The management of Coffee County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Coffee 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Coffee County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 Coffee County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Coffee County's basic financial statements and have issued our reports thereon dated March 2, 2011. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Coffee County Public Building Authority, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise a portion of Coffee County's basic financial statements. The accompanying Schedule of Expenditures of

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

Coffee 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 Coffee County's responses and, accordingly, we express no opinion on the responses.

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

Very truly yours,

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Coffee County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2010

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	$ 351,114
National School Lunch Program	10.555	N/A	982,671 (3)
Child Nutrition Discretionary Grants Limited Availability, Recovery Act	10.579	N/A	20,000
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	143,313 (3)
Total U.S. Department of Agriculture			$ 1,497,098
U.S. Department of Commerce:			
Direct Program:			
Economic Development - Support for Planning Organizations	11.302	N/A	$ 20,319
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Home Investment Partnership Program	14.239	HM-06-12	$ 34,300
U.S. Department of Interior:			
Passed-through State Department of Environment and Conservation:			
Historic Preservation Fund Grants-in-Aid	15.904	GG-09-27098-00	$ 36,804
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	$ 3,295
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	10,814
Total U.S. Department of Justice			$ 14,109
U.S. Department of Transportation:			
Passed-through Governor's Highway Safety Office:			
Alcohol Open Container Requirements	20.607	Z-09-214588-00	$ 3,029
Passed-through State Department of Transportation:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	GG-09-27358-00	8,400
Total U.S. Department of Transportation			$ 11,429
Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	N/A	$ 7,200
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I, Part A Cluster:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	$ 659,089
Title 1 Grants to Local Educational Agencies, Recovery Act	84.389	N/A	167,210
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	913,286
Special Education - Preschool Grants	84.173	N/A	103,016
Special Education - Grants to States, Recovery Act	84.391	N/A	23,097
Special Education - Preschool Grants, Recovery Act	84.392	N/A	1,898
Career and Technical Education - Basic Grants to States	84.048	N/A	81,912
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	11,276
Education Technology Cluster:			
Education Technology State Grants	84.318	(2)	202,887
Education Technology State Grants, Recovery Act	84.386	N/A	17,666
English Language Acquisition Grants	84.365	N/A	36,308
Improving Teacher Quality State Grants	84.367	N/A	4,589
Education for Homeless Children and Youth, Recovery Act	84.387	N/A	2,836
State Fiscal Stabilization Cluster:			
State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	N/A	804,000
State Fiscal Stabilization Fund - Government Services Recovery Act	84.397	N/A	252,741
Total U.S. Department of Education			$ 3,281,811

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Direct Program:			
Drug-free Communities Support Program Grants	93.276	N/A	$ 58,364
Passed-through State Department of Childrens Services:			
Temporary Assistance for Needy Families	93.558	(2)	9,851
Total U.S. Department of Health and Human Services			$ 68,215
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	N/A	$ 5,559
Emergency Management Performance Grants	97.042	N/A	42,192
Interoperable Emergency Communications	97.055	2009-IP-T9-0052	24,190
Homeland Security Grant Program	97.067	(2)	145,694
Passed-through United Way of America:			
Emergency Food and Shelter National Board Program (ARRA)	97.114	(2)	6,500
Total U.S. Department of Homeland Security			$ 224,135
Total Expenditures of Federal Awards			$ 5,195,420

		Contract Number	
State Grants			
ConnecTenn - State Department of Education	N/A	(2)	$ 2,985
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(2)	609,407
Juvenile Justice and Delinquency Prevention Allocation to States - State Commission on Children and Youth	N/A	(2)	845
Juvenile Services Program - State Commission on Children and Youth	N/A	GG-10-29424-00	9,000
Law Enforcement Training - State Department of Safety	N/A	(2)	25,200
Rural Local Health Services - State Department of Health	N/A	Z-10-219842-01	595,098
State Reappraisal Program - Comptroller of the Treasury	N/A	N/A	14,646
Rural Dispatcher Grant - State Emergency Communications Board	N/A	(2)	70,000
Archives Grant - State Library and Archives	N/A	(2)	5,000
Litter Program - State Department of Transportation	N/A	(4)	39,394
Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-212942-00	41,500
FastTrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	GG-08-25002-00	5,572
Total State Grants			$ 1,418,647

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

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Total for CFDA No. 10.555 is $1,125,984.
(4) Z-09-112734-00: $5,310; Z-10-220316-00: $34,084.

Coffee County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2010

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 Coffee County, Tennessee, for the year ended June 30, 2009, which have not been corrected.

OFFICE OF COUNTY MAYOR

Finding Number	Page Number	Subject
09.01	258	Compensation was paid in-lieu-of insurance benefits for some employees

OFFICE OF DIRECTOR OF SCHOOLS

Finding Number	Page Number	Subject
09.05	261	The Other Capital Projects Fund required material audit adjustments for proper financial statement presentation
09.06	261	Tax anticipation notes were not issued in compliance with state statutes

OTHER FINDING

Finding Number	Page Number	Subject
09.09	263	Duties were not segregated adequately in the Offices of County Mayor, Director of Schools, Trustee, County Clerk, Clerk and Master, Register, and Sheriff

COFFEE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

PART I, SUMMARY OF AUDITOR'S RESULTS

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

2. The audit of the financial statements of Coffee County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.

3. The audit disclosed no instances of noncompliance that were material to the financial statements.

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

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

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

7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); the Title I Part A Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Grants to States, Recovery Act, Special Education – Preschool Grants, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.391, 84.173, and 84.392); and the State Fiscal Stabilization Cluster: State Fiscal Stabilization Fund – Education State Grants, Recovery Act and State Fiscal Stabilization Fund – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397) were determined to be major programs.

