



ANNUAL FINANCIAL REPORT CROCKETT COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2010



ANNUAL FINANCIAL REPORT
CROCKETT COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2010

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

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Audit Highlights

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

Scope

We have audited the basic financial statements of Crockett 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, each major fund, and the aggregate remaining fund information is unqualified.

Our audit resulted in 11 findings and recommendations, which we have reviewed with Crockett County management. Detailed findings, recommendations and management's responses are included in the Single Audit section of this report.

Findings and Best Practice

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

CROCKETT COUNTY AND CROCKETT COUNTY SCHOOL DEPARTMENT

- ◆ Crockett County and the Crockett County School Department do not have the resources to produce financial statements and notes to the financial statements.
- ◆ The General, Highway/Public Works, School Transportation, and General Capital Projects funds required material audit adjustments for proper financial statement presentation.

OFFICE OF COUNTY MAYOR

- ◆ The office had not established a formal purchase order system.
 - ◆ General ledger cash accounts were not reconciled with county trustee reports.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Expenditures exceeded appropriations.
 - ◆ The School Department did not account for American Recovery and Reinvestment Act grants separately from other department funds.
-

OFFICE OF TRUSTEE

- ◆ Unauthorized securities were pledged as collateral.
-

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ The office had deficiencies in computer system backup procedures.
-

OFFICE OF ASSESSOR OF PROPERTY

- ◆ Assessment records were changed during the year as property transfers were made, violating state statute.
-

OTHER FINDINGS

- ◆ Crockett County has material recurring audit findings.
 - ◆ Duties were not segregated adequately among the officials and employees in the Offices of Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff.
-

BEST PRACTICE

Crockett County does not have a central system of accounting, budgeting, and purchasing. The Division of County Audit strongly believes that a central system of accounting, budgeting, and purchasing is a best practice 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 Crockett County.

INTRODUCTORY SECTION

Crockett County Officials
June 30, 2010

Officials

Larry Griffin, County Mayor
Milton Legions, Road Supervisor
Eddie Whitby, Director of Schools
Gary Spraggins, Trustee
Gary Reasons, Assessor of Property
Ernest Bushart, County Clerk
Kim Kail, Circuit, General Sessions, and Juvenile Courts Clerk
Nancy Evans, Clerk and Master
Alan Castellaw, Register
Troy Klyce, Sheriff

Board of County Commissioners

Larry Griffin, County Mayor, Chairman	Donald Prescott
Pat Branch	John Schwerdt
Harold Craig	Jane Smith
James East	Edwin Tritt
Flynnold Gregory	Gaylon Turnage
Lee Hickman	Ronnie Turner
Letha Johnson	Richard Walker
Marlon Jordan	Charles Paul Ward
Melvin Lawson	Jimmy Webb
Jerrel Little	Cartha Williams
Darrell Lowery	Gary Williams
Carolyn Nance	Alpha Worrell
Harold Park	

Road Commission

Thomas Haynes, Chairman
Paul North
William Beard

Board of Education

Jasper Taylor, IV, Chairman
John Cole
David Eubanks
Mark Faulkner
Henry King
David Russell
Will Spence

FINANCIAL SECTION



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

September 13, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Crockett County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Crockett County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements of the Crockett County Emergency Communications District, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the

Crockett County Emergency Communications District, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

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

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 13, 2010, on our consideration of Crockett 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., Crockett 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.

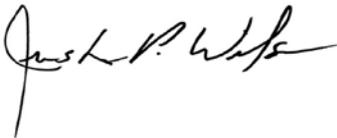
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 55 through 60 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 Crockett County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Crockett County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Crockett County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Unit Crockett County School Department</u>
<u>ASSETS</u>		
Cash	\$ 6,202	\$ 0
Equity in Pooled Cash and Investments	4,097,846	1,396,333
Accounts Receivable	917,244	1,899
Allowance for Uncollectibles	(389,377)	0
Due from Other Governments	591,436	575,948
Property Taxes Receivable	4,197,295	1,387,696
Allowance for Uncollectible Property Taxes	(413,846)	(137,411)
Deferred Charges - Debt Issuance Costs	285,439	0
Capital Assets:		
Assets Not Depreciated:		
Land	895,130	824,805
Construction in Progress	695,978	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	1,366,913	13,688,971
Infrastructure	1,540,215	312,404
Other Capital Assets	725,234	555,683
Total Assets	<u>\$ 14,515,709</u>	<u>\$ 18,606,328</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 119,955
Payroll Deductions Payable	1,299	0
Contracts Payable	332,524	0
Retainage Payable	29,827	0
Accrued Interest Payable	99,876	0
Deferred Revenue - Current Property Taxes	3,566,420	1,177,836
Noncurrent Liabilities:		
Due Within One Year	788,381	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	17,147,978	203,697
Total Liabilities	<u>\$ 21,966,305</u>	<u>\$ 1,501,488</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 3,411,663	\$ 0
Invested in Capital Assets	0	15,381,863
Restricted for:		
Solid Waste/Sanitation	103,549	0
Highway/Public Works	1,215,155	0
School Federal Projects	0	71,579
Central Cafeteria	0	90,284
School Transportation	0	22,988
Debt Service	1,643,143	0
Capital Projects	616,230	0
Career Ladder - Extended Contract	0	24,955
Basic Education Program	0	65,925
Other Purposes	108,633	0
Unrestricted	<u>(14,548,969)</u>	<u>1,447,246</u>
Total Net Assets (Deficit)	<u>\$ (7,450,596)</u>	<u>\$ 17,104,840</u>

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

Exhibit B

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

Functions/Programs	Program Revenues						Net (Expense) Revenue and Changes in Net Assets		Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	Primary Government		Crockett County School Department	
			Operating Grants and Contributions	Contributions		Total Governmental Activities			
Primary Government:									
Governmental Activities:									
General Government	\$ 950,193	\$ 60,679	\$ 17,130	\$ 60,000	\$	(812,384)	\$	0	0
Finance	448,480	322,802	4,719	0	0	(120,959)		0	0
Administration of Justice	607,551	313,506	71,366	0	0	(222,679)		0	0
Public Safety	2,121,080	173,783	35,757	88,292	0	(1,823,248)		0	0
Public Health and Welfare	1,401,084	1,088,757	89,546	0	0	(222,781)		0	0
Social, Cultural, and Recreational Services	568,023	1,509	341,850	1,415	0	(223,249)		0	0
Agriculture and Natural Resources	179,531	0	31,645	0	0	(147,886)		0	0
Other Operations	311,587	0	0	175,833	0	(135,754)		0	0
Highway/Public Works	1,555,260	20,458	1,377,494	292,598	0	135,290		0	0
Interest on Long-term Debt	670,736	0	150,000	0	0	(520,736)		0	0
Other Debt Service	28,771	0	0	0	0	(28,771)		0	0
Total Primary Government	\$ 8,842,296	\$ 1,981,494	\$ 2,119,507	\$ 618,138	\$	(4,123,157)	\$	0	0
Component Unit:									
Crockett County School Department	\$ 14,154,646	\$ 306,076	\$ 2,826,018	\$	\$	0	\$	(11,022,552)	
Total Component Unit	\$ 14,154,646	\$ 306,076	\$ 2,826,018	\$ 0	\$	0	\$	(11,022,552)	

(Continued)

Exhibit B

Crockett County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Component Unit
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
				Expenses	Contributions	Total Governmental Activities
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 2,672,082	\$	1,157,123
Property Taxes Levied for Debt Service				789,858		0
Local Option Sales Taxes				645,365		336,279
Wheel Tax				670,580		126,223
Other Local Taxes				251,529		997
Grants and Contributions Not Restricted to Specific Programs				390,579		8,806,841
Unrestricted Investment Income				46,026		35,324
Miscellaneous				91,779		60,804
Total General Revenues				\$ 5,557,798	\$	10,523,591
Change in Net Assets				\$ 1,434,641	\$	(498,961)
Net Assets (Deficit), July 1, 2009				(8,885,237)		17,603,801
Net Assets (Deficit), June 30, 2010				\$ (7,450,596)	\$	17,104,840

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

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Highway /	General	Other	
		Public	Debt	Govern-	
	Works	Service	mental	Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 6,202	\$ 6,202
Equity in Pooled Cash and Investments	682,722	1,103,830	1,417,083	894,211	4,097,846
Accounts Receivable	917,139	105	0	0	917,244
Allowance for Uncollectibles	(389,377)	0	0	0	(389,377)
Due from Other Governments	97,217	380,975	87,565	25,679	591,436
Due from Other Funds	6,202	0	15,000	10,000	31,202
Property Taxes Receivable	4,037,899	0	159,396	0	4,197,295
Allowance for Uncollectible Property Taxes	(363,368)	0	(50,478)	0	(413,846)
Total Assets	\$ 4,988,434	\$ 1,484,910	\$ 1,628,566	\$ 936,092	\$ 9,038,002
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Payroll Deductions Payable	\$ 1,299	\$ 0	\$ 0	\$ 0	\$ 1,299
Contracts Payable	0	181,318	0	151,206	332,524
Retainage Payable	0	0	0	29,827	29,827
Due to Other Funds	25,000	0	0	6,202	31,202
Deferred Revenue - Current Property Taxes	3,506,980	0	59,440	0	3,566,420
Deferred Revenue - Delinquent Property Taxes	153,858	0	45,435	0	199,293
Other Deferred Revenues	469,718	110,972	44,962	11,126	636,778
Total Liabilities	\$ 4,156,855	\$ 292,290	\$ 149,837	\$ 198,361	\$ 4,797,343
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 653,597	\$ 653,597
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	30,672	0	0	0	30,672
Reserved for Sexual Offender Registration	2,983	0	0	0	2,983
Reserved for Computer System - Register	27,422	0	0	0	27,422
Reserved for Automation Purposes - Chancery Court	7,684	0	0	0	7,684
Reserved for Automation Purposes - Sheriff	3,512	0	0	0	3,512
Reserved for State Reappraisal Grant	7,282	0	0	0	7,282
Unreserved, Reported In:					
General Fund	752,024	0	0	0	752,024
Special Revenue Funds	0	1,192,620	0	121,501	1,314,121
Debt Service Fund	0	0	1,478,729	0	1,478,729
Capital Projects Fund	0	0	0	(37,367)	(37,367)
Total Fund Balances	\$ 831,579	\$ 1,192,620	\$ 1,478,729	\$ 737,731	\$ 4,240,659
Total Liabilities and Fund Balances	\$ 4,988,434	\$ 1,484,910	\$ 1,628,566	\$ 936,092	\$ 9,038,002

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

Exhibit C-2

Crockett 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)		\$ 4,240,659
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 895,130	
Add: construction in progress	695,978	
Add: buildings and improvements net of accumulated depreciation	1,366,913	
Add: infrastructure net of accumulated depreciation	1,540,215	
Add: other capital assets net of accumulated depreciation	<u>725,234</u>	5,223,470
(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	\$ (1,164,462)	
Less: capital leases payable	(54,456)	
Less: bonds payable	(16,312,441)	
Less: other deferred revenue - premium on debt	(61,643)	
Add: deferred charges - debt issuance costs	285,439	
Add: deferred amount on refunding	170,916	
Less: compensated absences payable	(88,437)	
Less: other postemployment benefits liability	(70,044)	
Less: judgment payable	(355,792)	
Less: accrued interest on notes, capital leases, and bonds	<u>(99,876)</u>	(17,750,796)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>836,071</u>
Net assets of governmental activities (Exhibit A)		<u>\$ (7,450,596)</u>

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 3,007,744	\$ 373,192	\$ 1,608,550	\$ 159,028	\$ 5,148,514
Licenses and Permits	11,013	0	0	0	11,013
Fines, Forfeitures, and Penalties	80,643	0	0	22,310	102,953
Charges for Current Services	917,339	0	0	12,656	929,995
Other Local Revenues	135,351	14,280	135,371	1,014	286,016
Fees Received from County Officials	576,744	0	0	0	576,744
State of Tennessee	974,374	1,665,398	0	50,166	2,689,938
Federal Government	143,565	0	0	185,833	329,398
Other Governments and Citizens Groups	12,254	6,178	150,000	0	168,432
Total Revenues	\$ 5,859,027	\$ 2,059,048	\$ 1,893,921	\$ 431,007	\$ 10,243,003
<u>Expenditures</u>					
Current:					
General Government	\$ 497,044	\$ 0	\$ 0	\$ 0	\$ 497,044
Finance	389,558	0	0	0	389,558
Administration of Justice	480,474	0	0	0	480,474
Public Safety	1,775,770	0	0	5,511	1,781,281
Public Health and Welfare	927,752	0	0	276,782	1,204,534
Social, Cultural, and Recreational Services	475,671	0	0	0	475,671
Agriculture and Natural Resources	163,553	0	0	0	163,553
Other Operations	872,930	0	0	0	872,930
Highways	0	1,937,662	0	0	1,937,662
Capital Outlay	0	0	0	697,606	697,606
Debt Service:					
Principal on Debt	81,695	143,368	1,206,292	0	1,431,355
Interest on Debt	4,162	5,256	767,255	0	776,673
Other Debt Service	0	0	314,210	0	314,210
Capital Projects	0	0	0	176,833	176,833
Total Expenditures	\$ 5,668,609	\$ 2,086,286	\$ 2,287,757	\$ 1,156,732	\$ 11,199,384
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 190,418	\$ (27,238)	\$ (393,836)	\$ (725,725)	\$ (956,381)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 1,100,000	\$ 1,100,000
Capital Leases Issued	72,674	0	0	0	72,674
Refunding Debt Issued	0	0	11,235,000	0	11,235,000
Premiums on Debt Issued	0	0	62,060	0	62,060
Insurance Recovery	14,586	22,326	0	0	36,912
Transfers In	0	0	15,000	0	15,000
Transfers Out	(15,000)	0	0	0	(15,000)
Payments to Refunded Debt Escrow Agent	0	0	(10,870,675)	0	(10,870,675)
Total Other Financing Sources (Uses)	\$ 72,260	\$ 22,326	\$ 441,385	\$ 1,100,000	\$ 1,635,971
Net Change in Fund Balances					
Fund Balance, July 1, 2009	\$ 262,678	\$ (4,912)	\$ 47,549	\$ 374,275	\$ 679,590
Fund Balance, June 30, 2010	\$ 831,579	\$ 1,192,620	\$ 1,478,729	\$ 737,731	\$ 4,240,659

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

Exhibit C-4

Crockett 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)		\$ 679,590
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,431,195	
Less: current year depreciation expense	<u>(478,366)</u>	952,829
(2) The net effect of various miscellaneous transactions involving capital assets (donations and disposals) is to increase net assets.		
Add: land donated	\$ 50,000	
Less: proceeds received from the disposal of capital assets	<u>(7,926)</u>	42,074
(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	\$ 836,071	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(852,554)</u>	(16,483)
(4) The issuance of long-term debt (e.g. notes, capital leases, and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: note proceeds	\$ (1,100,000)	
Less: capital lease proceeds	(72,674)	
Less: refunding bond proceeds	(11,235,000)	
Add: principal payments on notes	85,989	
Add: principal payments on capital leases	225,063	
Add: principal payments on bonds	1,120,303	
Add: payments to refunding agent for retired debt	10,870,675	
Less: premium on debt issuances	(61,643)	
Add: deferred debt issuance costs	<u>285,439</u>	118,152
(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 compensated absences payable	\$ (38,039)	
Change in other postemployment benefits liability	(53,627)	
Change in judgment payable	(355,792)	
Change in accrued interest payable	<u>105,937</u>	(341,521)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,434,641</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 381,113
Equity in Pooled Cash and Investments	4,939
Due from Other Governments	92,158
Property Taxes Receivable	572,577
Allowance for Uncollectible Property Taxes	(56,714)
Notes Receivable - Long-term	<u>7,428</u>
Total Assets	<u>\$ 1,001,501</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 612,960
Due to Litigants, Heirs, and Others	<u>388,541</u>
Total Liabilities	<u>\$ 1,001,501</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Crockett 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 Crockett County:

A. Reporting Entity

Crockett County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Crockett 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 Crockett County School Department operates the public school system for the county, and the voters of Crockett 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 Crockett County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Crockett County, and the Crockett County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Crockett County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Crockett 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

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

Administrative Office:

Crockett County Emergency Communications District
884 South Cavalier Drive
Alamo, TN 38001

B. Government-wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund 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 Crockett County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary; however, Crockett County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

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

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

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

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

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

Crockett County reports the following major governmental funds:

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

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

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

Additionally, Crockett County reports the following fund types:

Capital Projects Funds – These funds account for transactions for the acquisition or construction of major capital facilities.

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 Crockett County, and the city school systems’ shares of educational revenues. 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 Crockett County School Department reports the following major governmental funds:

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

School Transportation Fund – This fund accounts for a local tax levy used to fund the transportation of all students in the county.

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

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Crockett 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 and General Purpose School funds. Crockett 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 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 5.5 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.

Retainage payable in the primary government's nonmajor governmental funds represents amounts withheld from payments made on construction contracts pending completion of the project. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the nonmajor governmental funds.

3. Capital Assets

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25-50
Other Capital Assets	3-20
Infrastructure:	
Roads	8-20
Bridges	15-30

4. Compensated Absences

The policy of Crockett County (with the exception of the Highway Department) does not provide for employees to receive compensation for unused accumulated vacation or sick leave days. The Highway Department permits its employees to accumulate a limited amount of earned but unused sick leave benefits, which will be paid to employees

upon retirement from county service. A liability for sick leave benefits is reported in governmental funds only if amounts have matured, for example, as a result of employee retirements.

There is no liability for unpaid accumulated vacation leave for employees of the discretely presented Crockett County School Department since those benefits do not vest or accumulate and must be used within the year or lost. There is also no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the government.

5. Long-term Obligations

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

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

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

6. Net Assets and Fund Equity

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

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

As of June 30, 2010, Crockett County had \$15,710,600 in outstanding debt for capital purposes for the discretely presented Crockett County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Alamo and City of Bells school systems) based on average daily attendance proration. This debt is a liability of Crockett County, but the capital assets acquired are reported in the financial statements of the School Department and the City of Alamo and the City of Bells school systems. Therefore, Crockett County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county’s capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The County Commission has designated \$99,796 from the General Fund for library building construction.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Assets

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds to the government-wide Statement of Net Assets.

