



**ANNUAL FINANCIAL REPORT
HAYWOOD COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2010



**ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED JUNE 30, 2010**

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

HAYWOOD COUNTY, TENNESSEE

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Audit Highlights
Annual Financial Report
Haywood County, Tennessee
For the Year Ended June 30, 2010

Scope

We have audited the basic financial statements of Haywood 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 two component units whose financial statements were not available from other auditors at the date of this report. Also, our report on the aggregate remaining fund information is qualified because the financial statements do not include a nonmajor special revenue fund whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, the business-type activities, and each major fund is unqualified.

Our audit resulted in seven findings and recommendations, which we have reviewed with Haywood County management. Detailed findings and recommendations are included in the Single Audit section of this report.

Findings and Best Practice

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

HAYWOOD COUNTY

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

OFFICE OF COUNTY MAYOR

- ◆ The General Capital Projects Fund required material audit adjustments for proper financial statement presentation.
 - ◆ The Solid Waste Disposal Fund had a deficit in unrestricted net assets of \$1,454,007 at June 30, 2010.
 - ◆ General Fund expenditures exceeded appropriations approved by the County Commission at the major appropriation category level of control (the legal level of control).
-

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

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

OFFICE OF REGISTER

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

OTHER FINDING

- ◆ Haywood County has material recurring audit findings.
-

BEST PRACTICE

Haywood 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 Haywood County.

INTRODUCTORY SECTION

Haywood County Officials

June 30, 2010

Officials

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

Board of County Commissioners

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

Highway Commission

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

Board of Education

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

FINANCIAL SECTION



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

January 20, 2011

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

To the County Mayor and Board of County Commissioners:

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

We 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 Haywood County Emergency Communications District and the Haywood County Utility District, component units requiring discrete presentation, and the Elma Ross Public Library, a nonmajor special revenue fund of the primary government, had not been made available by other auditors as of the date of this report. Accordingly, the

aggregate discretely presented component units financial statements and the aggregate remaining fund information financial statements referred to above do not include amounts for the Haywood County Emergency Communications District, the Haywood County Utility District, and the Elma Ross Public Library, respectively, 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 and aggregate remaining fund information are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Haywood County Emergency Communications District and the Haywood County Utility District, discretely presented component units, 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 Haywood 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.

Also, in our opinion, except for the effects of not including the financial statements of the Elma Ross Public Library, a nonmajor special revenue fund, as discussed above, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of Haywood County, Tennessee, at June 30, 2010, and the results of operations of the aggregate remaining fund information, 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, the business-type activities, and each major fund, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 20, 2011, on our consideration of Haywood County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., Haywood County has adopted the provisions of Governmental Accounting Standards Board Statement No. 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.

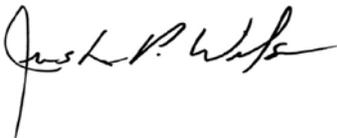
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to

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 63 through 68 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 Haywood County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Haywood County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Haywood County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Haywood County School Department
<u>ASSETS</u>				
Cash	\$ 69,919	\$ 0	\$ 69,919	\$ 0
Equity in Pooled Cash and Investments	12,548,717	339,431	12,888,148	3,167,591
Accounts Receivable	820,074	523,513	1,343,587	94,285
Allowance for Uncollectibles	(201,901)	(153,610)	(355,511)	0
Due from Other Governments	646,862	0	646,862	486,788
Due from Primary Government	0	0	0	46,878
Property Taxes Receivable	5,584,382	0	5,584,382	3,978,052
Allowance for Uncollectible Property Taxes	(180,872)	0	(180,872)	(128,845)
Deferred Charges - Debt Issuance Costs	400,805	0	400,805	0
Capital Assets:				
Assets Not Depreciated:				
Land	4,325,061	235,000	4,560,061	170,993
Construction in Progress	7,088,822	0	7,088,822	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	2,704,223	125,452	2,829,675	7,885,851
Infrastructure	8,007,550	0	8,007,550	0
Other Capital Assets	2,235,707	187,239	2,422,946	2,109,861
Total Assets	<u>\$ 44,049,349</u>	<u>\$ 1,257,025</u>	<u>\$ 45,306,374</u>	<u>\$ 17,811,454</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 142,177	\$ 43,975	\$ 186,152	\$ 11,464
Payroll Deductions Payable	40,902	864	41,766	618,497
Contracts Payable	645,179	0	645,179	0
Retainage Payable	58,994	0	58,994	0
Due to Component Unit	46,878	0	46,878	0
Due to State of Tennessee	1,804	0	1,804	0
Accrued Interest Payable	77,869	0	77,869	0
Deferred Revenue - Current Property Taxes	4,948,237	0	4,948,237	3,524,892
Other Deferred Revenue	0	336,272	336,272	0
Noncurrent Liabilities:				
Due Within One Year	713,149	36,764	749,913	0
Due in More Than One Year	18,031,824	1,745,466	19,777,290	347,030
Total Liabilities	<u>\$ 24,707,013</u>	<u>\$ 2,163,341</u>	<u>\$ 26,870,354</u>	<u>\$ 4,501,883</u>