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

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

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 10.01 **COMPENSATION WAS PAID IN-LIEU-OF INSURANCE BENEFITS TO SOME EMPLOYEES**
(Noncompliance Under Government Auditing Standards)

It is the policy of the Coffee County Commission to provide single health insurance coverage for its employees. If employees desire family coverage, it is their responsibility to pay the additional cost above single coverage. In prior years, the County Commission approved paying additional compensation to employees who chose not to be covered under the county's plan and could show proof of coverage under another plan, such as a spouse's health insurance plan. The compensation paid to these employees is equal to 67 percent of the cost of single coverage provided to other county employees. The state attorney general has opined (Opinion 04-162) that "Counties do not have the authority to make a cash payment to an official or employee who elects not to participate in the county insurance plan." This deficiency exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The county should not pay employees additional compensation to cover their insurance costs under another health plan.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

According to the previous County Attorney Robert F. Hazard, the Coffee County Commissioners have not committed a crime by virtue of passing a budget that provides for payments in-lieu-of insurance. At this time, we are not aware of any statute that exists making this a criminal offense. By offering the opt-out benefit to eligible county employees, the county saves a substantial amount of taxpayer dollars towards health-care premiums. The opt-out benefit will be offered until such time that it is a crime or it is not economically feasible. The current County Attorney, Robert L. Huskey, concurs with this opinion and further states that case law and state statutes authorize counties to provide or assist in the providing of health insurance coverage for its official and employees. It is a win-win situation for the county which does not violate statutes and we find no reason for it to be discontinued.

AUDITOR'S REBUTTAL

The county's reliance on whether a criminal act has been committed does not have relevance to the point made by the state attorney general that counties do not have the authority to make a cash payment to an official or employee who elects not to participate in

the county insurance plan. As good intentioned the actions of the County Commission are, there is no statutory authority to do so.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 10.02 **THE SCHOOL FEDERAL PROJECTS AND OTHER CAPITAL PROJECTS FUNDS REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2010, certain general ledger account balances in the School Federal Projects and Other Capital Projects funds were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the Coffee County School Department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the School Department's financial reporting system 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 School Department 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 properly present the financial statements in this report.

RECOMMENDATION

The School Department should have appropriate processes in place to ensure that its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We agree. Corrections were made before financial reports were submitted to the state Department of Education.

FINDING 10.03 **THE OTHER CAPITAL PROJECTS FUND HAD A DEFICIT IN UNRESERVED FUND BALANCE AT JUNE 30, 2010**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Other Capital Projects Fund had a deficit in unreserved fund balance of $363,773 at June 30, 2010. This deficit resulted from the unperformed portions of construction contracts of $2,319,316 being reserved as encumbrances and from management's failure to recognize contracts payable totaling $876,661 at June 30, 2010. An audit adjustment was accepted by management to properly reflect the fund in the financial statements of this report.

RECOMMENDATION

County officials should develop and implement a plan that would fund the above-noted deficit.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We agree. I set up a bond proceeds receivable; however, I was not aware that you could not set up a bond receivable.

FINDING 10.04 **TAX ANTICIPATION NOTES WERE NOT ISSUED IN COMPLIANCE WITH STATE STATUTES**
(Noncompliance Under Government Auditing Standards)

During the year, the Other Capital Projects Fund loaned $215,000 to the General Purpose School Fund to provide temporary operating funds without the approval of the state Comptroller's Office. Section 9-21-801, Tennessee Code Annotated, allows the County Commission to issue tax anticipation notes with the approval of the state Comptroller's Office. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Tax anticipation notes should be approved by the state Comptroller's Office as required by state statute.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I had sent a letter to the mayor for signature and to be forwarded to the state Comptroller's Office for approval to borrow the $215,000. After checking with the Mayor's Office, when I thought the approval should be back, I was informed that we could not borrow from capital projects without adequate documentation. I had already written the check to cover payroll because of a delay in BEP funds. Money was transferred back in two days as soon as BEP funds were received.

FINDING 10.05 **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**
(Noncompliance Under Government Auditing Standards)

System backups were not regularly stored off-site. Section 10-7-121, Tennessee Code Annotated provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system be copied to storage media daily, and media more than one week old be stored at an off-site location. This deficiency is the result of management's failure to

implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process.

RECOMMENDATION

Backups should be rotated off-site on a weekly basis. Some possibilities for an off-site storage location would be another county office building with a fireproof vault or a safe-deposit box at a local bank.

OTHER FINDING AND RECOMMENDATION

FINDING 10.06 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF COUNTY MAYOR, DIRECTOR OF SCHOOLS, TRUSTEE, COUNTY CLERK, CLERK AND MASTER, REGISTER, AND SHERIFF**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

Management has formulated a policy to segregate duties, which is now in place. The policy will be followed as part of the daily operations of the employees in the Office of the County Mayor.

BEST PRACTICES

The Division of County Audit strongly believes that the items noted below are best practices that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Coffee County.

ITEM 1. COFFEE COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING AND BUDGETING

Coffee County does not have a central system of accounting and budgeting. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting and budgeting processes. The absence of a central system of accounting and budgeting has been a management decision by the County Commission, resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting and budgeting covering all county departments.

ITEM 2. COFFEE COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE

Coffee County does not have an Audit Committee. An Audit Committee can assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks. County officials should establish an Audit Committee as a best practice.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards.

COFFEE COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2010

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