Discretely Presented Crockett County School Department

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

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

Primary Government

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

Discretely Presented Crockett County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and 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, Beer Board, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Fund Deficit

The General Capital Projects Fund had a deficit in unreserved fund balance of \$37,367 at June 30, 2010. This deficit resulted from the unperformed portions of construction contracts of \$653,597 being reserved for encumbrances. Funding for these future expenditures is expected to be received from the Jackson State Community College Foundation.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control) of the discretely presented Crockett County School Department's General Purpose School and School Federal Projects funds:

<u>Fund/Major Category</u>	<u>Amount Overspent</u>
General Purpose School:	
Special Education Program	\$ 21,398
Vocational Education Program	6,471
Adult Education Program	69
Community Services	3,976
School Federal Projects:	
Vocational Education Program	10,965

Also, expenditures exceeded total appropriations in the Central Cafeteria and School Transportation funds by \$2,529 and \$219, respectively.

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balances.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

balance sheets or statements of net assets represents nonpooled amounts held separately by individual funds.

Deposits

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

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

Investments

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

Investment Balances. As of June 30, 2010, Crockett County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Crockett County and the discretely presented Crockett County School Department since both pool their deposits and investments through the county trustee.

Investment	Maturities	Cost
State Treasurer's Investment Pool	Daily	\$ 789,715

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Crockett County has no investment policy that would further limit its investment choices. As of June 30, 2010, Crockett County's investment in the State Treasurer's Investment Pool was unrated.

B. Notes Receivable

Notes receivable in the Constitutional Officers - Agency Fund consist of loans receivable of \$7,428 in the Office of Clerk and Master.

C. 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	\$ 845,130	\$ 50,000	\$ 0	\$ 895,130
Construction in Progress	0	695,978	0	695,978
Total Capital Assets				
Not Depreciated	\$ 845,130	\$ 745,978	\$ 0	\$ 1,591,108

Governmental Activities (Cont.):

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 3,943,395	\$ 0	\$ 0	\$ 3,943,395
Infrastructure	1,269,259	482,565	0	1,751,824
Other Capital Assets	3,132,372	252,652	161,875	3,223,149
Total Capital Assets				
Depreciated	<u>\$ 8,345,026</u>	<u>\$ 735,217</u>	<u>\$ 161,875</u>	<u>\$ 8,918,368</u>
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 2,459,274	\$ 117,208	\$ 0	\$ 2,576,482
Infrastructure	156,435	55,174	0	211,609
Other Capital Assets	2,345,880	305,984	153,949	2,497,915
Total Accumulated				
Depreciation	<u>\$ 4,961,589</u>	<u>\$ 478,366</u>	<u>\$ 153,949</u>	<u>\$ 5,286,006</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 3,383,437</u>	<u>\$ 256,851</u>	<u>\$ 7,926</u>	<u>\$ 3,632,362</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 4,228,567</u>	<u>\$ 1,002,829</u>	<u>\$ 7,926</u>	<u>\$ 5,223,470</u>

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

Governmental Activities:

General Government	\$ 14,548
Finance	1,800
Administration of Justice	880
Public Safety	108,973
Public Health and Welfare	75,998
Social, Cultural, and Recreational Services	19,663
Highway/Public Works	<u>256,504</u>
Total Depreciation Expense -	
Governmental Activities	<u><u>\$ 478,366</u></u>

Discretely Presented Crockett County School Department

Governmental Activities:

	Balance 7-1-09	Increases	Balance 6-30-10
Capital Assets Not Depreciated:			
Land	\$ 824,805	\$ 0	\$ 824,805
Total Capital Assets Not Depreciated	<u>\$ 824,805</u>	<u>\$ 0</u>	<u>\$ 824,805</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 19,328,841	\$ 359,645	\$ 19,688,486
Infrastructure	497,553	0	497,553
Other Capital Assets	2,718,884	91,789	2,810,673
Total Capital Assets Depreciated	<u>\$ 22,545,278</u>	<u>\$ 451,434</u>	<u>\$ 22,996,712</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 5,607,273	\$ 392,242	\$ 5,999,515
Infrastructure	160,272	24,877	185,149
Other Capital Assets	2,110,602	144,388	2,254,990
Total Accumulated Depreciation	<u>\$ 7,878,147</u>	<u>\$ 561,507</u>	<u>\$ 8,439,654</u>
Total Capital Assets Depreciated, Net	<u>\$ 14,667,131</u>	<u>\$ (110,073)</u>	<u>\$ 14,557,058</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,491,936</u>	<u>\$ (110,073)</u>	<u>\$ 15,381,863</u>

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

Governmental Activities:

Instruction	\$ 365,601
Support Services	153,741
Operation of Non-Instructional Services	<u>42,165</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 561,507</u>

D. Construction Commitments

At June 30, 2010, the General Capital Projects Fund had uncompleted construction contracts of approximately \$653,597 for the construction of the Adult Education Technology Center. Partial funding for these future expenditures has been provided by notes. Private contributions held by the Jackson State Community College Foundation will be used to fund the remaining future expenditures.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 6,202
General Debt Service	General	15,000
Nonmajor governmental	General	10,000
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	13,176

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

<u>Transfer Out</u>	<u>Transfer In</u>
	General
	Debt
	Service
	Fund
General Fund	\$ 15,000

Discretely Presented Crockett County School Department

Transfer Out	Transfer In General Purpose School Fund
School Transportation Fund	\$ 302,410

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.

F. Capital Leases

On September 5, 2008, Crockett County entered into a two-year lease-purchase agreement for a patrol car. The terms of the agreement require total lease payments of \$22,950 plus interest payments of 6.3 percent. Title to the patrol car transfers to Crockett County at the end of the lease period. The lease payments are made from the General Fund.

On September 11, 2009, Crockett County entered into a two-year lease-purchase agreement for patrol cars. The terms of the agreement require total lease payments of \$72,674 plus interest payments of 6.9 percent. Title to the patrol cars transfers to Crockett County at the end of the lease period. The lease payments are made from the General Fund.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2010, were as follows:

Year Ending June 30	Governmental Funds
2011	\$ 33,980
2012	<u>25,857</u>
Total Minimum Lease Payments	\$ 59,837
Less: Amount Representing Interest	<u>(5,381)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 54,456</u></u>

G. Long-term Debt

Primary Government

General Obligation Bonds and Notes

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 40 years for bonds and up to 10 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2010, will be retired from the General Debt Service Fund.

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

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-10</u>
General Obligation Bonds	4.5 to 5%	\$ 15,785,000	\$ 4,387,441
General Obligation Bonds - Refunding	2 to 4.875	13,945,000	11,925,000
Capital Outlay Notes	0 to 3.974	1,244,000	1,164,462
Capital Leases	6.3 to 6.9	95,624	54,456

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 739,630	\$ 560,158	\$ 1,299,788
2012	765,361	578,957	1,344,318
2013	826,129	552,314	1,378,443
2014	941,936	517,370	1,459,306
2015	962,783	479,382	1,442,165
2016-2020	5,451,602	1,744,670	7,196,272
2021-2025	6,625,000	718,815	7,343,815
Total	<u>\$ 16,312,441</u>	<u>\$ 5,151,666</u>	<u>\$ 21,464,107</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 14,061	\$ 225	\$ 14,286
2012	31,317	0	31,317
2013	145,900	0	145,900
2014	145,900	0	145,900
2015	145,900	0	145,900
2016-2020	681,384	0	681,384
Total	<u>\$ 1,164,462</u>	<u>\$ 225</u>	<u>\$ 1,164,687</u>

There is \$1,478,729 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,123, based on the 2000 federal census. Debt per capita, including bonds, notes, and capital leases totaled \$1,206, 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	Capital Leases
Balance, July 1, 2009	\$ 16,709,951	\$ 338,003	\$ 206,845
Additions	11,235,000	1,100,000	72,674
Deductions	(1,120,303)	(85,989)	(225,063)
Refunded Debt	(10,512,207)	(187,552)	0
Balance, June 30, 2010	<u>\$ 16,312,441</u>	<u>\$ 1,164,462</u>	<u>\$ 54,456</u>
Balance Due Within One Year	<u>\$ 739,630</u>	<u>\$ 14,061</u>	<u>\$ 30,268</u>

	Compensated Absences	Other Post- employment Benefits	Claims and Judgments
Balance, July 1, 2009	\$ 50,398	\$ 16,417	\$ 0
Additions	41,456	60,039	355,792
Deductions	(3,417)	(6,412)	0
Balance, June 30, 2010	<u>\$ 88,437</u>	<u>\$ 70,044</u>	<u>\$ 355,792</u>
Balance Due Within One Year	<u>\$ 4,422</u>	<u>\$ 0</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 18,045,632
Less: Balance Due Within One Year	(788,381)
Add: Unamortized Premium on Debt	61,643
Less: Deferred Amount on Refunding	<u>(170,916)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 17,147,978</u>

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

Claims and judgments reflect a judgment totaling \$355,792 that will be retired from the General Fund. This judgment is the result of a lawsuit filed by a local industry in an appeal of its 1998 through 2003 real and personal property assessments. The amount of the judgment noted above does not include interest due the local industry on the amount of overpaid taxes.

Current and Advance Refunding

On May 20, 2010, Crockett County issued \$11,235,000 in general obligation refunding bonds to retire a capital outlay note (\$187,552) and currently refund five general obligation and refunding bonds (\$8,022,207). In addition, the refunding bond issue also advance refunded one general obligation bond (\$2,490,000) by purchasing U.S. government securities that were placed into an irrevocable trust to provide all future debt service payments of the refunded debt. As a result, the general obligation bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the current and advance refunding, total debt service payments over the next 28 years will be reduced by \$924,700, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$314,069 was obtained.

Defeasance of Prior Debt

In a prior year, Crockett County defeased certain outstanding general obligation bonds by placing the proceeds of the new bonds into an irrevocable trust to provide all future debt service payments on the old bonds until the old bonds are called on April 1, 2011. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2010, the following outstanding bonds are considered defeased:

	<u>Amount</u>
2001 General Obligation School	\$ 6,300,000

Discretely Presented Crockett County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Crockett County School Department for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2009	\$ 170,464
Additions	101,405
Deductions	<u>(68,172)</u>
Balance, June 30, 2010	<u>\$ 203,697</u>
Balance Due Within One Year	<u>\$ 0</u>

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

H. On-Behalf Payments – Discretely Presented Crockett County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Crockett 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 \$34,774 and \$8,591, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Short-term Debt

Crockett County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the General Fund. These notes were necessary because funds were not available for general operating expenses coming due before current tax collections and other revenue sources. Short-term debt activity for the year ended June 30, 2010, was as follows:

	Balance 7-1-09	Issued	Paid	Balance 6-30-10
Tax Anticipation Notes	\$ 0	\$ 300,000	\$ (300,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Employee Health Insurance

Primary Government

Crockett 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 government agencies 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 8-27-201, 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 Crockett County School Department

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

Liability, Property, Casualty, and Workers' Compensation Insurance

Crockett County and the discretely presented Crockett County School Department participate 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. Crockett County and the School Department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of TN-RMT provides for it to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) 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 recorded 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. Crockett County and the Crockett County School Department had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably expected that Crockett 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 costs 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 Crockett 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. Crockett County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Crockett County may enter into derivative transactions in subsequent years.

C. Subsequent Events

On August 31, 2010, Larry Griffin left the Office of County Mayor and was succeeded by Gary Reasons.

On August 31, 2010, Gary Reasons left the Office of Assessor of Property. As of the date of this report, the County Commission had not appointed an individual to fill the remaining term of the assessor of property.

D. Contingent Liabilities

The county attorney has advised of one pending lawsuit involving Crockett County. Any potential claims against the county not covered by insurance resulting from such litigation should not materially affect the county's financial statements.

The local industry noted in Note IV.G., has appealed its 2004 through 2009 real and personal property assessments and is currently negotiating a settlement with the county.

E. Change in Administration

On February 27, 2010, Stan Black resigned as director of schools and was succeeded by Eddie Whitby effective March 8, 2010.

F. Retirement Commitments

Plan Description

Employees of Crockett 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 Crockett 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 Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

Funding Policy

Crockett County requires employees to contribute five percent of earnable compensation.

Crockett County is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 5.3 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Crockett County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2010, Crockett County's annual pension cost of \$244,436 to TCRS was equal to Crockett County's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Crockett 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 18 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	\$244,436	100%	\$0
6-30-09	224,246	100	0
6-30-08	290,665	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 92.2 percent funded. The actuarial accrued liability for benefits was \$10.75 million, and the actuarial value of assets was \$9.91 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.84 million. The covered payroll (annual payroll of active employees covered by the plan) was

\$3.09 million, and the ratio of the UAAL to the covered payroll was 27.1 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 AALs for benefits.

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

School Teachers

Plan Description

The Crockett County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Cost of living adjustments (COLA) are 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 \$403,507, \$395,564, and \$371,688, respectively, equal to the required contributions for each year.

G. Other Postemployment Benefits (OPEB)

Plan Description

Crockett County and the Crockett 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 8-27-207, Tennessee Code Annotated (TCA), for local governments and Section 8-27-302, TCA, for teachers and support personnel. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

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

options they select. During the year ended June 30, 2010, Crockett County and the Crockett County School Department contributed \$6,412 and \$68,172, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 60,000	\$ 101,000
Interest on the NPO	739	7,671
Adjustment to the ARC	(700)	(7,266)
Annual OPEB cost	\$ 60,039	\$ 101,405
Less: Amount of contribution	(6,412)	(68,172)
Increase/decrease in NPO	\$ 53,627	\$ 33,233
Net OPEB obligation, 7-1-09	16,417	170,464
Net OPEB obligation, 6-30-10	\$ 70,044	\$ 203,697

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group	\$ 132,172	35 %	\$ 85,999
6-30-09	"	130,811	35	170,464
6-30-10	"	101,405	67	203,697
6-30-08	Local Government Group	15,398	53	7,240
6-30-09	"	17,228	47	16,417
6-30-10	"	60,039	11	70,044

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)	\$ 592,000	\$ 873,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 592,000	\$ 873,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 1,856,148	\$ 5,027,717
UAAL as a % of covered payroll	32%	17%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents 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. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level of percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

H. Purchasing Laws

Office of County Mayor

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

Office of Road Supervisor

Purchasing procedures for the Highway Department are governed by provisions of Chapter 26, Private Acts of 1933, as amended, and the Uniform Road Law, Section 54-7-113, TCA. These statutes place purchasing responsibilities with the County Road Commission and require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the 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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,007,744	\$ 3,124,069	\$ 3,124,069	\$ (116,325)
Licenses and Permits	11,013	6,050	6,050	4,963
Fines, Forfeitures, and Penalties	80,643	81,550	81,550	(907)
Charges for Current Services	917,339	689,950	816,433	100,906
Other Local Revenues	135,351	142,800	142,800	(7,449)
Fees Received from County Officials	576,744	564,000	564,000	12,744
State of Tennessee	974,374	939,497	1,014,191	(39,817)
Federal Government	143,565	77,934	98,334	45,231
Other Governments and Citizens Groups	12,254	0	7,354	4,900
Total Revenues	\$ 5,859,027	\$ 5,625,850	\$ 5,854,781	\$ 4,246
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 14,103	\$ 14,104	\$ 14,104	\$ 1
Board of Equalization	340	420	420	80
Beer Board	125	200	200	75
County Mayor/Executive	135,909	142,388	142,388	6,479
County Attorney	1,757	2,000	2,000	243
Election Commission	97,103	101,126	105,486	8,383
Register of Deeds	86,937	92,254	92,254	5,317
County Buildings	160,770	181,678	181,678	20,908
<u>Finance</u>				
Accounting and Budgeting	4,928	5,600	5,600	672
Property Assessor's Office	123,124	124,696	124,696	1,572
Reappraisal Program	4,141	4,719	4,719	578
County Trustee's Office	117,364	117,486	117,486	122
County Clerk's Office	140,001	140,821	141,049	1,048
<u>Administration of Justice</u>				
Circuit Court	188,240	190,119	194,439	6,199
General Sessions Judge	93,881	90,876	94,565	684
Drug Court	48,549	55,000	52,000	3,451
Chancery Court	86,975	89,375	87,441	466
Juvenile Court	54,062	57,670	57,670	3,608
Other Administration of Justice	8,767	9,000	9,000	233
<u>Public Safety</u>				
Sheriff's Department	824,165	784,218	869,113	44,948
Jail	763,201	746,777	795,947	32,746
Juvenile Services	292	500	500	208
Fire Prevention and Control	52,000	53,000	53,000	1,000
Civil Defense	46,652	50,369	51,969	5,317
Rescue Squad	8,000	8,000	8,000	0
Disaster Relief	4,547	0	6,375	1,828
Other Emergency Management	65,112	19,103	67,463	2,351

(Continued)