(Continued)

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Haywood County School Department
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 9,393,436	\$ 0	\$ 9,393,436	\$ 10,166,705
Invested in Capital Assets Restricted for:	0	547,691	547,691	0
Solid Waste/Sanitation	183,122	0	183,122	0
Drug Control	7,423	0	7,423	0
Constitutional Officers - Fees	70,318	0	70,318	0
Highway/Public Works	2,363,596	0	2,363,596	0
Debt Service	2,652,601	0	2,652,601	0
Capital Projects	5,024,476	0	5,024,476	0
Alcohol and Drug Treatment	15,866	0	15,866	0
Courtroom Security	20,283	0	20,283	0
Automation Purposes	225,769	0	225,769	0
School Federal Projects	0	0	0	276,202
Central Cafeteria	0	0	0	363,211
Other Purposes	2,210	0	2,210	10,244
Unrestricted	(616,764)	(1,454,007)	(2,070,771)	2,493,209
Total Net Assets (Deficit)	<u>\$ 19,342,336</u>	<u>\$ (906,316)</u>	<u>\$ 18,436,020</u>	<u>\$ 13,309,571</u>

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

Exhibit B

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

Functions/Programs	Program Revenues						Net (Expense) Revenue and Changes in Net Assets			Component Unit Haywood County School Department
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Governmental Activities	Business- type Activities	Total	
					Operating Grants and Contributions	Capital Grants and Contributions				
Primary Government:										
Governmental Activities:										
General Government	\$ 1,153,397	\$ 273,643	\$ 16,380	\$ 0	\$ (863,374)	\$ 0	\$ (863,374)	\$ 0	\$ 0	0
Finance	950,984	526,709	5,725	0	(418,550)	0	(418,550)	0	(418,550)	0
Administration of Justice	999,166	639,741	9,300	0	(350,125)	0	(350,125)	0	(350,125)	0
Public Safety	3,965,589	286,056	104,577	0	(3,574,956)	0	(3,574,956)	0	(3,574,956)	0
Public Health and Welfare	1,996,206	1,242,391	168,430	8,500	(576,885)	0	(576,885)	0	(576,885)	0
Social, Cultural, and Recreational Services	933,922	28,136	129,271	242,001	(534,514)	0	(534,514)	0	(534,514)	0
Agriculture and Natural Resources	300,248	0	0	0	(300,248)	0	(300,248)	0	(300,248)	0
Other Operations	800,479	10,256	0	0	(790,223)	0	(790,223)	0	(790,223)	0
Highways/Public Works	4,279,054	292,228	1,712,483	114,306	(2,160,037)	0	(2,160,037)	0	(2,160,037)	0
Interest on Long-term Debt	574,435	0	365,283	0	(209,152)	0	(209,152)	0	(209,152)	0
Other Debt Service	33,648	0	15,133	0	(18,515)	0	(18,515)	0	(18,515)	0
Total Governmental Activities	\$ 15,987,128	\$ 3,299,160	\$ 2,526,582	\$ 364,807	\$ (9,796,579)	\$ 0	\$ (9,796,579)	\$ 0	\$ (9,796,579)	\$ 0
Business-type Activities:										
Solid Waste Disposal	\$ 909,664	\$ 617,177	\$ 41,793	\$ 0	\$ 0	\$ (250,694)	\$ (250,694)	\$ 0	\$ (250,694)	\$ 0
Total Primary Government	\$ 16,896,792	\$ 3,916,337	\$ 2,568,375	\$ 364,807	\$ (9,796,579)	\$ (250,694)	\$ (10,047,273)	\$ 0	\$ (10,047,273)	\$ 0
Component Unit:										
Haywood County School Department	\$ 28,811,541	\$ 371,321	\$ 5,095,670	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (23,344,550)	\$ (23,344,550)
Total Component Unit	\$ 28,811,541	\$ 371,321	\$ 5,095,670	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (23,344,550)	\$ (23,344,550)