Exhibit E-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Safety (Cont.)</u>				
County Coroner/Medical Examiner	\$ 8,600	\$ 5,600	\$ 9,600	\$ 1,000
Other Public Safety	3,201	3,201	3,201	0
<u>Public Health and Welfare</u>				
Local Health Center	87,595	124,235	124,235	36,640
Rabies and Animal Control	37,303	40,017	40,017	2,714
Ambulance/Emergency Medical Services	691,696	683,013	760,619	68,923
Maternal and Child Health Services	4,000	4,000	4,000	0
Alcohol and Drug Programs	15,165	15,165	15,165	0
Crippled Children Services	1,650	1,650	1,650	0
Other Local Health Services	15,292	2,000	16,335	1,043
Appropriation to State	51,900	51,900	51,900	0
Other Local Welfare Services	531	1,000	1,000	469
Waste Pickup	22,620	29,237	29,237	6,617
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	385,738	376,553	403,593	17,855
Libraries	82,858	76,850	86,272	3,414
Parks and Fair Boards	7,075	10,075	10,075	3,000
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	52,719	54,547	54,547	1,828
Soil Conservation	90,666	90,616	90,666	0
Flood Control	10,150	10,150	10,150	0
Other Agriculture and Natural Resources	10,018	12,000	12,000	1,982
<u>Other Operations</u>				
Veterans' Services	16,537	16,908	16,908	371
Other Charges	205,729	210,111	213,611	7,882
Contributions to Other Agencies	42,300	42,300	42,300	0
Employee Benefits	566,481	570,000	574,200	7,719
Miscellaneous	41,883	34,700	51,908	10,025
<u>Principal on Debt</u>				
General Government	81,695	0	81,695	0
<u>Interest on Debt</u>				
General Government	4,162	0	4,162	0
Total Expenditures	\$ 5,668,609	\$ 5,547,327	\$ 5,988,608	\$ 319,999
Excess (Deficiency) of Revenues Over Expenditures	\$ 190,418	\$ 78,523	\$ (133,827)	\$ 324,245
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 72,674	\$ 0	\$ 47,674	\$ 25,000
Insurance Recovery	14,586	0	9,000	5,586
Transfers Out	(15,000)	(15,000)	(15,000)	0
Total Other Financing Sources (Uses)	\$ 72,260	\$ (15,000)	\$ 41,674	\$ 30,586
Net Change in Fund Balance	\$ 262,678	\$ 63,523	\$ (92,153)	\$ 354,831
Fund Balance, July 1, 2009	568,901	545,355	545,355	23,546
Fund Balance, June 30, 2010	\$ 831,579	\$ 608,878	\$ 453,202	\$ 378,377

Exhibit E-2

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 373,192	\$ 350,563	\$ 350,563	\$ 22,629
Other Local Revenues	14,280	44,500	44,500	(30,220)
State of Tennessee	1,665,398	2,090,449	2,090,449	(425,051)
Other Governments and Citizens Groups	6,178	1,000	1,000	5,178
Total Revenues	\$ 2,059,048	\$ 2,486,512	\$ 2,486,512	\$ (427,464)
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 168,438	\$ 182,165	\$ 182,165	\$ 13,727
Highway and Bridge Maintenance	599,197	961,980	961,980	362,783
Operation and Maintenance of Equipment	303,616	448,543	448,543	144,927
Other Charges	82,376	94,631	94,631	12,255
Employee Benefits	220,150	239,470	239,470	19,320
Capital Outlay	563,885	1,340,645	1,191,193	627,308
<u>Principal on Debt</u>				
Highways and Streets	143,368	0	143,368	0
<u>Interest on Debt</u>				
Highways and Streets	5,256	0	5,256	0
Total Expenditures	\$ 2,086,286	\$ 3,267,434	\$ 3,266,606	\$ 1,180,320
Excess (Deficiency) of Revenues Over Expenditures	\$ (27,238)	\$ (780,922)	\$ (780,094)	\$ 752,856
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 22,326	\$ 0	\$ 0	\$ 22,326
Total Other Financing Sources (Uses)	\$ 22,326	\$ 0	\$ 0	\$ 22,326
Net Change in Fund Balance	\$ (4,912)	\$ (780,922)	\$ (780,094)	\$ 775,182
Fund Balance, July 1, 2009	1,197,532	1,126,367	1,126,367	71,165
Fund Balance, June 30, 2010	\$ 1,192,620	\$ 345,445	\$ 346,273	\$ 846,347

Exhibit E-3

Crockett County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Crockett 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)
7-1-07	\$ 9,580	\$ 10,021	\$ 441	95.6 %	\$ 3,111	14.18 %
7-1-09	9,912	10,750	839	92.2	3,094	27.1

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

Exhibit E-4

Crockett County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Crockett 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)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-07	\$ 0	\$ 119	\$ 119	0%	\$ 1,681	7%
"	7-1-09	0	592	592	0	1,856	32
<u>DISCRETELY PRESENTED CROCKETT COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-07	0	1359	1359	0	7,372	18
"	7-1-09	0	873	873	0	5,028	17

*Data only available for two actuarial valuations.

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

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Crockett County’s convenience center operations.

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

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

Capital Projects Funds

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for funds to be used for the construction of an adult education technology center.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for grant proceeds received for housing improvements for low-income households.

Exhibit F-1

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

	Special Revenue Funds			Total	Capital Projects Fund		Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees		General Capital Projects		
\$	0 \$	0 \$	6,202 \$	6,202 \$	0 \$	0 \$	6,202
	77,870	29,078	0	106,948	787,263		894,211
	25,679	0	0	25,679	0		25,679
	0	0	0	0	10,000		10,000
\$	103,549 \$	29,078 \$	6,202 \$	138,829 \$	797,263 \$		936,092

ASSETS

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

LIABILITIES AND FUND BALANCES

\$	0 \$	0 \$	0 \$	0 \$	151,206 \$		151,206
	0	0	0	0	29,827		29,827
	0	0	6,202	6,202	0		6,202
	11,126	0	0	11,126	0		11,126
\$	11,126 \$	0 \$	6,202 \$	17,328 \$	181,033 \$		198,361
\$	0 \$	0 \$	0 \$	0 \$	653,597 \$		653,597
	92,423	29,078	0	121,501	(37,367)		84,134
\$	92,423 \$	29,078 \$	0 \$	121,501 \$	616,230 \$		737,731
\$	103,549 \$	29,078 \$	6,202 \$	138,829 \$	797,263 \$		936,092

Liabilities
 Contracts Payable
 Retainage Payable
 Due to Other Funds
 Other Deferred Revenues
 Total Liabilities

Fund Balances
 Reserved for Encumbrances
 Unreserved (Deficit)
 Total Fund Balances

Total Liabilities and Fund Balances

Exhibit F-2

Crockett 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				Capital Projects Funds				Total Nonmajor Governmental Funds
	Solid		Drug		General		Community		
	Waste / Sanitation	Control	Total	Capital Projects	Development/ Industrial Park	Total			
<u>Revenues</u>									
Local Taxes	\$ 159,028	\$ 0	\$ 159,028	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 159,028
Fines, Forfeitures, and Penalties	0	22,310	22,310	0	0	0	0	0	22,310
Charges for Current Services	12,656	0	12,656	0	0	0	0	0	12,656
Other Local Revenues	207	0	207	807	0	807	0	0	1,014
State of Tennessee	50,166	0	50,166	0	0	0	0	0	50,166
Federal Government	0	0	0	10,000	175,833	185,833	0	0	185,833
Total Revenues	\$ 222,057	\$ 22,310	\$ 244,367	\$ 10,807	\$ 175,833	\$ 186,640	\$ 0	\$ 0	\$ 431,007
<u>Expenditures</u>									
Current:									
Public Safety	\$ 0	\$ 5,511	\$ 5,511	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,511
Public Health and Welfare	276,782	0	276,782	0	0	0	0	0	276,782
Capital Outlay	0	0	0	697,606	0	697,606	0	0	697,606
Capital Projects	0	0	0	0	176,833	176,833	0	0	176,833
Total Expenditures	\$ 276,782	\$ 5,511	\$ 282,293	\$ 697,606	\$ 176,833	\$ 874,439	\$ 0	\$ 0	\$ 1,156,732
Excess (Deficiency) of Revenues Over Expenditures	\$ (54,725)	\$ 16,799	\$ (37,926)	\$ (686,799)	\$ (1,000)	\$ (687,799)	\$ 0	\$ 0	\$ (725,725)
<u>Other Financing Sources (Uses)</u>									
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 1,100,000	\$ 0	\$ 1,100,000	\$ 0	\$ 0	\$ 1,100,000
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 1,100,000	\$ 0	\$ 1,100,000	\$ 0	\$ 0	\$ 1,100,000
Net Change in Fund Balances	\$ (54,725)	\$ 16,799	\$ (37,926)	\$ 413,201	\$ (1,000)	\$ 412,201	\$ 0	\$ 0	\$ 374,275
Fund Balance, July 1, 2009	147,148	12,279	159,427	203,029	1,000	204,029	0	0	363,456
Fund Balance, June 30, 2010	\$ 92,423	\$ 29,078	\$ 121,501	\$ 616,230	\$ 0	\$ 616,230	\$ 0	\$ 0	\$ 737,731

Exhibit F-3

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 159,028	\$ 165,500	\$ 165,500	\$ (6,472)
Charges for Current Services	12,656	9,000	9,000	3,656
Other Local Revenues	207	1,500	1,500	(1,293)
State of Tennessee	50,166	53,500	53,500	(3,334)
Total Revenues	<u>\$ 222,057</u>	<u>\$ 229,500</u>	<u>\$ 229,500</u>	<u>\$ (7,443)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 276,782	\$ 292,564	\$ 292,564	\$ 15,782
Total Expenditures	<u>\$ 276,782</u>	<u>\$ 292,564</u>	<u>\$ 292,564</u>	<u>\$ 15,782</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (54,725)</u>	<u>\$ (63,064)</u>	<u>\$ (63,064)</u>	<u>\$ 8,339</u>
Net Change in Fund Balance	\$ (54,725)	\$ (63,064)	\$ (63,064)	\$ 8,339
Fund Balance, July 1, 2009	147,148	147,009	147,009	139
Fund Balance, June 30, 2010	<u>\$ 92,423</u>	<u>\$ 83,945</u>	<u>\$ 83,945</u>	<u>\$ 8,478</u>

Exhibit F-4

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 22,310	\$ 5,750	\$ 5,750	\$ 16,560
Total Revenues	\$ 22,310	\$ 5,750	\$ 5,750	\$ 16,560
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 5,511	\$ 16,810	\$ 16,810	\$ 11,299
Total Expenditures	\$ 5,511	\$ 16,810	\$ 16,810	\$ 11,299
Excess (Deficiency) of Revenues Over Expenditures	\$ 16,799	\$ (11,060)	\$ (11,060)	\$ 27,859
Net Change in Fund Balance	\$ 16,799	\$ (11,060)	\$ (11,060)	\$ 27,859
Fund Balance, July 1, 2009	12,279	12,279	12,279	0
Fund Balance, June 30, 2010	\$ 29,078	\$ 1,219	\$ 1,219	\$ 27,859

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Crockett 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		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,608,550	\$ 1,619,335	\$ 1,619,335	\$ (10,785)
Other Local Revenues	135,371	165,000	165,000	(29,629)
Other Governments and Citizens Groups	150,000	150,000	150,000	0
Total Revenues	<u>\$ 1,893,921</u>	<u>\$ 1,934,335</u>	<u>\$ 1,934,335</u>	<u>\$ (40,414)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 74,626	\$ 229,615	\$ 74,626	\$ 0
Education	1,131,666	976,836	1,131,667	1
<u>Interest on Debt</u>				
General Government	32,448	71,434	32,449	1
Education	734,807	695,677	734,819	12
<u>Other Debt Service</u>				
General Government	312,917	27,530	314,368	1,451
Education	1,293	763	1,293	0
Total Expenditures	<u>\$ 2,287,757</u>	<u>\$ 2,001,855</u>	<u>\$ 2,289,222</u>	<u>\$ 1,465</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (393,836)</u>	<u>\$ (67,520)</u>	<u>\$ (354,887)</u>	<u>\$ (38,949)</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 11,235,000	\$ 0	\$ 11,095,982	\$ 139,018
Premiums on Debt Issued	62,060	0	62,060	0
Transfers In	15,000	15,000	15,000	0
Payments to Refunded Debt Escrow Agent	(10,870,675)	0	(10,870,675)	0
Total Other Financing Sources (Uses)	<u>\$ 441,385</u>	<u>\$ 15,000</u>	<u>\$ 302,367</u>	<u>\$ 139,018</u>
Net Change in Fund Balance	\$ 47,549	\$ (52,520)	\$ (52,520)	\$ 100,069
Fund Balance, July 1, 2009	<u>1,431,180</u>	<u>1,430,719</u>	<u>1,430,719</u>	<u>461</u>
Fund Balance, June 30, 2010	<u>\$ 1,478,729</u>	<u>\$ 1,378,199</u>	<u>\$ 1,378,199</u>	<u>\$ 100,530</u>

Fiduciary Funds

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

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

City School ADA - Alamo Fund and City School ADA - Bells Fund – These two funds are used to account for the city school systems' shares of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school systems on a monthly basis.

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

Crockett County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
For the Year Ended June 30, 2010

	Agency Funds					Total
	Cities - Sales Tax	City School ADA - Alamo	City School ADA - Bells	Consti- tional Officers - Agency		
\$	0 \$	0 \$	0 \$	381,113 \$		381,113
	0	2,988	1,951	0		4,939
	62,531	17,923	11,704	0		92,158
	0	345,257	227,320	0		572,577
	0	(34,313)	(22,401)	0		(56,714)
	0	0	0	7,428		7,428
\$	62,531 \$	331,855 \$	218,574 \$	388,541 \$		1,001,501

ASSETS

Cash	
Equity in Pooled Cash and Investments	
Due from Other Governments	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	
Notes Receivable - Long-term	
Total Assets	

LIABILITIES

Due to Other Taxing Units	
Due to Litigants, Heirs, and Others	
Total Liabilities	

Exhibit H-2

Crockett 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
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 303,564	\$ 303,564	\$ 0
Due from Other Governments	59,899	62,531	59,899	62,531
Total Assets	\$ 59,899	\$ 366,095	\$ 363,463	\$ 62,531
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 59,899	\$ 366,095	\$ 363,463	\$ 62,531
Total Liabilities	\$ 59,899	\$ 366,095	\$ 363,463	\$ 62,531
<u>City School ADA - Alamo Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 2,956	\$ 80,768	\$ 80,736	\$ 2,988
Due from Other Governments	16,157	17,923	16,157	17,923
Taxes Receivable	354,209	345,257	354,209	345,257
Allowance for Uncollectible Taxes	(11,273)	(34,313)	(11,273)	(34,313)
Total Assets	\$ 362,049	\$ 409,635	\$ 439,829	\$ 331,855
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 362,049	\$ 409,635	\$ 439,829	\$ 331,855
Total Liabilities	\$ 362,049	\$ 409,635	\$ 439,829	\$ 331,855
<u>City School ADA - Bells Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 2,028	\$ 50,729	\$ 50,806	\$ 1,951
Due from Other Governments	11,084	11,704	11,084	11,704
Taxes Receivable	243,783	227,320	243,783	227,320
Allowance for Uncollectible Taxes	(7,734)	(22,401)	(7,734)	(22,401)
Total Assets	\$ 249,161	\$ 267,352	\$ 297,939	\$ 218,574
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 249,161	\$ 267,352	\$ 297,939	\$ 218,574
Total Liabilities	\$ 249,161	\$ 267,352	\$ 297,939	\$ 218,574

(Continued)

Exhibit H-2

Crockett County, Tennessee

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 399,183	\$ 2,839,708	\$ 2,857,778	\$ 381,113
Investments	116,890	0	116,890	0
Notes Receivable - Long-term	7,428	0	0	7,428
Total Assets	\$ 523,501	\$ 2,839,708	\$ 2,974,668	\$ 388,541
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 523,501	\$ 2,839,708	\$ 2,974,668	\$ 388,541
Total Liabilities	\$ 523,501	\$ 2,839,708	\$ 2,974,668	\$ 388,541
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 399,183	\$ 2,839,708	\$ 2,857,778	\$ 381,113
Equity in Pooled Cash and Investments	4,984	435,061	435,106	4,939
Investments	116,890	0	116,890	0
Due from Other Governments	87,140	92,158	87,140	92,158
Taxes Receivable	597,992	572,577	597,992	572,577
Allowance for Uncollectible Taxes	(19,007)	(56,714)	(19,007)	(56,714)
Notes Receivable - Long-term	7,428	0	0	7,428
Total Assets	\$ 1,194,610	\$ 3,882,790	\$ 4,075,899	\$ 1,001,501
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 671,109	\$ 1,043,082	\$ 1,101,231	\$ 612,960
Due to Litigants, Heirs, and Others	523,501	2,839,708	2,974,668	388,541
Total Liabilities	\$ 1,194,610	\$ 3,882,790	\$ 4,075,899	\$ 1,001,501

Crockett County School Department

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

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

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

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

School Transportation Fund – The School Transportation Fund is used to account for a local tax levy to fund the transportation of all students in the county.

Exhibit I-1

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

Functions/Programs	Program Revenues		Expenses	Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions		Total	Governmental Activities
Governmental Activities:					
Instruction	\$ 7,972,927	\$ 0	\$ 7,972,927	\$ 1,538,830	\$ (6,434,097)
Support Services	4,630,988	63,116	4,694,104	287,222	(4,280,650)
Operation of Non-Instructional Services	1,400,731	242,960	1,643,691	999,966	(157,805)
Other Debt Service	150,000	0	150,000	0	(150,000)
Total Governmental Activities	\$ 14,154,646	\$ 306,076	\$ 14,460,722	\$ 2,826,018	\$ (11,022,552)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 1,157,123
Local Option Sales Taxes					336,279
Wheel Tax					126,223
Other Local Taxes					997
Grants and Contributions Not Restricted to Specific Programs					8,806,841
Unrestricted Investment Income					35,324
Miscellaneous					60,804
Total General Revenues					\$ 10,523,591
Change in Net Assets					\$ (498,961)
Net Assets, July 1, 2009					17,603,801
Net Assets, June 30, 2010					<u>\$ 17,104,840</u>

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Transpor -</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>tation</u>	<u>Governmental</u>	<u>Governmental</u>
			<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 1,349,379	\$ 9,494	\$ 37,460	\$ 1,396,333
Accounts Receivable	119	0	1,780	1,899
Due from Other Governments	352,263	0	223,685	575,948
Due from Other Funds	0	0	13,176	13,176
Property Taxes Receivable	1,130,744	256,952	0	1,387,696
Allowance for Uncollectible Property Taxes	(111,901)	(25,510)	0	(137,411)
Total Assets	<u>\$ 2,720,604</u>	<u>\$ 240,936</u>	<u>\$ 276,101</u>	<u>\$ 3,237,641</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 5,717	\$ 0	\$ 114,238	\$ 119,955
Due to Other Funds	13,176	0	0	13,176
Deferred Revenue - Current Property Taxes	959,888	217,948	0	1,177,836
Deferred Revenue - Delinquent Property Taxes	54,138	12,391	0	66,529
Other Deferred Revenues	29,942	0	0	29,942
Total Liabilities	<u>\$ 1,062,861</u>	<u>\$ 230,339</u>	<u>\$ 114,238</u>	<u>\$ 1,407,438</u>
<u>Fund Balances</u>				
Reserved for Career Ladder - Extended Contract	\$ 24,955	\$ 0	\$ 0	\$ 24,955
Reserved for Basic Education Program	65,925	0	0	65,925
Reserved for Title I Grants to Local Education Agencies	0	0	4,579	4,579
Reserved for Special Education - Grants to States	0	0	43,312	43,312
Other Federal Reserves	0	0	23,688	23,688
Unreserved, Reported In:				
General Fund	1,566,863	0	0	1,566,863
Special Revenue Funds	0	10,597	90,284	100,881
Total Fund Balances	<u>\$ 1,657,743</u>	<u>\$ 10,597</u>	<u>\$ 161,863</u>	<u>\$ 1,830,203</u>
Total Liabilities and Fund Balances	<u>\$ 2,720,604</u>	<u>\$ 240,936</u>	<u>\$ 276,101</u>	<u>\$ 3,237,641</u>

Exhibit I-3

Crockett County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Crockett 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 I-2)		\$ 1,830,203
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 824,805	
Add: buildings and improvements net of accumulated depreciation	13,688,971	
Add: infrastructure net of accumulated depreciation	312,404	
Add: other capital assets net of accumulated depreciation	<u>555,683</u>	15,381,863
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability		(203,697)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>96,471</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 17,104,840</u>

Exhibit I-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Transpor - tation	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 1,337,721	\$ 308,380	\$ 0	\$ 1,646,101
Licenses and Permits	801	0	0	801
Charges for Current Services	41,194	33	267,849	309,076
Other Local Revenues	133,090	0	1,549	134,639
State of Tennessee	9,294,058	0	8,540	9,302,598
Federal Government	140,555	0	2,040,662	2,181,217
Other Governments and Citizens Groups	80,697	0	0	80,697
Total Revenues	<u>\$ 11,028,116</u>	<u>\$ 308,413</u>	<u>\$ 2,318,600</u>	<u>\$ 13,655,129</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 6,575,687	\$ 0	\$ 914,795	\$ 7,490,482
Support Services	4,314,092	5,369	303,369	4,622,830
Operation of Non-Instructional Services	309,225	0	1,030,514	1,339,739
Capital Outlay	386,051	0	0	386,051
Debt Service:				
Other Debt Service	150,000	0	0	150,000
Total Expenditures	<u>\$ 11,735,055</u>	<u>\$ 5,369</u>	<u>\$ 2,248,678</u>	<u>\$ 13,989,102</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (706,939)</u>	<u>\$ 303,044</u>	<u>\$ 69,922</u>	<u>\$ (333,973)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 3,752	\$ 0	\$ 0	\$ 3,752
Transfers In	302,410	0	0	302,410
Transfers Out	0	(302,410)	0	(302,410)
Total Other Financing Sources (Uses)	<u>\$ 306,162</u>	<u>\$ (302,410)</u>	<u>\$ 0</u>	<u>\$ 3,752</u>
Net Change in Fund Balances	\$ (400,777)	\$ 634	\$ 69,922	\$ (330,221)
Fund Balance, July 1, 2009	2,058,520	9,963	91,941	2,160,424
Fund Balance, June 30, 2010	<u>\$ 1,657,743</u>	<u>\$ 10,597</u>	<u>\$ 161,863</u>	<u>\$ 1,830,203</u>

Exhibit I-5

Crockett County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Crockett 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 I-4)		\$ (330,221)
(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	\$ 451,434	
Less: current year depreciation expense	<u>(561,507)</u>	(110,073)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property tax and other deferred June 30, 2010	\$ 96,471	
Less: deferred delinquent property tax and other deferred June 30, 2009	<u>(121,905)</u>	(25,434)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability		<u>(33,233)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (498,961)</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 21,727	\$ 15,733	\$ 37,460
Accounts Receivable	1,686	94	1,780
Due from Other Governments	127,924	95,761	223,685
Due from Other Funds	13,176	0	13,176
Total Assets	<u>\$ 164,513</u>	<u>\$ 111,588</u>	<u>\$ 276,101</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 92,934	\$ 21,304	\$ 114,238
Total Liabilities	<u>\$ 92,934</u>	<u>\$ 21,304</u>	<u>\$ 114,238</u>
<u>Fund Balances</u>			
Reserved for Title I Grants to Local Education Agencies	\$ 4,579	\$ 0	\$ 4,579
Reserved for Special Education - Grants to States	43,312	0	43,312
Other Federal Reserves	23,688	0	23,688
Unreserved	0	90,284	90,284
Total Fund Balances	<u>\$ 71,579</u>	<u>\$ 90,284</u>	<u>\$ 161,863</u>
Total Liabilities and Fund Balances	<u>\$ 164,513</u>	<u>\$ 111,588</u>	<u>\$ 276,101</u>

Exhibit I-7

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

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 267,849	\$ 267,849
Other Local Revenues	0	1,549	1,549
State of Tennessee	0	8,540	8,540
Federal Government	1,229,626	811,036	2,040,662
Total Revenues	<u>\$ 1,229,626</u>	<u>\$ 1,088,974</u>	<u>\$ 2,318,600</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 914,795	\$ 0	\$ 914,795
Support Services	303,369	0	303,369
Operation of Non-Instructional Services	0	1,030,514	1,030,514
Total Expenditures	<u>\$ 1,218,164</u>	<u>\$ 1,030,514</u>	<u>\$ 2,248,678</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ 11,462</u>	<u>\$ 58,460</u>	<u>\$ 69,922</u>
Net Change in Fund Balances	\$ 11,462	\$ 58,460	\$ 69,922
Fund Balance, July 1, 2009	60,117	31,824	91,941
Fund Balance, June 30, 2010	<u>\$ 71,579</u>	<u>\$ 90,284</u>	<u>\$ 161,863</u>

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,337,721	\$ 1,329,794	\$ 1,329,794	\$ 7,927
Licenses and Permits	801	685	685	116
Charges for Current Services	41,194	42,400	42,400	(1,206)
Other Local Revenues	133,090	101,050	101,050	32,040
State of Tennessee	9,294,058	9,298,270	9,341,635	(47,577)
Federal Government	140,555	109,650	109,650	30,905
Other Governments and Citizens Groups	80,697	77,315	77,315	3,382
Total Revenues	<u>\$ 11,028,116</u>	<u>\$ 10,959,164</u>	<u>\$ 11,002,529</u>	<u>\$ 25,587</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 5,133,148	\$ 5,432,987	\$ 5,432,986	\$ 299,838
Alternative Instruction Program	50,249	52,134	52,134	1,885
Special Education Program	673,420	623,447	652,022	(21,398)
Vocational Education Program	671,015	664,544	664,544	(6,471)
Adult Education Program	47,855	35,319	47,786	(69)
<u>Support Services</u>				
Attendance	77,039	83,412	83,412	6,373
Health Services	142,744	165,453	165,453	22,709
Other Student Support	441,279	445,442	445,442	4,163
Regular Instruction Program	373,858	380,068	380,068	6,210
Vocational Education Program	9,596	7,000	9,596	0
Adult Programs	77,614	77,139	79,064	1,450
Other Programs	43,365	0	43,365	0
Board of Education	199,478	225,815	225,815	26,337
Director of Schools	206,853	194,657	208,768	1,915
Office of the Principal	854,618	883,717	883,717	29,099
Fiscal Services	108,712	111,978	111,978	3,266
Operation of Plant	989,284	1,056,950	1,056,950	67,666
Maintenance of Plant	278,182	353,817	353,817	75,635
Transportation	511,470	618,895	618,895	107,425
<u>Operation of Non-Instructional Services</u>				
Community Services	156,636	152,660	152,660	(3,976)
Early Childhood Education	152,589	197,333	197,333	44,744
<u>Capital Outlay</u>				
Regular Capital Outlay	386,051	500,000	500,000	113,949
<u>Other Debt Service</u>				
Education	150,000	150,000	150,000	0
Total Expenditures	<u>\$ 11,735,055</u>	<u>\$ 12,412,767</u>	<u>\$ 12,515,805</u>	<u>\$ 780,750</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (706,939)</u>	<u>\$ (1,453,603)</u>	<u>\$ (1,513,276)</u>	<u>\$ 806,337</u>

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 3,752	\$ 0	\$ 0	\$ 3,752
Transfers In	302,410	307,802	307,802	(5,392)
Transfers Out	0	0	(13,176)	13,176
Total Other Financing Sources (Uses)	<u>\$ 306,162</u>	<u>\$ 307,802</u>	<u>\$ 294,626</u>	<u>\$ 11,536</u>
Net Change in Fund Balance	\$ (400,777)	\$ (1,145,801)	\$ (1,218,650)	\$ 817,873
Fund Balance, July 1, 2009	<u>2,058,520</u>	<u>2,088,683</u>	<u>2,088,683</u>	<u>(30,163)</u>
Fund Balance, June 30, 2010	<u>\$ 1,657,743</u>	<u>\$ 942,882</u>	<u>\$ 870,033</u>	<u>\$ 787,710</u>

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,229,626	\$ 1,522,358	\$ 1,522,358	\$ (292,732)
Total Revenues	\$ 1,229,626	\$ 1,522,358	\$ 1,522,358	\$ (292,732)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 446,816	\$ 472,112	\$ 472,112	\$ 25,296
Special Education Program	425,910	537,128	550,304	124,394
Vocational Education Program	42,069	31,104	31,104	(10,965)
<u>Support Services</u>				
Other Student Support	16,566	110,152	110,152	93,586
Regular Instruction Program	89,977	92,014	92,014	2,037
Special Education Program	76,179	128,234	128,234	52,055
Vocational Education Program	656	1,100	1,100	444
Transportation	119,991	151,204	151,204	31,213
Total Expenditures	\$ 1,218,164	\$ 1,523,048	\$ 1,536,224	\$ 318,060
Excess (Deficiency) of Revenues Over Expenditures	\$ 11,462	\$ (690)	\$ (13,866)	\$ 25,328
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 3,168	\$ 16,344	\$ (16,344)
Transfers Out	0	(3,168)	(3,168)	3,168
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 13,176	\$ (13,176)
Net Change in Fund Balance	\$ 11,462	\$ (690)	\$ (690)	\$ 12,152
Fund Balance, July 1, 2009	60,117	690	690	59,427
Fund Balance, June 30, 2010	\$ 71,579	\$ 0	\$ 0	\$ 71,579

Exhibit I-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 267,849	\$ 318,607	\$ 267,082	\$ 767
Other Local Revenues	1,549	522	1,447	102
State of Tennessee	8,540	8,600	8,540	0
Federal Government	811,036	688,062	765,022	46,014
Total Revenues	<u>\$ 1,088,974</u>	<u>\$ 1,015,791</u>	<u>\$ 1,042,091</u>	<u>\$ 46,883</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,030,514	\$ 926,530	\$ 1,027,985	\$ (2,529)
Total Expenditures	<u>\$ 1,030,514</u>	<u>\$ 926,530</u>	<u>\$ 1,027,985</u>	<u>\$ (2,529)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 58,460</u>	<u>\$ 89,261</u>	<u>\$ 14,106</u>	<u>\$ 44,354</u>
Net Change in Fund Balance	\$ 58,460	\$ 89,261	\$ 14,106	\$ 44,354
Fund Balance, July 1, 2009	<u>31,824</u>	<u>103,048</u>	<u>103,048</u>	<u>(71,224)</u>
Fund Balance, June 30, 2010	<u>\$ 90,284</u>	<u>\$ 192,309</u>	<u>\$ 117,154</u>	<u>\$ (26,870)</u>

Exhibit I-11

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Crockett County School Department
School Transportation Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 308,380	\$ 312,952	\$ 312,952	\$ (4,572)
Charges for Current Services	33	0	0	33
Total Revenues	<u>\$ 308,413</u>	<u>\$ 312,952</u>	<u>\$ 312,952</u>	<u>\$ (4,539)</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 5,369	\$ 5,150	\$ 5,150	\$ (219)
Total Expenditures	<u>\$ 5,369</u>	<u>\$ 5,150</u>	<u>\$ 5,150</u>	<u>\$ (219)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 303,044</u>	<u>\$ 307,802</u>	<u>\$ 307,802</u>	<u>\$ (4,758)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (302,410)	\$ (307,802)	\$ (307,802)	\$ 5,392
Total Other Financing Sources (Uses)	<u>\$ (302,410)</u>	<u>\$ (307,802)</u>	<u>\$ (307,802)</u>	<u>\$ 5,392</u>
Net Change in Fund Balance	\$ 634	\$ 0	\$ 0	\$ 634
Fund Balance, July 1, 2009	<u>9,963</u>	<u>8,101</u>	<u>8,101</u>	<u>1,862</u>
Fund Balance, June 30, 2010	<u>\$ 10,597</u>	<u>\$ 8,101</u>	<u>\$ 8,101</u>	<u>\$ 2,496</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Crockett County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds
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
NOTES PAYABLE									
<u>Payable through General Debt Service Fund</u>									
School Classrooms and Fieldhouse	\$ 360,000	5.1%	6-22-1998	6-30-10	\$ 38,353	\$ 0	\$ 38,353	\$ 0	0
Trash Compactors and Site Preparation	60,000	3.974	Various	4-15-11	11,585	0	5,923	0	5,662
School Construction	400,000	3.95	3-6-03	5-20-10	220,865	0	33,313	187,552	0
Emergency Management Building	84,000	0	6-30-07	2-17-17	67,200	0	8,400	0	58,800
Adult Education Technology Center	1,100,000	0	5-27-10	4-1-20	0	1,100,000	0	0	1,100,000
Total Notes Payable					\$ 338,003	\$ 1,100,000	\$ 85,989	\$ 187,552	\$ 1,164,462
CAPITAL LEASES PAYABLE									
<u>Payable through General Fund</u>									
Sheriff's Patrol Car	22,850	6.65	8-27-07	8-24-09	\$ 7,605	0	7,605	0	0
Sheriff's Sport Utility Vehicle	28,944	6.4	9-26-07	9-23-09	9,636	0	9,636	0	0
Ambulance	94,355	6.5	4-15-08	3-19-10	31,408	0	31,408	0	0
Sheriff's Patrol Car	22,950	6.3	9-5-08	9-5-10	14,828	0	7,188	0	7,640
Sheriff's Patrol Cars	72,674	6.9	9-11-09	9-11-11	0	72,674	25,858	0	46,816
Total Payable through General Fund					\$ 63,477	\$ 72,674	\$ 81,695	\$ 0	\$ 54,456
<u>Payable through Highway/Public Works Fund</u>									
Dump Trucks	205,706	4.39	4-25-07	5-27-10	\$ 143,368	0	143,368	0	0
Total Capital Leases Payable					\$ 206,845	\$ 72,674	\$ 225,063	\$ 0	\$ 54,456
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Courthouse and Library	200,000	5	1-28-1976	5-20-10	\$ 67,651	0	8,153	\$ 59,498	0
Courthouse and Library	50,000	5	12-30-1976	5-20-10	16,840	0	2,043	14,797	0
Nursing Home	300,000	5	10-26-1977	1-1-17	113,632	0	12,105	0	101,527
Nursing Home	50,000	5	2-9-1979	1-1-19	22,742	0	1,828	0	20,914
Nursing Home	500,000	5	8-9-1982	1-1-11	60,000	0	30,000	0	30,000
School Refunding 1997 Series	3,595,000	4 to 5	11-1-1997	5-20-10	1,580,000	0	500,000	1,080,000	0
Courthouse and Senior Citizens' Buildings Renovations	400,000	5	10-14-1999	5-20-10	359,086	0	6,174	352,912	0
General Obligation School	9,850,000	4.5 to 4.875	8-9-01	4-1-11	2,875,000	0	185,000	2,490,000	200,000
General Obligation School Refunding	2,710,000	2.5 to 4.875	4-17-02	4-1-14	845,000	0	155,000	0	690,000
General Obligation School	5,085,000	4.55 to 5	4-17-02	4-1-17	4,235,000	0	200,000	0	4,035,000
General Obligation School Refunding	6,735,000	4.15	9-1-05	5-20-10	6,535,000	0	20,000	6,515,000	0
General Obligation Refunding 2010 Series	11,235,000	2 to 4	5-20-10	4-1-25	0	11,235,000	0	0	11,235,000
Total Bonds Payable					\$ 16,709,951	\$ 11,235,000	\$ 1,120,303	\$ 10,512,207	\$ 16,312,441

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 14,061	\$ 225	\$ 14,286
2012	31,317	0	31,317
2013	145,900	0	145,900
2014	145,900	0	145,900
2015	145,900	0	145,900
2016	145,900	0	145,900
2017	145,900	0	145,900
2018	137,500	0	137,500
2019	137,500	0	137,500
2020	114,584	0	114,584
Total	\$ 1,164,462	\$ 225	\$ 1,164,687

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2011	\$ 30,268	\$ 3,712	\$ 33,980
2012	24,188	1,669	25,857
Total	\$ 54,456	\$ 5,381	\$ 59,837

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 739,630	\$ 560,158	\$ 1,299,788
2012	765,361	578,957	1,344,318
2013	826,129	552,314	1,378,443
2014	941,936	517,370	1,459,306
2015	962,783	479,382	1,442,165
2016	1,003,672	437,430	1,441,102
2017	1,042,642	392,522	1,435,164
2018	1,082,701	345,139	1,427,840
2019	1,132,587	301,804	1,434,391
2020	1,190,000	267,775	1,457,775
2021	1,230,000	230,588	1,460,588
2022	1,275,000	190,613	1,465,613
2023	1,320,000	145,988	1,465,988
2024	1,370,000	99,788	1,469,788
2025	1,430,000	51,838	1,481,838
Total	\$ 16,312,441	\$ 5,151,666	\$ 21,464,107

Exhibit J-3

Crockett County, Tennessee
Schedule of Notes Receivable
June 30, 2010

<u>Description</u>	<u>Amount</u>
<u>Constitutional Officers - Agency Fund</u>	
<u>Clerk and Master</u>	
Loan Notes	<u>\$ 7,428</u>
Total Notes Receivable	<u><u>\$ 7,428</u></u>

Exhibit J-4

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	Debt retirement	\$ 15,000
Total Transfers Primary Government			<u>\$ 15,000</u>
<u>DISCRETELY PRESENTED</u>			
<u>CROCKETT COUNTY SCHOOL DEPARTMENT</u>			
School Transportation	General Purpose School	School transportation	\$ 302,410
Total Transfers Discretely Presented Crockett County School Department			<u>\$ 302,410</u>

Exhibit J-5

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 66,702	\$ 50,000	Auto Owners Insurance Company
Road Supervisor	Section 8-24-102, <u>TCA</u>	63,527	100,000	"
Director of Schools:				
Stan Black (7-1-09 through 2-27-10)	State Board of Education and County Board of Education	97,535 (1)	150,000	Tennessee Risk Management Trust
Eddie Whitby (3-8-10 through 6-30-10)	State Board of Education and County Board of Education	32,724	150,000	"
Trustee	County Board of Education			
Assessor of Property	Section 8-24-102, <u>TCA</u>	57,751	609,280	Auto Owners Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	57,751	10,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	57,751	25,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u>	57,751	25,000	"
Register	Section 8-24-102, <u>TCA</u>	57,751	30,000	"
Sheriff	Section 8-24-102, <u>TCA</u>	57,751	15,000	"
	Section 8-24-102, <u>TCA</u>	63,527 (2)	25,000	"
Employee Bonds:				
General Fund Employees			150,000	Tennessee Risk Management Trust
Road Department Bookkeeper			10,000	Auto Owners Insurance Company
School Department Employees			150,000	Tennessee Risk Management Trust

(1) Includes incentive performance bonus of \$3,800 and 43 days vacation leave of \$19,855.