(Continued)

Exhibit B

Haywood County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit Haywood County School Department
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government- Business- type Activities		Total	
					Governmental Activities	Business- type Activities		
Expenses								
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes				\$ 4,885,919	\$ 0	\$ 4,885,919	\$ 3,584,081	
Property Taxes Levied for Debt Service				164,298	0	164,298	0	
Local Option Sales Taxes				157,648	0	157,648	1,503,518	
Hotel/Motel Tax				56,286	0	56,286	0	
Litigation Tax				497,282	0	497,282	0	
Wheel Tax				594,250	0	594,250	279,679	
Business Tax				184,402	0	184,402	0	
Wholesale Beer Tax				42,307	84,613	126,920	0	
Other Local Taxes				6,963	0	6,963	42,665	
Grants and Contributions Not Restricted to Specific Programs				1,946,474	0	1,946,474	17,404,546	
Unrestricted Investment Income				341,037	0	341,037	0	
Miscellaneous				31,208	40,632	71,840	61,716	
Total General Revenues				\$ 8,908,074	\$ 125,245	\$ 9,033,319	\$ 22,876,205	
Transfers					\$ 160,000	\$ (69,418)	\$ 0	
Change in Net Assets				\$ (1,117,923)	\$ 34,551	\$ (1,083,372)	\$ (468,345)	
Net Assets, July 1, 2009				20,460,259	(940,867)	19,519,392	13,777,916	
Net Assets, June 30, 2010				\$ 19,342,336	\$ (906,316)	\$ 18,436,020	\$ 13,309,571	

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

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds		
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 69,919	\$ 69,919	\$ 69,919
Equity in Pooled Cash and Investments	1,876,276	2,059,061	2,714,288	5,657,761	227,501	12,534,887	12,534,887
Accounts Receivable	777,874	1,367	80	0	40,753	820,074	820,074
Allowance for Uncollectibles	(201,901)	0	0	0	0	(201,901)	(201,901)
Due from Other Governments	325,606	314,506	0	0	6,750	646,862	646,862
Due from Other Funds	13,966	0	0	0	0	13,966	13,966
Property Taxes Receivable	4,890,904	511,068	182,410	0	0	5,584,382	5,584,382
Allowance for Uncollectible Property Taxes	(158,411)	(16,553)	(5,908)	0	0	(180,872)	(180,872)
Total Assets	\$ 7,524,314	\$ 2,869,449	\$ 2,890,870	\$ 5,657,761	\$ 344,923	\$ 19,287,317	\$ 19,287,317

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities							
Accounts Payable	\$ 101,083	\$ 27,029	\$ 0	\$ 1,222	\$ 6,746	\$ 136,080	\$ 136,080
Payroll Deductions Payable	36,679	0	0	1,937	2,286	40,902	40,902
Contracts Payable	5,388	0	0	633,041	6,750	645,179	645,179
Retainage Payable	0	0	0	58,994	0	58,994	58,994
Due to Other Funds	0	0	0	0	6,233	6,233	6,233
Due to Component Units	46,878	0	0	0	0	46,878	46,878
Due to State of Tennessee	1,668	0	0	136	0	1,804	1,804
Deferred Revenue - Current Property Taxes	4,333,756	452,850	161,631	0	0	4,948,237	4,948,237
Deferred Revenue - Delinquent Property Taxes	375,218	39,200	13,991	0	0	428,409	428,409
Other Deferred Revenues	568,198	150,597	0	0	6,750	725,545	725,545
Total Liabilities	\$ 5,468,868	\$ 669,676	\$ 175,622	\$ 695,330	\$ 28,765	\$ 7,038,261	\$ 7,038,261
Fund Balances							
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 5,051,893	\$ 127,788	\$ 5,179,681	\$ 5,179,681
Reserved for Alcohol and Drug Treatment	15,866	0	0	0	0	15,866	15,866
Reserved for Sexual Offender Registration	2,210	0	0	0	0	2,210	2,210
Reserved for Courtroom Security	20,283	0	0	0	0	20,283	20,283