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

Exhibit J-6

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

	Special Revenue Funds					Debt Service Fund			Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Capital Projects Funds		Total		
								General	Debt Service			
<u>Local Taxes</u>												
<u>County Property Taxes</u>												
Current Property Tax	\$ 2,580,335	\$ 0	\$ 0	\$ 0	\$ 761,977	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,342,312
Discount on Property Taxes	(20,062)	0	0	0	(5,924)	0	0	0	0	0	0	(25,986)
Trustee's Collections - Prior Year	120,410	0	0	0	35,564	0	0	0	0	0	0	155,974
Trustee's Collections - Bankruptcy	976	0	0	0	301	0	0	0	0	0	0	1,277
Circuit/Clerk & Master Collections - Prior Years	38,866	0	0	0	12,244	0	0	0	0	0	0	51,110
Interest and Penalty	21,732	0	0	0	6,419	0	0	0	0	0	0	28,151
Payments in-Lieu-of Taxes - T.V.A.	94	0	0	0	28	0	0	0	0	0	0	122
<u>County Local Option Taxes</u>												
Local Option Sales Tax	50,000	85,787	0	0	500,553	0	0	0	0	0	0	636,340
Hotel/Motel Tax	9,674	0	0	0	0	0	0	0	0	0	0	9,674
Wheel Tax	0	0	0	373,192	297,388	0	0	0	0	0	0	670,580
Litigation Tax - General	44,135	0	0	0	0	0	0	0	0	0	0	44,135
Litigation Tax - Jail, Workhouse, or Courthouse	16,013	0	0	0	0	0	0	0	0	0	0	16,013
Business Tax	72,912	0	0	0	0	0	0	0	0	0	0	72,912
<u>Statutory Local Taxes</u>												
Bank Excise Tax	47,659	0	0	0	0	0	0	0	0	0	0	47,659
Wholesale Beer Tax	25,000	72,876	0	0	0	0	0	0	0	0	0	97,876
Interstate Telecommunications Tax	0	365	0	0	0	0	0	0	0	0	0	365
Total Local Taxes	\$ 3,007,744	\$ 159,028	\$ 0	\$ 373,192	\$ 1,608,550	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,148,514
<u>Licenses and Permits</u>												
<u>Licenses</u>												
Animal Vaccination	2,931	0	0	0	0	0	0	0	0	0	0	2,931
Cable TV Franchise	7,037	0	0	0	0	0	0	0	0	0	0	7,037
<u>Permits</u>												
Beer Permits	1,045	0	0	0	0	0	0	0	0	0	0	1,045
Total Licenses and Permits	\$ 11,013	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,013

(Continued)

Exhibit J-6

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

	Special Revenue Funds					Debt Service Fund	Capital Projects Funds			Total	
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service		General Capital Projects	Community Development/ Industrial Park			
<u>Fines, Forfeitures, and Penalties</u>											
<u>Circuit Court</u>											
Fines	\$ 1,959	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,959	
Officers Costs	2,840	0	0	0	0	0	0	0	0	2,840	
Drug Control Fines	0	0	1,692	0	0	0	0	0	0	1,692	
Drug Court Fees	937	0	0	0	0	0	0	0	0	937	
Jail Fees	843	0	0	0	0	0	0	0	0	843	
Data Entry Fee - Circuit Court	120	0	0	0	0	0	0	0	0	120	
Courtroom Security Fee	90	0	0	0	0	0	0	0	0	90	
<u>Criminal Court</u>											
Jail Fees	7,070	0	0	0	0	0	0	0	0	7,070	
<u>General Sessions Court</u>											
Fines	18,346	0	0	0	0	0	0	0	0	18,346	
Officers Costs	21,597	0	0	0	0	0	0	0	0	21,597	
Drug Control Fines	3,379	0	3,458	0	0	0	0	0	0	6,837	
Drug Court Fees	2,638	0	0	0	0	0	0	0	0	2,638	
Jail Fees	4,313	0	0	0	0	0	0	0	0	4,313	
Data Entry Fee - General Sessions Court	3,590	0	0	0	0	0	0	0	0	3,590	
Courtroom Security Fee	2,729	0	0	0	0	0	0	0	0	2,729	
<u>Juvenile Court</u>											
Officers Costs	1,111	0	0	0	0	0	0	0	0	1,111	
<u>Chancery Court</u>											
Officers Costs	1,508	0	0	0	0	0	0	0	0	1,508	
Data Entry Fee - Chancery Court	962	0	0	0	0	0	0	0	0	962	
Courtroom Security Fee	836	0	0	0	0	0	0	0	0	836	
<u>Other Fines, Forfeitures, and Penalties</u>											
Proceeds from Confiscated Property	5,775	0	17,160	0	0	0	0	0	0	22,935	
Total Fines, Forfeitures, and Penalties	\$ 80,643	\$ 0	\$ 22,310	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 102,953	
<u>Charges for Current Services</u>											
<u>General Service Charges</u>											
Convenience Waste Centers Collection Charge	\$ 0	\$ 12,656	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,656	

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	General Development/Industrial Park	Community		
<u>Charges for Current Services (Cont.)</u>										
<u>General Service Charges (Cont.)</u>										
Patient Charges	\$ 898,714	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 898,714
<u>Fees</u>										
Library Fees	1,509	0	0	0	0	0	0	0	0	1,509
Telephone Commissions	8,579	0	0	0	0	0	0	0	0	8,579
Data Processing Fee - Register	4,384	0	0	0	0	0	0	0	0	4,384
Sexual Offender Registration Fees - Sheriff	1,717	0	0	0	0	0	0	0	0	1,717
Data Processing Fee - County Clerk	1,800	0	0	0	0	0	0	0	0	1,800
Total Charges for Current Services	\$ 917,339	\$ 12,656	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 929,995
<u>Other Local Revenues</u>										
<u>Recurring Items</u>										
Investment Income	1,415	0	0	0	45,609	807	0	0	0	47,831
Lease/Rentals	35,840	0	0	0	89,762	0	0	0	0	125,602
Sale of Materials and Supplies	0	0	0	14,280	0	0	0	0	0	14,280
Commissary Sales	4,862	0	0	0	0	0	0	0	0	4,862
Miscellaneous Refunds	91,572	207	0	0	0	0	0	0	0	91,779
<u>Nonrecurring Items</u>										
Performance Bond Forfeitures	1,662	0	0	0	0	0	0	0	0	1,662
Total Other Local Revenues	\$ 135,351	\$ 207	\$ 0	\$ 14,280	\$ 135,371	\$ 807	\$ 0	\$ 0	\$ 0	\$ 286,016
<u>Fees Received from County Officials</u>										
<u>Fees in-Lieu-of Salary</u>										
County Clerk	137,274	0	0	0	0	0	0	0	0	137,274
Circuit Court Clerk	17,566	0	0	0	0	0	0	0	0	17,566
General Sessions Court Clerk	99,662	0	0	0	0	0	0	0	0	99,662
Clerk and Master	48,299	0	0	0	0	0	0	0	0	48,299
Juvenile Court Clerk	43,364	0	0	0	0	0	0	0	0	43,364
Register	44,206	0	0	0	0	0	0	0	0	44,206
Sheriff	3,798	0	0	0	0	0	0	0	0	3,798

(Continued)

Exhibit J-6

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

	Special Revenue Funds					Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Capital Projects Funds			
								General	Development/ Industrial Park		
<u>Fees Received from County Officials (Cont.)</u>											
Trustee	\$ 182,575	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 182,575
Total Fees Received from County Officials	\$ 576,744	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 576,744
<u>State of Tennessee</u>											
General Government Grants											
Juvenile Services Program	\$ 9,930	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,930
Aging Programs	335,245	0	0	0	0	0	0	0	0	0	335,245
State Reappraisal Grant	4,719	0	0	0	0	0	0	0	0	0	4,719
Solid Waste Grants	0	5,653	0	0	0	0	0	0	0	0	5,653
<u>Public Safety Grants</u>											
Law Enforcement Training Programs	7,200	0	0	0	0	0	0	0	0	0	7,200
Other Public Safety Grants	4,929	0	0	0	0	0	0	0	0	0	4,929
<u>Health and Welfare Grants</u>											
Health Department Programs	72,344	0	0	0	0	0	0	0	0	0	72,344
Other Health and Welfare Grants	11,549	0	0	0	0	0	0	0	0	0	11,549
<u>Public Works Grants</u>											
Bridge Program	0	0	0	153,920	0	0	0	0	0	0	153,920
State Aid Program	0	0	0	138,678	0	0	0	0	0	0	138,678
<u>Other State Revenues</u>											
Income Tax	9,669	0	0	0	0	0	0	0	0	0	9,669
Beer Tax	0	17,778	0	0	0	0	0	0	0	0	17,778
Alcoholic Beverage Tax	0	26,735	0	0	0	0	0	0	0	0	26,735
Mixed Drink Tax	542	0	0	0	0	0	0	0	0	0	542
State Revenue Sharing - T.V.A.	288,074	0	0	0	0	0	0	0	0	0	288,074
Contracted Prisoner Boarding	149,695	0	0	0	0	0	0	0	0	0	149,695
Gasoline and Motor Fuel Tax	0	0	0	1,361,129	0	0	0	0	0	0	1,361,129
Petroleum Special Tax	0	0	0	11,671	0	0	0	0	0	0	11,671
Registrar's Salary Supplement	16,380	0	0	0	0	0	0	0	0	0	16,380
Other State Grants	62,186	0	0	0	0	0	0	0	0	0	62,186
Other State Revenues	1,912	0	0	0	0	0	0	0	0	0	1,912
Total State of Tennessee	\$ 974,374	\$ 50,166	\$ 0	\$ 1,665,398	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,689,938

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works		General Debt Service	General Capital Projects	Community Development/ Industrial Park	
<u>Federal Government</u>									
<u>Federal Through State</u>									
USDA - Other	\$ 31,645	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,000	\$ 0	\$ 0	\$ 41,645
Civil Defense Reimbursement	23,628	0	0	0	0	0	0	0	23,628
Homeland Security Grants	73,598	0	0	0	0	0	0	0	73,598
Other Federal through State	14,694	0	0	0	0	0	0	0	14,694
<u>Direct Federal Revenue</u>									
FHA Grant	0	0	0	0	0	0	175,833	0	175,833
Total Federal Government	\$ 143,565	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,000	\$ 175,833	\$ 0	\$ 329,398
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Prisoner Board	\$ 2,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,800
Contributions	0	0	0	0	150,000	0	0	0	150,000
Contracted Services	2,849	0	0	6,178	0	0	0	0	9,027
<u>Citizens Groups</u>									
Donations	6,605	0	0	0	0	0	0	0	6,605
Total Other Governments and Citizens Groups	\$ 12,254	\$ 0	\$ 0	\$ 6,178	\$ 150,000	\$ 0	\$ 0	\$ 0	\$ 168,432
Total	\$ 5,859,027	\$ 222,057	\$ 22,310	\$ 2,059,048	\$ 1,893,921	\$ 10,807	\$ 175,833	\$ 10,243,003	

Exhibit J-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 907,934	\$ 0	\$ 0	\$ 207,036	\$ 1,114,970
Discount on Property Taxes	(7,059)	0	0	(1,616)	(8,675)
Trustee's Collections - Prior Year	42,420	0	0	10,475	52,895
Trustee's Collections - Bankruptcy	358	0	0	81	439
Circuit/Clerk & Master Collections - Prior Years	13,944	0	0	3,178	17,122
Interest and Penalty	7,651	0	0	1,751	9,402
Payments in-Lieu-of Taxes - T.V.A.	33	0	0	8	41
<u>County Local Option Taxes</u>					
Local Option Sales Tax	332,635	0	0	0	332,635
Wheel Tax	38,756	0	0	87,467	126,223
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	1,049	0	0	0	1,049
Total Local Taxes	\$ 1,337,721	\$ 0	\$ 0	\$ 308,380	\$ 1,646,101
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 801	\$ 0	\$ 0	\$ 0	\$ 801
Total Licenses and Permits	\$ 801	\$ 0	\$ 0	\$ 0	\$ 801
<u>Charges for Current Services</u>					
<u>Fees</u>					
Vending Machine Collections	\$ 1,023	\$ 0	\$ 0	\$ 0	\$ 1,023
<u>Education Charges</u>					
Lunch Payments - Children	0	0	132,715	0	132,715
Lunch Payments - Adults	0	0	17,182	0	17,182
Income from Breakfast	0	0	3,567	0	3,567
A la carte Sales	0	0	88,473	0	88,473
Transportation - Other State Systems	11,150	0	0	33	11,183
School Based Health Services - FFS	3,000	0	0	0	3,000
Receipts from Individual Schools	25,288	0	0	0	25,288
<u>Other Charges for Services</u>					
Other Charges for Services	733	0	25,912	0	26,645
Total Charges for Current Services	\$ 41,194	\$ 0	\$ 267,849	\$ 33	\$ 309,076
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 35,324	\$ 0	\$ 697	\$ 0	\$ 36,021
Lease/Rentals	15,497	0	0	0	15,497
Refund of Telecommunication & Internet Fees (E-Rate)	36,869	0	852	0	37,721
Miscellaneous Refunds	44,857	0	0	0	44,857
<u>Nonrecurring Items</u>					
Damages Recovered from Individuals	450	0	0	0	450
<u>Other Local Revenues</u>					
Other Local Revenues	93	0	0	0	93
Total Other Local Revenues	\$ 133,090	\$ 0	\$ 1,549	\$ 0	\$ 134,639

(Continued)

Exhibit J-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Total
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 43,365	\$ 0	\$ 0	\$ 0	\$ 43,365
<u>State Education Funds</u>					
Basic Education Program	8,326,350	0	0	0	8,326,350
Basic Education Program - ARRA	327,500	0	0	0	327,500
Early Childhood Education	152,588	0	0	0	152,588
School Food Service	0	0	8,540	0	8,540
Driver Education	9,812	0	0	0	9,812
Other State Education Funds	73,789	0	0	0	73,789
Coordinated School Health - ARRA	90,000	0	0	0	90,000
Internet Connectivity - ARRA	5,019	0	0	0	5,019
Family Resource Centers - ARRA	19,154	0	0	0	19,154
Statewide Student Management System (SSMS) - ARRA	4,326	0	0	0	4,326
Career Ladder Program	64,452	0	0	0	64,452
Career Ladder - Extended Contract - ARRA	52,611	0	0	0	52,611
Other Vocational	6,657	0	0	0	6,657
<u>Other State Revenues</u>					
Mixed Drink Tax	360	0	0	0	360
State Revenue Sharing - T.V.A.	50,000	0	0	0	50,000
Other State Grants	63,005	0	0	0	63,005
Safe Schools - ARRA	5,070	0	0	0	5,070
Total State of Tennessee	\$ 9,294,058	\$ 0	\$ 8,540	\$ 0	\$ 9,302,598
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 522,156	\$ 0	\$ 522,156
Breakfast	0	0	265,920	0	265,920
USDA - Other	0	0	10,960	0	10,960
USDA Food Service Equipment Grant - ARRA	0	0	12,000	0	12,000
Adult Education State Grant Program	83,006	0	0	0	83,006
Vocational Education - Basic Grants to States	0	50,481	0	0	50,481
Title I Grants to Local Education Agencies	0	429,285	0	0	429,285
Special Education - Grants to States	57,549	602,423	0	0	659,972
Special Education Preschool Grants	0	28,288	0	0	28,288
English Language Acquisition Grants	0	11,622	0	0	11,622
Eisenhower Professional Development State Grants	0	93,534	0	0	93,534
Other Federal through State	0	13,993	0	0	13,993
Total Federal Government	\$ 140,555	\$ 1,229,626	\$ 811,036	\$ 0	\$ 2,181,217
<u>Other Governments and Citizens Groups</u>					
<u>Other</u>					
Other	\$ 80,697	\$ 0	\$ 0	\$ 0	\$ 80,697
Total Other Governments and Citizens Groups	\$ 80,697	\$ 0	\$ 0	\$ 0	\$ 80,697
Total	\$ 11,028,116	\$ 1,229,626	\$ 1,088,974	\$ 308,413	\$ 13,655,129

Exhibit J-8

Crockett 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	\$ 12,803	
Dues and Memberships	<u>1,300</u>	
Total County Commission		\$ 14,103

Board of Equalization

Board and Committee Members Fees	\$ <u>340</u>	
Total Board of Equalization		340

Beer Board

Board and Committee Members Fees	\$ <u>125</u>	
Total Beer Board		125

County Mayor/Executive

County Official/Administrative Officer	\$ 66,702	
Accountants/Bookkeepers	28,804	
Secretary(ies)	19,000	
Longevity Pay	450	
Contracts with Private Agencies	5,900	
Dues and Memberships	1,695	
Postal Charges	1,405	
Printing, Stationery, and Forms	1,351	
Travel	2,855	
Office Supplies	3,573	
Other Charges	197	
Office Equipment	<u>3,977</u>	
Total County Mayor/Executive		135,909

County Attorney

County Official/Administrative Officer	\$ <u>1,757</u>	
Total County Attorney		1,757

Election Commission

County Official/Administrative Officer	\$ 51,976	
Temporary Personnel	8,711	
Election Commission	2,041	
Election Workers	11,009	
Contracts with Private Agencies	10,352	
Data Processing Services	2,265	
Dues and Memberships	150	
Legal Notices, Recording, and Court Costs	1,053	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Postal Charges	\$	1,296	
Printing, Stationery, and Forms		3,438	
Travel		1,204	
Office Supplies		2,498	
Office Equipment		1,110	
Total Election Commission			\$ 97,103

Register of Deeds

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		22,298	
Longevity Pay		250	
Data Processing Services		2,953	
Dues and Memberships		398	
Operating Lease Payments		1,073	
Postal Charges		238	
Printing, Stationery, and Forms		300	
Travel		98	
Office Supplies		1,210	
Office Equipment		368	
Total Register of Deeds			86,937

County Buildings

Custodial Personnel	\$	3,697	
Other Salaries and Wages		388	
Communication		30,422	
Maintenance and Repair Services - Buildings		44,918	
Maintenance and Repair Services - Equipment		5,880	
Pest Control		2,480	
Custodial Supplies		13,530	
Electricity		25,796	
Natural Gas		9,970	
Water and Sewer		6,446	
Building and Contents Insurance		17,243	
Total County Buildings			160,770

Finance

Accounting and Budgeting

Accounting Services	\$	568	
Audit Services		4,360	
Total Accounting and Budgeting			4,928

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		42,507	
Longevity Pay		450	
Contracts with Private Agencies		8,810	
Data Processing Services		7,058	
Dues and Memberships		1,014	
Legal Notices, Recording, and Court Costs		55	
Postal Charges		237	
Travel		2,712	
Office Supplies		240	
Office Equipment		1,440	
Other Equipment		850	
Total Property Assessor's Office			\$ 123,124

Reappraisal Program

Data Processing Personnel	\$	1,781	
Data Processing Services		1,642	
Postal Charges		51	
Travel		667	
Total Reappraisal Program			4,141

County Trustee's Office

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		44,113	
Longevity Pay		1,550	
Communication		1,292	
Data Processing Services		3,666	
Dues and Memberships		483	
Maintenance Agreements		2,404	
Postal Charges		2,520	
Printing, Stationery, and Forms		253	
Travel		1,197	
Other Contracted Services		732	
Office Supplies		1,403	
Total County Trustee's Office			117,364

County Clerk's Office

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		62,334	
Longevity Pay		600	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Dues and Memberships	\$	658	
Postal Charges		2,912	
Printing, Stationery, and Forms		840	
Travel		979	
Other Contracted Services		10,136	
Office Supplies		2,007	
Office Equipment		1,784	
Total County Clerk's Office			\$ 140,001

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		103,876	
Longevity Pay		1,100	
Jury and Witness Fees		3,179	
Data Processing Services		7,648	
Dues and Memberships		548	
Postal Charges		1,804	
Printing, Stationery, and Forms		941	
Office Supplies		6,823	
Other Charges		250	
Office Equipment		4,320	
Total Circuit Court			188,240

General Sessions Judge

Judge(s)	\$	82,320	
Dues and Memberships		795	
Travel		785	
Other Contracted Services		9,759	
Office Supplies		222	
Total General Sessions Judge			93,881

Drug Court

Assistant(s)	\$	14,484	
Supervisor/Director		25,750	
Communication		2,303	
Travel		1,539	
Drug Treatment		1,752	
Office Supplies		1,055	
Office Equipment		1,666	
Total Drug Court			48,549

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		23,218	
Longevity Pay		100	
Dues and Memberships		448	
Postal Charges		2,566	
Printing, Stationery, and Forms		796	
Other Contracted Services		1,297	
Office Supplies		649	
Office Equipment		150	
Total Chancery Court			\$ 86,975

Juvenile Court

Supervisor/Director	\$	27,364	
Probation Officer(s)		15,980	
Longevity Pay		1,100	
In-Service Training		1,096	
Communication		1,773	
Maintenance and Repair Services - Vehicles		650	
Postal Charges		132	
Other Contracted Services		458	
Office Supplies		209	
Other Charges		4,158	
Office Equipment		1,142	
Total Juvenile Court			54,062

Other Administration of Justice

Other Salaries and Wages	\$	7,743	
In-Service Training		310	
Other Charges		714	
Total Other Administration of Justice			8,767

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	63,527	
Assistant(s)		36,673	
Deputy(ies)		367,031	
Data Processing Personnel		23,359	
Guards		15,455	
Secretary(ies)		20,113	
Longevity Pay		5,450	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Other Salaries and Wages	\$	34,418	
In-Service Training		10,499	
Communication		18,783	
Contracts with Private Agencies		7,447	
Data Processing Services		3,655	
Dues and Memberships		2,250	
Licenses		1,440	
Maintenance and Repair Services - Vehicles		27,603	
Postal Charges		4,070	
Travel		3,500	
Other Contracted Services		556	
Gasoline		57,273	
Law Enforcement Supplies		2,294	
Office Supplies		7,928	
Tires and Tubes		6,499	
Uniforms		9,207	
Other Supplies and Materials		4,075	
Other Charges		1,914	
Data Processing Equipment		1,020	
Law Enforcement Equipment		2,001	
Maintenance Equipment		3,577	
Motor Vehicles		72,674	
Office Equipment		4,321	
Other Equipment		5,553	
Total Sheriff's Department			\$ 824,165

Jail

Dispatchers/Radio Operators	\$	103,717
Guards		281,250
Cafeteria Personnel		17,880
Part-time Personnel		20,130
Longevity Pay		3,650
Other Salaries and Wages		42,391
In-Service Training		381
Contracts with Public Carriers		483
Medical and Dental Services		90,258
Travel		3,997
Other Contracted Services		200
Custodial Supplies		11,875
Drugs and Medical Supplies		39,320

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Electricity	\$ 25,118	
Food Supplies	83,671	
Law Enforcement Supplies	56	
Natural Gas	9,631	
Uniforms	6,985	
Water and Sewer	8,225	
Other Supplies and Materials	3,781	
Other Charges	913	
Data Processing Equipment	2,290	
Office Equipment	6,974	
Other Equipment	25	
Total Jail		\$ 763,201

Juvenile Services

Other Charges	\$ 292	
Total Juvenile Services		292

Fire Prevention and Control

Contributions	\$ 52,000	
Total Fire Prevention and Control		52,000

Civil Defense

Assistant(s)	\$ 11,997	
Supervisor/Director	15,685	
Communication	4,023	
Dues and Memberships	430	
Operating Lease Payments	510	
Maintenance and Repair Services - Vehicles	978	
Postal Charges	44	
Travel	883	
Electricity	2,736	
Gasoline	3,408	
Office Supplies	768	
Uniforms	448	
Utilities	2,467	
Other Supplies and Materials	1,316	
Other Charges	246	
Other Equipment	713	
Total Civil Defense		46,652

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad

Contributions	\$ 8,000	
Total Rescue Squad		\$ 8,000

Disaster Relief

Data Processing Personnel	\$ 1,875	
Part-time Personnel	2,550	
Travel	122	
Total Disaster Relief		4,547

Other Emergency Management

Communication	\$ 48,360	
Other Supplies and Materials	8,202	
Other Equipment	8,550	
Total Other Emergency Management		65,112

County Coroner/Medical Examiner

Other Per Diem and Fees	\$ 2,000	
Contracts with Government Agencies	5,600	
Transportation - Other than Students	1,000	
Total County Coroner/Medical Examiner		8,600

Other Public Safety

Other Salaries and Wages	\$ 3,201	
Total Other Public Safety		3,201

Public Health and Welfare

Local Health Center

Paraprofessionals	\$ 60,895	
Custodial Personnel	645	
Longevity Pay	200	
Communication	3,479	
Travel	516	
Other Contracted Services	7,675	
Custodial Supplies	917	
Drugs and Medical Supplies	854	
Office Supplies	604	
Utilities	8,851	
Other Charges	2,959	
Total Local Health Center		87,595

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control

Supervisor/Director	\$	24,737	
Longevity Pay		1,050	
Communication		705	
Travel		5,634	
Other Supplies and Materials		5,177	
Total Rabies and Animal Control			\$ 37,303

Ambulance/Emergency Medical Services

Supervisor/Director	\$	46,839	
Medical Personnel		337,628	
Secretary(ies)		22,149	
Part-time Personnel		54,098	
Longevity Pay		6,850	
Other Salaries and Wages		80,153	
In-Service Training		2,160	
Communication		4,756	
Contracts with Private Agencies		7,253	
Dues and Memberships		240	
Evaluation and Testing		64	
Licenses		345	
Maintenance and Repair Services - Vehicles		47,033	
Postal Charges		675	
Travel		1,083	
Custodial Supplies		395	
Diesel Fuel		37,086	
Drugs and Medical Supplies		33,683	
Office Supplies		3,029	
Uniforms		3,601	
Other Supplies and Materials		2,281	
Office Equipment		295	
Total Ambulance/Emergency Medical Services			691,696

Maternal and Child Health Services

Contributions	\$	4,000	
Total Maternal and Child Health Services			4,000

Alcohol and Drug Programs

Contributions	\$	15,165	
Total Alcohol and Drug Programs			15,165

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Crippled Children Services

Contributions	\$ 1,650	
Total Crippled Children Services		\$ 1,650

Other Local Health Services

Part-time Personnel	\$ 6,838	
Other Salaries and Wages	257	
Contributions	2,000	
Other Supplies and Materials	<u>6,197</u>	
Total Other Local Health Services		15,292

Appropriation to State

Contracts with Government Agencies	\$ 43,900	
Contracts with Other Public Agencies	6,000	
Contributions	<u>2,000</u>	
Total Appropriation to State		51,900

Other Local Welfare Services

Other Charges	\$ 531	
Total Other Local Welfare Services		531

Waste Pickup

Other Salaries and Wages	\$ 17,401	
Equipment and Machinery Parts	15	
Gasoline	2,140	
Instructional Supplies and Materials	<u>3,064</u>	
Total Waste Pickup		22,620

Social, Cultural, and Recreational Services

Adult Activities

Assistant(s)	\$ 18,134
Supervisor/Director	32,507
Investigator(s)	7,126
Social Workers	19,121
Medical Personnel	122,878
Bus Drivers	21,443
Clerical Personnel	7,696
Educational Assistants	16,829
Cafeteria Personnel	14,671
Maintenance Personnel	14,953
Part-time Personnel	16,048

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Adult Activities (Cont.)

Longevity Pay	\$	2,500	
Other Salaries and Wages		390	
Audit Services		1,100	
Communication		2,552	
Data Processing Services		2,769	
Dues and Memberships		584	
Licenses		2,030	
Maintenance and Repair Services - Buildings		3,500	
Maintenance and Repair Services - Vehicles		3,806	
Postal Charges		1,285	
Travel		26,525	
Other Contracted Services		9,375	
Custodial Supplies		1,968	
Food Supplies		13,909	
Gasoline		5,379	
Instructional Supplies and Materials		1,388	
Office Supplies		2,529	
Utilities		8,277	
Other Supplies and Materials		1,003	
Criminal Investigation of Applicants - TBI		145	
Other Charges		1,006	
Office Equipment		2,312	
Total Adult Activities			\$ 385,738

Libraries

Librarians	\$	25,000	
Custodial Personnel		1,200	
Longevity Pay		250	
Other Salaries and Wages		30,200	
Communication		1,654	
Postal Charges		88	
Travel		133	
Library Books/Media		5,483	
Office Supplies		972	
Utilities		7,002	
Other Supplies and Materials		486	
Other Charges		846	
Data Processing Equipment		1,500	
Office Equipment		7,879	
Other Equipment		165	
Total Libraries			82,858

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards

Other Contracted Services	\$	2,400	
Electricity		3,000	
Other Charges		1,675	
Total Parks and Fair Boards			\$ 7,075

Agriculture and Natural Resources

Agriculture Extension Service

County Official/Administrative Officer	\$	15,397	
Assistant(s)		13,643	
Supervisor/Director		10,396	
Clerical Personnel		4,679	
Communication		4,325	
Dues and Memberships		325	
Travel		500	
Office Supplies		710	
Maintenance Equipment		2,744	
Total Agriculture Extension Service			52,719

Soil Conservation

Supervisor/Director	\$	31,529	
Secretary(ies)		23,767	
Longevity Pay		3,350	
Other Salaries and Wages		26,520	
Other Charges		5,500	
Total Soil Conservation			90,666

Flood Control

Dues and Memberships	\$	10,150	
Total Flood Control			10,150

Other Agriculture and Natural Resources

Part-time Personnel	\$	6,400	
Travel		686	
Other Supplies and Materials		2,932	
Total Other Agriculture and Natural Resources			10,018

Other Operations

Veterans' Services

Supervisor/Director	\$	10,843	
Postal Charges		364	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Travel	\$	221	
Office Supplies		209	
Other Charges		4,900	
Total Veterans' Services			\$ 16,537

Other Charges

Liability Insurance	\$	46,300	
Trustee's Commission		72,869	
Vehicle and Equipment Insurance		25,200	
Workers' Compensation Insurance		61,360	
Total Other Charges			205,729

Contributions to Other Agencies

Contributions	\$	42,300	
Total Contributions to Other Agencies			42,300

Employee Benefits

Social Security	\$	235,438	
State Retirement		143,666	
Employee and Dependent Insurance		575	
Medical Insurance		177,308	
Unemployment Compensation		9,494	
Total Employee Benefits			566,481

Miscellaneous

Contracts with Government Agencies	\$	9,250	
Legal Notices, Recording, and Court Costs		1,726	
Pauper Burials		500	
Postal Charges		4,286	
Other Contracted Services		3,052	
Office Supplies		1,904	
Other Supplies and Materials		1,999	
Premiums on Corporate Surety Bonds		134	
Other Charges		4,257	
Office Equipment		81	
Other Equipment		14,694	
Total Miscellaneous			41,883

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Principal on Debt

General Government

Principal on Capital Leases	\$ 81,695	
Total General Government		\$ 81,695

Interest on Debt

General Government

Interest on Capital Leases	\$ 4,162	
Total General Government		<u>4,162</u>

Total General Fund		\$ 5,668,609
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Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Supervisor/Director	\$ 6,601	
Attendants	38,060	
Part-time Personnel	536	
Social Security	2,953	
Communication	1,999	
Contracts with Private Agencies	211,079	
Maintenance and Repair Services - Equipment	1,392	
Other Contracted Services	8,283	
Utilities	2,996	
Trustee's Commission	2,883	
Total Convenience Centers		<u>\$ 276,782</u>

Total Solid Waste/Sanitation Fund		276,782
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Drug Control Fund

Public Safety

Drug Enforcement

Instructional Supplies and Materials	\$ 410	
Law Enforcement Supplies	5,047	
Trustee's Commission	54	
Total Drug Enforcement		<u>\$ 5,511</u>

Total Drug Control Fund		5,511
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(Continued)

Exhibit J-8

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	63,527	
Accountants/Bookkeepers		60,779	
Board and Committee Members Fees		14,220	
Communication		2,512	
Data Processing Services		5,717	
Dues and Memberships		2,747	
Legal Notices, Recording, and Court Costs		1,056	
Maintenance and Repair Services - Buildings		2,278	
Maintenance and Repair Services - Office Equipment		1,202	
Postal Charges		352	
Travel		855	
Custodial Supplies		710	
Data Processing Supplies		229	
Drugs and Medical Supplies		654	
Electricity		4,540	
Natural Gas		437	
Office Supplies		772	
Water and Sewer		1,385	
Other Charges		4,466	
Total Administration			\$ 168,438

Highway and Bridge Maintenance

Foremen	\$	94,643	
Equipment Operators		42,137	
Truck Drivers		46,454	
Laborers		171,651	
Engineering Services		13,248	
Other Contracted Services		6,608	
Asphalt - Cold Mix		1,466	
Asphalt - Hot Mix		7,148	
Asphalt - Liquid		21,467	
Concrete		431	
Crushed Stone		131,570	
Fertilizer, Lime, and Seed		322	
Pipe		46,892	
Road Signs		4,516	
Wood Products		10,426	
Other Supplies and Materials		218	
Total Highway and Bridge Maintenance			599,197

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Mechanic(s)	\$	58,403	
Laborers		55,904	
Laundry Service		2,542	
Maintenance and Repair Services - Equipment		9,179	
Diesel Fuel		96,875	
Equipment and Machinery Parts		33,734	
Garage Supplies		1,679	
Gasoline		15,679	
Lubricants		4,319	
Propane Gas		104	
Small Tools		5,090	
Tires and Tubes		20,108	
Total Operation and Maintenance of Equipment			\$ 303,616

Other Charges

Premiums on Corporate Surety Bonds	\$	339	
Trustee's Commission		17,610	
Vehicle and Equipment Insurance		37,180	
Workers' Compensation Insurance		27,247	
Total Other Charges			82,376

Employee Benefits

Social Security	\$	37,678	
State Retirement		30,777	
Employee and Dependent Insurance		136,995	
Unemployment Compensation		5,888	
Employer Medicare		8,812	
Total Employee Benefits			220,150

Capital Outlay

Bridge Construction	\$	240,321	
Highway Equipment		125,861	
Maintenance Equipment		2,350	
Motor Vehicles		6,085	
State Aid Projects		189,268	
Total Capital Outlay			563,885

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$	143,368	
Total Highways and Streets			143,368

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$ 5,256	
Total Highways and Streets		\$ 5,256

Total Highway/Public Works Fund \$ 2,086,286

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 60,303	
Principal on Notes	14,323	
Total General Government		\$ 74,626

Education

Principal on Bonds	\$ 1,060,000	
Principal on Notes	71,666	
Total Education		1,131,666

Interest on Debt

General Government

Interest on Bonds	\$ 31,987	
Interest on Notes	461	
Total General Government		32,448

Education

Interest on Bonds	\$ 723,977	
Interest on Notes	10,830	
Total Education		734,807

Other Debt Service

General Government

Trustee's Commission	\$ 25,549	
Underwriter's Discount	101,115	
Other Debt Issuance Charges	186,253	
Total General Government		312,917

Education

Fiscal Agent Charges	\$ 1,293	
Total Education		1,293

Total General Debt Service Fund 2,287,757

(Continued)

Exhibit J-8

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

<u>General Capital Projects Fund</u>		
<u>Capital Outlay</u>		
<u>Regular Capital Outlay</u>		
Architects	\$ 99,438	
Legal Notices, Recording, and Court Costs	919	
Other Supplies and Materials	210	
Other Charges	499	
Building Construction	<u>596,540</u>	
Total Regular Capital Outlay		<u>\$ 697,606</u>
Total General Capital Projects Fund		\$ 697,606
<u>Community Development/Industrial Park Fund</u>		
<u>Capital Projects</u>		
<u>Public Health and Welfare Projects</u>		
Contracts with Private Agencies	\$ 165,331	
Other Contracted Services	<u>11,502</u>	
Total Public Health and Welfare Projects		<u>\$ 176,833</u>
Total Community Development/Industrial Park Fund		<u>176,833</u>
Total Governmental Funds - Primary Government		<u><u>\$ 11,199,384</u></u>

Exhibit J-9

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 3,687,911	
Career Ladder Program	33,100	
Career Ladder Extended Contracts	15,609	
Homebound Teachers	16,327	
Educational Assistants	105,726	
Other Salaries and Wages	19,190	
Certified Substitute Teachers	18,866	
Non-certified Substitute Teachers	54,202	
Social Security	225,135	
State Retirement	239,546	
Medical Insurance	326,301	
Unemployment Compensation	6,405	
Employer Medicare	53,419	
Maintenance and Repair Services - Equipment	37,820	
Instructional Supplies and Materials	57,271	
Office Supplies	184	
Textbooks	118,614	
Other Charges	10,195	
Regular Instruction Equipment	107,327	
Total Regular Instruction Program		\$ 5,133,148

Alternative Instruction Program

Teachers	\$ 43,000	
Career Ladder Program	1,000	
Social Security	2,728	
State Retirement	2,825	
Unemployment Compensation	58	
Employer Medicare	638	
Total Alternative Instruction Program		50,249

Special Education Program

Teachers	\$ 321,338
Career Ladder Program	3,500
Career Ladder Extended Contracts	660
Educational Assistants	73,366
Social Security	21,849
State Retirement	23,144
Medical Insurance	102,564
Unemployment Compensation	805

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	5,110	
Other Contracted Services		120,650	
Instructional Supplies and Materials		11	
Other Charges		423	
Total Special Education Program			\$ 673,420

Vocational Education Program

Teachers	\$	492,900	
Career Ladder Program		3,200	
Career Ladder Extended Contracts		1,980	
Clerical Personnel		11,262	
Certified Substitute Teachers		825	
Non-certified Substitute Teachers		7,050	
Social Security		28,972	
State Retirement		32,497	
Medical Insurance		58,018	
Unemployment Compensation		778	
Employer Medicare		6,793	
Maintenance and Repair Services - Equipment		236	
Instructional Supplies and Materials		22,979	
Other Supplies and Materials		2,214	
Other Charges		1,311	
Total Vocational Education Program			671,015

Adult Education Program

Teachers	\$	40,567	
Social Security		2,446	
State Retirement		1,438	
Medical Insurance		1,555	
Unemployment Compensation		132	
Employer Medicare		572	
Travel		71	
Instructional Supplies and Materials		34	
Other Supplies and Materials		1,040	
Total Adult Education Program			47,855

Support Services

Attendance

Supervisor/Director	\$	62,460	
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(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Career Ladder Program	\$	1,000	
Social Security		3,719	
State Retirement		4,074	
Medical Insurance		3,868	
Unemployment Compensation		58	
Employer Medicare		870	
Travel		990	
Total Attendance			\$ 77,039

Health Services

Medical Personnel	\$	42,500	
Other Salaries and Wages		64,630	
Social Security		6,108	
State Retirement		6,662	
Medical Insurance		9,555	
Unemployment Compensation		174	
Employer Medicare		1,428	
Travel		4,680	
Other Supplies and Materials		2,042	
Other Charges		4,965	
Total Health Services			142,744

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		171,400	
Career Ladder Extended Contracts		1,320	
Guards		2,300	
Secretary(ies)		40,760	
Other Salaries and Wages		61,544	
Social Security		15,860	
State Retirement		16,575	
Medical Insurance		26,560	
Unemployment Compensation		485	
Employer Medicare		3,742	
Evaluation and Testing		17,858	
Travel		2,475	
Other Contracted Services		2,589	
Other Supplies and Materials		721	
Other Charges		76,090	
Total Other Student Support			441,279

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	76,294	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		2,552	
Librarians		89,800	
Other Salaries and Wages		86,610	
Social Security		14,478	
State Retirement		15,610	
Medical Insurance		28,859	
Unemployment Compensation		299	
Employer Medicare		3,386	
Travel		8,183	
Library Books/Media		28,361	
In Service/Staff Development		16,426	
Total Regular Instruction Program			\$ 373,858

Vocational Education Program

Travel	\$	9,417	
Other Charges		179	
Total Vocational Education Program			9,596

Adult Programs

Supervisor/Director	\$	55,560	
Career Ladder Program		1,000	
Other Salaries and Wages		9,894	
Social Security		4,083	
State Retirement		3,631	
Unemployment Compensation		116	
Employer Medicare		955	
Travel		694	
Other Supplies and Materials		1,013	
In Service/Staff Development		248	
Other Charges		420	
Total Adult Programs			77,614

Other Programs

On-Behalf Payments to OPEB	\$	43,365	
Total Other Programs			43,365

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Board and Committee Members Fees	\$	4,675	
Social Security		290	
Unemployment Compensation		39	
Employer Medicare		68	
Audit Services		4,000	
Dues and Memberships		4,261	
Legal Services		374	
Travel		1,601	
Other Contracted Services		2,124	
Liability Insurance		18,239	
Premiums on Corporate Surety Bonds		112	
Trustee's Commission		43,178	
Workers' Compensation Insurance		76,154	
Refund to Applicant for Criminal Investigation		2,016	
Other Charges		42,347	
Total Board of Education			\$ 199,478

Director of Schools

County Official/Administrative Officer	\$	130,259	
Secretary(ies)		27,530	
Other Salaries and Wages		1,800	
Social Security		7,007	
State Retirement		6,446	
Medical Insurance		13,363	
Unemployment Compensation		116	
Employer Medicare		1,783	
Communication		6,957	
Postal Charges		933	
Travel		2,367	
Other Contracted Services		7,110	
Other Charges		1,137	
Administration Equipment		45	
Total Director of Schools			206,853

Office of the Principal

Principals	\$	323,940	
Career Ladder Program		10,000	
Accountants/Bookkeepers		4,692	
Career Ladder Extended Contracts		24,000	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Assistant Principals	\$	176,600	
Secretary(ies)		87,770	
Clerical Personnel		6,570	
Social Security		36,201	
State Retirement		38,566	
Medical Insurance		61,903	
Unemployment Compensation		776	
Employer Medicare		8,467	
Communication		34,413	
Dues and Memberships		1,219	
Postal Charges		7,615	
Travel		6,253	
Other Contracted Services		20,566	
Office Supplies		5,067	
Total Office of the Principal			\$ 854,618

Fiscal Services

Supervisor/Director	\$	46,300	
Clerical Personnel		30,158	
Social Security		4,341	
State Retirement		4,052	
Medical Insurance		5,957	
Unemployment Compensation		116	
Employer Medicare		1,015	
Data Processing Services		10,887	
Travel		174	
Office Supplies		4,382	
Administration Equipment		1,330	
Total Fiscal Services			108,712

Operation of Plant

Custodial Personnel	\$	186,674	
Social Security		10,414	
State Retirement		7,362	
Medical Insurance		24,066	
Unemployment Compensation		663	
Employer Medicare		2,436	
Other Contracted Services		50,844	
Electricity		427,314	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Natural Gas	\$	121,893	
Water and Sewer		21,066	
Other Supplies and Materials		42,516	
Boiler Insurance		4,169	
Building and Contents Insurance		77,939	
Other Charges		11,928	
Total Operation of Plant			\$ 989,284

Maintenance of Plant

Maintenance Personnel	\$	111,970	
Social Security		6,004	
State Retirement		5,935	
Medical Insurance		23,287	
Unemployment Compensation		218	
Employer Medicare		1,404	
Communication		2,265	
Maintenance and Repair Services - Buildings		22,882	
Maintenance and Repair Services - Equipment		31,747	
Maintenance and Repair Services - Vehicles		2,991	
Travel		2,175	
Other Supplies and Materials		44,994	
Other Charges		18,716	
Maintenance Equipment		3,594	
Total Maintenance of Plant			278,182

Transportation

Supervisor/Director	\$	29,440	
Mechanic(s)		36,965	
Bus Drivers		151,032	
Other Salaries and Wages		31,661	
Social Security		13,141	
State Retirement		3,658	
Medical Insurance		7,770	
Unemployment Compensation		1,054	
Employer Medicare		3,893	
Communication		1,389	
Maintenance and Repair Services - Vehicles		2,144	
Medical and Dental Services		3,176	
Travel		827	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Diesel Fuel	\$	74,766	
Gasoline		17,809	
Lubricants		4,559	
Tires and Tubes		5,485	
Vehicle Parts		13,005	
Other Supplies and Materials		1,112	
Vehicle and Equipment Insurance		23,450	
Other Charges		5,861	
Transportation Equipment		79,273	
Total Transportation			\$ 511,470

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	4,000	
Teachers		37,321	
Clerical Personnel		2,400	
Educational Assistants		22,487	
Other Salaries and Wages		60,719	
Social Security		7,681	
State Retirement		3,609	
Medical Insurance		21	
Unemployment Compensation		331	
Employer Medicare		1,796	
Communication		998	
Travel		514	
Instructional Supplies and Materials		4,968	
Other Supplies and Materials		8,096	
Other Charges		1,695	
Total Community Services			156,636

Early Childhood Education

Teachers	\$	77,200	
Career Ladder Program		1,000	
Educational Assistants		30,600	
Social Security		6,426	
State Retirement		6,255	
Medical Insurance		6,240	
Unemployment Compensation		223	
Employer Medicare		1,503	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Travel	\$	1,362	
Instructional Supplies and Materials		4,621	
Other Supplies and Materials		1,693	
Other Equipment		15,466	
Total Early Childhood Education			\$ 152,589

Capital Outlay

Regular Capital Outlay

Architects	\$	18,796	
Building Improvements		341,332	
Heating and Air Conditioning Equipment		25,923	
Total Regular Capital Outlay			386,051

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	150,000	
Total Education			150,000

Total General Purpose School Fund \$ 11,735,055

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	236,225	
Educational Assistants		92,558	
Other Salaries and Wages		3,725	
Social Security		17,110	
State Retirement		17,033	
Medical Insurance		33,567	
Unemployment Compensation		789	
Employer Medicare		4,361	
Instructional Supplies and Materials		17,278	
Regular Instruction Equipment		24,170	
Total Regular Instruction Program			\$ 446,816

Special Education Program

Teachers	\$	144,173	
Educational Assistants		152,270	
Social Security		17,277	

(Continued)

Exhibit J-9

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

<u>School Federal Projects Fund (Cont.)</u>		
<u>Instruction (Cont.)</u>		
<u>Special Education Program (Cont.)</u>		
State Retirement	\$ 17,210	
Unemployment Compensation	841	
Employer Medicare	4,041	
Other Contracted Services	18,051	
Instructional Supplies and Materials	24,232	
Special Education Equipment	47,815	
Total Special Education Program		\$ 425,910
 <u>Vocational Education Program</u>		
Instructional Supplies and Materials	\$ 1,517	
Vocational Instruction Equipment	40,552	
Total Vocational Education Program		42,069
 <u>Support Services</u>		
<u>Other Student Support</u>		
Travel	\$ 7,005	
Instructional Supplies and Materials	752	
In Service/Staff Development	4,050	
Other Charges	4,759	
Total Other Student Support		16,566
 <u>Regular Instruction Program</u>		
Supervisor/Director	\$ 49,616	
Clerical Personnel	10,400	
Social Security	3,699	
State Retirement	3,737	
Medical Insurance	5,684	
Unemployment Compensation	71	
Employer Medicare	865	
Travel	2,719	
In Service/Staff Development	13,186	
Total Regular Instruction Program		89,977
 <u>Special Education Program</u>		
Psychological Personnel	\$ 59,000	
Social Security	3,353	
State Retirement	3,472	
Unemployment Compensation	17	
Employer Medicare	784	

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Travel	\$ 6,467	
In Service/Staff Development	3,086	
Total Special Education Program		\$ 76,179

Vocational Education Program

Travel	\$ 656	
Total Vocational Education Program		656

Transportation

Bus Drivers	\$ 16,124	
Social Security	980	
Unemployment Compensation	64	
Employer Medicare	229	
Diesel Fuel	9,660	
Transportation Equipment	92,934	
Total Transportation		<u>119,991</u>

Total School Federal Projects Fund \$ 1,218,164

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 42,500
Accountants/Bookkeepers	15,600
Cafeteria Personnel	330,632
Other Salaries and Wages	3,347
Social Security	22,808
State Retirement	16,449
Medical Insurance	30,837
Unemployment Compensation	1,739
Employer Medicare	5,336
Communication	3,223
Maintenance and Repair Services - Equipment	9,450
Payments to Schools - Lunch	70
Postal Charges	616
Travel	6,127
Other Contracted Services	8,719
Food Supplies	454,040
Office Supplies	1,747

(Continued)

Exhibit J-9

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

<u>Central Cafeteria Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Food Service (Cont.)</u>		
Uniforms	\$	565
Other Supplies and Materials		39,899
In Service/Staff Development		3,791
Other Charges		17,574
Food Service Equipment		15,445
Total Food Service		<u>\$ 1,030,514</u>
Total Central Cafeteria Fund		\$ 1,030,514
<u>School Transportation Fund</u>		
<u>Support Services</u>		
<u>Board of Education</u>		
Trustee's Commission	\$	5,369
Total Board of Education		<u>\$ 5,369</u>
Total School Transportation Fund		<u>5,369</u>
Total Governmental Funds - Crockett County School Department		<u><u>\$ 13,989,102</u></u>

Exhibit J-10

Crockett 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 - Alamo Fund	City School ADA - Bells Fund	Total
<u>Cash Receipts</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 277,039	\$ 180,858	\$ 457,897
Discount on Property Taxes	0	(2,165)	(1,413)	(3,578)
Trustee's Collections - Prior Years	0	14,036	9,161	23,197
Trustee's Collections - Bankruptcy	0	110	72	182
Circuit/Clerk and Master Collections - Prior Years	0	4,244	2,733	6,977
Interest and Penalty	0	2,321	1,515	3,836
Payments in-Lieu-of Taxes - T.V.A.	0	10	7	17
Local Option Sales Tax	366,095	101,531	66,289	533,915
Wheel Tax	0	11,853	7,703	19,556
Interstate Telecommunications Tax	0	305	199	504
Marriage Licenses	0	245	159	404
Mixed Drink Tax	0	106	69	175
Total Cash Receipts	\$ 366,095	\$ 409,635	\$ 267,352	\$ 1,043,082
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 362,434	\$ 402,708	\$ 262,928	\$ 1,028,070
Trustee's Commission	3,661	6,895	4,501	15,057
Total Cash Disbursements	\$ 366,095	\$ 409,603	\$ 267,429	\$ 1,043,127
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 32	\$ (77)	\$ (45)
Cash Balance, July 1, 2009	0	2,956	2,028	4,984
Cash Balance, June 30, 2010	\$ 0	\$ 2,988	\$ 1,951	\$ 4,939

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

September 13, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Crockett County's basic financial statements and have issued our report thereon dated September 13, 2010. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Crockett County Emergency Communications District, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Crockett 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 Crockett County's internal control over financial

reporting. Accordingly, we do not express an opinion on the effectiveness of Crockett 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 deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 10.01, 10.02, and 10.10.

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, 10.06, and 10.11.

Compliance and Other Matters

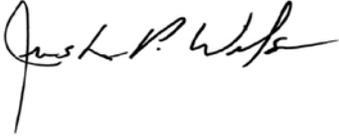
As part of obtaining reasonable assurance about whether Crockett County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 10.04, 10.05, 10.07, 10.08, and 10.09.

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

Crockett 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 Crockett 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 supervisor, County Commission, Board of Education, others within Crockett County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

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

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

September 13, 2010

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Crockett 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. Crockett 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 Crockett County's management. Our responsibility is to express an opinion on Crockett County's compliance based on our audit.

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

In our opinion, Crockett 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 Crockett 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 Crockett 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 Crockett 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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 10.06 and 10.12. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Schedule of Expenditures of Federal Awards

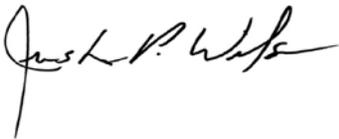
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County as of and for the year ended June 30, 2010, and have issued our report thereon dated September 13, 2010. Our report on the aggregate discretely

presented component units was qualified due to not including the financial statements of the Crockett County Emergency Communications District, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Crockett 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.

Crockett 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 Crockett 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 supervisor, County Commission, Board of Education, others within Crockett County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Crockett 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	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 265,920
National School Lunch Program	10.555	N/A	533,116 (4)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	25,990 (4)
Child Nutrition Discretionary Grants, Limited Availability	10.579	N/A	12,000
Rural Business Enterprise Grants	10.769	N/A	10,000
Soil and Water Conservation	10.902	(2)	31,645
Total U.S. Department of Agriculture			<u>\$ 878,671</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM-08-10	\$ 175,833
Total U.S. Department of Housing and Urban Development			<u>\$ 175,833</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	GG1029435	\$ 9,930
Passed-through State Administrative Office of the Courts:			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to Units of Local Government	16.804	(2)	14,694
Total U.S. Department of Justice			<u>\$ 24,624</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	K8-10-157 / Z10219946	\$ 4,929
Total U.S. Department of Transportation			<u>\$ 4,929</u>
Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	30504-00510	\$ 750
Total Institute of Museum and Library Services			<u>\$ 750</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	Z-10-218499-00	\$ 83,006
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	345,393
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	94,357
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	377,147
Special Education - Preschool Grants	84.173	N/A	8,909
Special Education - Grants to States, Recovery Act	84.391	N/A	282,824
Special Education - Preschool Grants, Recovery Act	84.392	N/A	10,750
Career and Technical Education - Basic Grants to States	84.048	N/A	50,481
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	10,506
Educational Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	4,587
Education Technology State Grants, Recovery Act	84.386	N/A	9,948
English Language Acquisition Grants	84.365	N/A	11,622
Improving Teacher Quality State Grants	84.367	N/A	79,695
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	N/A	327,500
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	N/A	176,180
Total U.S. Department of Education			<u>\$ 1,872,905</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	\$ 133,224
Passed-through TennCare:			
Medical Assistance Program	93.778	(2)	186,147
Total U.S. Department of Health and Human Services			<u>\$ 319,371</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(2)	\$ 23,628
Homeland Security Grant Program	97.067	(2)	73,598
Total U.S. Department of Homeland Security			<u>\$ 97,226</u>
Total Federal Awards			<u>\$ 3,374,309</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 4,719
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	(2)	5,653
Preventive Health and Human Services - State Department of Health	N/A	Z08020335	72,344
Drug Court Grant - State Office of Criminal Justice Program Services	N/A	(3)	61,436
Lottery for Education: Afterschool Program - State Department of Education	N/A	(2)	74,588
High Schools That Work - State Department of Education	N/A	(2)	6,657
ACT/EXP - Internet Connectivity - State Department of Education	N/A	(2)	1,195
Early Childhood Education - State Department of Education	N/A	(2)	152,588
Crockett Academy - State Department of Children's Services	N/A	GG-10-28857-00	63,005
Total State Grants			<u>\$ 442,185</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Z-05-025523-00: \$11,708; 4152: \$49,728.
- (4) Total for CFDA No. 10.555 is \$559,106.

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

CROCKETT COUNTY AND CROCKETT COUNTY SCHOOL DEPARTMENT

Finding Number	Page Number	Subject
09.01	166	Crockett County and the Crockett County School Department do not have the resources to produce financial statements and notes to the financial statements
09.02	167	Material audit adjustments were required for proper financial statement presentation

OFFICE OF COUNTY MAYOR

Finding Number	Page Number	Subject
09.04	168	A formal purchase order system had not been established
09.05	168	General ledger cash accounts were not reconciled with county trustee reports

OFFICE OF DIRECTOR OF SCHOOLS

Finding Number	Page Number	Subject
09.06	169	Expenditures exceeded appropriations

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

Finding Number	Page Number	Subject
09.08	170	The office had deficiencies in computer system backup procedures

OFFICE OF ASSESSOR OF PROPERTY

Finding Number	Page Number	Subject
09.09	171	Assessment records were changed during the year as property transfers were made

OTHER FINDING

Finding Number	Page Number	Subject
09.11	172	Duties were not segregated adequately in the Offices of Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff

CROCKETT 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, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Crockett County disclosed significant deficiencies in internal control. Three of these deficiencies were considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Crockett County.
4. The audit disclosed one significant deficiency in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed one finding that is 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 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 – Preschool Grants, Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392) and the State Fiscal Stabilization Fund Cluster: State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act and State Fiscal Stabilization Fund (SFSF) – 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. Crockett 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 director of schools provided written responses on several of the School Departments findings, which are paraphrased in this report.

CROCKETT COUNTY AND CROCKETT COUNTY SCHOOL DEPARTMENT

FINDING 10.01 **CROCKETT COUNTY AND THE CROCKETT COUNTY SCHOOL DEPARTMENT DO NOT HAVE THE RESOURCES TO PRODUCE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS**

(Internal Control – Material Weakness Under Government Auditing Standards)

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We are in agreement that we are not capable of producing year-end financial statements at this time, which would comply with the eccentricities of GAAP. We have hired a certified

accountant with the hope that we can accomplish this requirement at some point in the future. I would recommend that the Division of County Audit or the County Technical Assistance Service provide training at a site in each grand division for school accounting personnel and allow us (systems) to pay the costs.

AUDITOR'S COMMENT

The mission of the Division of County Audit is to provide timely and quality audits of Tennessee county governments and to provide advice and assistance to officials. While we gladly offer technical assistance, it is the responsibility of local officials to hire qualified staff with the necessary expertise to maintain their accounting records in compliance with GAAP.

FINDING 10.02 **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION** (Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2010, certain general ledger account balances in the General, Highway/Public Works, School Transportation, and General 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 Crockett County and the School Department to have adequate internal controls over the maintenance of their accounting records. Material audit adjustments were required because the county's and School Department's financial reporting systems did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county and the School Department have ineffective controls over the maintenance of their 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

Crockett County and the School Department should have appropriate processes in place to ensure that their general ledgers are materially correct.

OFFICE OF COUNTY MAYOR

FINDING 10.03 **A FORMAL PURCHASE ORDER SYSTEM HAD NOT BEEN ESTABLISHED**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

The office had not established a formal purchase order system. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. This deficiency exists due to the failure of management to correct the finding noted in the prior-year audit report. The absence of a formal purchase order system increases the risks of unauthorized purchases.

RECOMMENDATION

The office should establish a formal purchase order system to improve internal controls over the purchasing process and to document purchasing commitments.

FINDING 10.04 **SOME GENERAL LEDGER CASH ACCOUNTS WERE NOT RECONCILED WITH COUNTY TRUSTEE REPORTS**

(Noncompliance Under Government Auditing Standards)

Our audit revealed that general ledger cash accounts in the following funds were not reconciled with county trustee reports:

- A. Officials attempted to reconcile cash accounts in the General and General Debt Service funds with county trustee reports; however, due to numerous errors, these accounts did not reconcile. Errors noted included transfers from the General Fund to the General Debt Service Fund in September 2009 and June 2010 that were not posted to accounting records, and outstanding warrants that were not accurately reconciled monthly in the General Fund.
- B. Receipts from the monthly county trustee reports were not posted to the accounting records of the General Capital Projects Fund; therefore, no attempt had been made by officials to reconcile this fund's cash account with the trustee's reports.
- C. February 2010 receipts from the county trustee's report were posted incorrectly in the accounting records of the Drug Control Fund; therefore, no attempt had been made by officials to reconcile this fund's cash account with the trustee's reports.

Section 9-2-138, Tennessee Code Annotated, requires officials to reconcile their respective fund accounts with the records of the county trustee monthly. These deficiencies resulted from the failure of management to correct the audit finding noted in prior-years' audit

reports and a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

The office should reconcile all funds’ cash accounts with county trustee reports monthly as required by state statute, and any errors discovered should be corrected promptly.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 10.05 **EXPENDITURES EXCEEDED APPROPRIATIONS
(Noncompliance Under Government Auditing Standards)**

Expenditures exceeded appropriations approved by the County Commission as noted below:

- A. Expenditures exceeded appropriations in several major appropriation categories (the legal level of control) of the following funds:

<u>Fund/Major Category</u>	<u>Amount Overspent</u>
General Purpose School:	
Special Education Program	\$ 21,398
Vocational Education Program	6,471
Adult Education Program	69
Community Services	3,976
School Federal Projects:	
Instruction - Vocational Education	10,965

- B. Salaries exceeded line-item appropriations in the General Purpose School, School Federal Projects, and Central Cafeteria funds by amounts ranging from \$450 to \$19,055.
- C. Total expenditures exceeded total appropriations in the Central Cafeteria Fund by \$2,529 primarily due to the cafeteria personnel salaries line-item exceeding appropriations by \$9,201.
- D. Total expenditures exceeded total appropriations in the School Transportation Fund by \$219 due to the trustee’s commission line-item exceeding appropriations.

Section 5-9-401, Tennessee Code Annotated, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that

are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

- A. Special Education Program - salaries for educational assistants were under calculated when making budget amendments in the General Purpose School special education and Federal Projects special education. Vocational Education Program - projected salary for additional June payrolls were underreported by payroll to the bookkeeper. Adult Education Program - an additional staff member was hired during the school year, which was not in the original budget. Labor hours for this employee were not accurately known. Community Services - summer staff worked more hours than budgeted, and those hours were not accurately known. To avoid such problems in the future, all fiscal personnel will be instructed to identify cost overruns in a timely manner and to prepare budget amendments correctly.

Expenditures in Vocational Education Program - the Carl Perkins project was overspent due to an inaccurate budget submitted to the bookkeeper and the failure to correct it with budget amendments. The Board of Education is making every attempt possible to forecast accurately the expenditures in future budgets for both the General Purpose School and School Federal Projects funds. The business manager (bookkeeper), federal projects supervisor, Central Cafeteria Fund bookkeeper, and payroll coordinator have set up monthly meetings for the 2010-11 school year to review and respond to any discrepancies in the above-noted items to reduce or eliminate future errors.

- B. Salaries for educational assistants in federal projects were under budgeted. The error was due to a lack of communication between the federal project’s supervisor, the bookkeeper, and payroll. A budget amendment was made but the estimated amount was insufficient to cover expenditures. Due to an unexpected increase in summer feeding participation, an additional feeding site with additional staff/hours was required. When calculating budget amendments for the County Commission, the district failed to project sufficient labor hours needed to operate the additional site. This resulted in a deficiency in the salary related line items. The district staff will make a concerted effort to more accurately project labor costs in current and

future Central Cafeteria Fund budgets and be more diligent in the preparation of budget amendments.

- C. Due to an unexpected increase in summer feeding participation, an additional feeding site with additional staff/hours was required. When calculating budget amendments for the County Commission, the district failed to project sufficient labor hours needed to operate the additional site. This resulted in a deficiency in the salary related line items. The district staff will make a concerted effort to accurately project labor costs in current and future Central Cafeteria Fund budgets.
- D. Expenditures in the School Transportation Fund exceeded budget as a result of budget amendments not being made at year-end.

In summary, please be assured that I am concerned about the recently completed audit findings and will take steps to insure they do not recur. I think if nothing else, we have learned the importance and necessity of accurate budget amendments and the part they play in cleaning up the records before closing the books.

FINDING 10.06 THE SCHOOL DEPARTMENT DID NOT ACCOUNT FOR AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) GRANTS SEPARATELY FROM OTHER SCHOOL FUNDS
(Internal Control – Significant Deficiency Under Government Auditing Standards and OMB Circular A-133)

The School Department comingled ARRA expenditures with other local, state, and federal funds. The U.S. Office of Management and Budget's (OMB) Compliance Supplement requires grantees to agree to maintain records that identify adequately the application (i.e. expenditure) of ARRA awards. In addition, grant agreements contain terms and conditions that require compliance with the Tennessee Office of Recovery Act Management (TRAM) Directives. TRAM Directive No. 2 requires governments to account for ARRA grant awards and expenditures separately from the government's other revenues and expenditures in the government's financial accounting system. This comingling of funds violates OMB's compliance requirements and the grant agreement and increases the risks of preparing inaccurate reports required by ARRA. When ARRA grant requirements are not followed, the Office of Management and Budget can terminate the grants; suspend, or debar the government from receiving grants; or, in serious cases, may apply civil or criminal penalties. Officials stated they were unaware of the requirements.

RECOMMENDATION

The School Department should separate the application (expenditure) of ARRA grant funds on the department's accounting records.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

ARRA grants were not separated from other county funds due to not properly being informed. Corrections have been made, and cost centers have been added to ARRA grants for 2010-11 to prevent this finding in the future.

AUDITOR’S COMMENT

Numerous informational meetings were held across the state, and various educational materials were distributed to local education agencies concerning ARRA requirements.

OFFICE OF TRUSTEE

FINDING 10.07 **UNAUTHORIZED SECURITIES WERE PLEDGED AS COLLATERAL**
(Noncompliance Under Government Auditing Standards)

County funds at the trustee’s depositories were secured by collateral pledged by the depository. However, one depository had securities pledged that included obligations of counties of other states, which are not a type of security authorized by Section 9-4-103, Tennessee Code Annotated. This statute requires securities to be bonds of the United States, bonds of this state, bonds of any county or municipal corporation of this state, or loans to students guaranteed 100 percent by the Tennessee Student Assistance Corporation.

RECOMMENDATION

The trustee should require the depository to pledge securities authorized by state statute.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 10.08 **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM**
BACKUP PROCEDURES
(Noncompliance Under Government Auditing Standards)

System backups were rotated off-site monthly instead of weekly as required by Section 10-7-121, Tennessee Code Annotated. This statute 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 should be copied to storage media daily, and media more than one week old should 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. This deficiency is also a result of management’s failure to correct the finding noted in the prior-year audit report.

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.

OFFICE OF ASSESSOR OF PROPERTY

FINDING 10.09 **ASSESSMENT RECORDS WERE IMPROPERLY CHANGED DURING THE YEAR AS PROPERTY TRANSFERS WERE MADE**

(Noncompliance Under Government Auditing Standards)

The assessor updated the assessment records as property transfers were made during the year to reflect the current property owners. Section 67-5-502, Tennessee Code Annotated, requires all property to be assessed “to the person or persons owning or claiming to own the same on January 1 for the year in which the assessment is made.” This deficiency exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

As of January 1, property should be assessed to the person or persons owning the property in compliance with state statute.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 10.10 **CROCKETT COUNTY HAS MATERIAL RECURRING AUDIT FINDINGS**

(Internal Control – Material Weakness Under Government Auditing Standards)

Crockett County has material audit findings that have been reported in its Annual Financial Reports for three or more consecutive years. These recurring material findings are listed below:

<u>Finding Numbers</u>	<u>Description</u>
10.01, 09.01, 08.01	Crockett County and the Crockett County School Department do not have the resources to produce financial statements and notes to the financial statements
10.02, 09.02, 08.03	Crockett County has several funds that required material audit adjustments for proper financial statement presentation

The recurring nature of the above-noted findings indicates that management is either unwilling or unable to address the deficiencies. The Local Government Modernization Act of 2005 in Section 9-3-405, Tennessee Code Annotated (TCA), encourages local governments to consider establishing an Audit Committee and further provides that the Comptroller may require that an Audit Committee be established in any local government that (1) is in noncompliance with the accounting and financial reporting standards required by the Governmental Accounting Standards Board, or (2) has recurring findings from the annual audit for three or more consecutive years as determined by the Comptroller to be a material weakness in internal control or material noncompliance under Government Auditing Standards. The responsibilities and duties of an Audit Committee are to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

Crockett County should establish an Audit Committee to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics. This Audit Committee should provide management with guidance to correct all reported material weaknesses in internal control and material noncompliance. If these findings continue to recur, Crockett County may be required to establish an Audit Committee under the provisions of Section 9-3-405, TCA.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We request that the requirement for the appointment of an Audit Committee be delayed or postponed for one year due to the following:

- A. We have a temporary interim director, a new assistant director, and a second-year accountant still in training.
- B. Board election on August 5, 2010, prevented the hiring of a director for two months.
- C. No knowledgeable potential audit committee members come to mind.

The additional year would allow the new director to have input on the committee members appointed and insure a good working relationship if it is even still required at that point.

Please refer to my suggestion in response to Finding 10.01, which seems to me to be a more reasonable approach especially if there are other school systems with similar findings.

AUDITOR'S COMMENT

As of the date of this report, we are not requiring, but are recommending the County Commission establish or at least begin deliberations concerning the benefits and responsibilities of an Audit Committee. The County Commission would have to determine a time frame to accomplish this project.

FINDING 10.11

DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; REGISTER; AND SHERIFF

(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among officials and employees in the Offices of Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff. Officials and employees responsible for maintaining the accounting records in these offices were also involved in issuing receipts, preparing bank deposits, taking deposits to the bank, posting receipts to the cash journal, and/or reconciling bank statements. These same employees also performed the daily reconciliation of receipts with cash. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

BEST PRACTICE

A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAS NOT BEEN ADOPTED

Crockett County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of County Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Crockett County. Therefore, 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, budgeting, and purchasing covering all county departments.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I agree that centralized accounting would be more efficient, especially in a small county like ours.

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

Federal Agency	Finding		Federal		Explanation	Amount Questioned
	Number	CFDA	Number	Criteria		
U.S. Department of Education: Passed-through State Department of Education: State Fiscal Stabilization Fund Cluster: State Fiscal Stabilization Fund (SFSE) - Education State Grants, Recovery Act State Fiscal Stabilization Fund (SFSE) - Government Services, Recovery Act	10.12	84.394	84.394	Circular A-133	Significant deficiency in Internal Control - \$ See Finding 10.06 - Crockett County did not account for American Recovery and Reinvestment Act (ARRA) grants separately from other county funds	0
	10.12	84.397	84.397			

CROCKETT 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-year's Schedule of Findings and Questioned Costs. There were audit findings relative to federal awards presented in the current-year's Schedule of Findings and Questioned Costs.

Director of Schools – Corrective Action Plan for Current-Year's Findings

FINDINGS 10.06 and 10.12

Contact person: Eddie Whitby, Director of Schools

Corrective action planned: The School Department was not aware of the requirement to separate ARRA grants from other county funds. Corrections have been made and cost centers have been added to ARRA Grants for the 2010-2011 school year to prevent this finding in the future.

Anticipated completion date: 2010-11 fiscal year