(Continued)

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway /	General	General	Other	Governmental	
		Public Works	Debt Service	Capital Projects			
\$	90,189	0	0	0	0	0	90,189
	2,037	0	0	0	0	0	2,037
	110,402	0	0	0	0	0	110,402
	4,085	0	0	0	0	0	4,085
	9,198	0	0	0	0	0	9,198
	9,858	0	0	0	0	0	9,858
	1,791,318	0	0	0	0	0	1,791,318
	0	2,199,773	0	0	260,863	0	2,460,636
	0	0	2,715,248	0	0	0	2,715,248
	0	0	0	(89,462)	(72,493)	0	(161,955)
	<u>2,055,446</u>	<u>2,199,773</u>	<u>2,715,248</u>	<u>4,962,431</u>	<u>316,158</u>	<u>0</u>	<u>12,249,056</u>
	\$ 7,524,314	\$ 2,869,449	\$ 2,890,870	\$ 5,657,761	\$ 344,923	\$ 0	\$ 19,287,317

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)	
Reserved for Computer System - Register	
Reserved for Automation Purposes - Circuit Court	
Reserved for Automation Purposes - General Sessions Court	
Reserved for Automation Purposes - Juvenile Court	
Reserved for Automation Purposes - Chancery Court	
Reserved for Automation Purposes - Sheriff	
Unreserved, Reported In:	
General Fund	
Special Revenue Funds	
Debt Service Funds	
Capital Projects Funds (Deficit)	
Total Fund Balances	

Total Liabilities and Fund Balances

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

Exhibit C-2

Haywood County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets

June 30, 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)		\$ 12,249,056
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 4,325,061	
Add: construction in progress	7,088,822	
Add: buildings and improvements net of accumulated depreciation	2,704,223	
Add: infrastructure net of accumulated depreciation	8,007,550	
Add: other capital assets net of accumulated depreciation	<u>2,235,707</u>	24,361,363
(2) Long-term liabilities are not due and payable in the current-period and therefore are not reported in the governmental funds.		
Less: capital lease payable	\$ (29,669)	
Less: bonds payable	(18,559,114)	
Less: compensated absences payable	(25,974)	
Add: deferred charges - debt issuance costs	400,805	
Less: accrued interest on bonds and capital lease	(77,869)	
Less: other deferred revenues - premium on bonds	<u>(130,216)</u>	(18,422,037)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,153,954</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 19,342,336</u>

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

Exhibit C-3

Haywood 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	General Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 6,239,112	\$ 617,500	\$ 432,257	\$ 0	\$ 0	\$ 7,288,869
Licenses and Permits	21,747	0	0	0	0	21,747
Fines, Forfeitures, and Penalties	160,818	0	0	0	2,493	163,311
Charges for Current Services	736,011	21	0	0	927,116	1,663,148
Other Local Revenues	153,229	625,640	374,961	0	30,367	1,184,197
Fees Received from County Officials	704,206	0	0	0	0	704,206
State of Tennessee	1,050,224	1,861,412	11,967	0	24,147	2,947,750
Federal Government	160,854	0	0	0	50,000	210,854
Other Governments and Citizens Groups	557,347	0	0	100,000	56,716	714,063
Total Revenues	\$ 9,783,548	\$ 3,104,573	\$ 819,185	\$ 100,000	\$ 1,090,839	\$ 14,898,145
<u>Expenditures</u>						
Current:						
General Government	\$ 1,126,887	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,126,887
Finance	558,058	0	0	0	379,118	937,176
Administration of Justice	937,005	0	0	0	0	937,005
Public Safety	3,500,851	0	0	0	21,335	3,522,186
Public Health and Welfare	1,455,112	0	0	0	479,353	1,934,465
Social, Cultural, and Recreational Services	1,311,544	0	0	0	0	1,311,544
Agriculture and Natural Resources	248,314	0	0	0	0	248,314
Other Operations	850,044	0	0	0	72,524	922,568
Highways	0	3,033,685	0	0	0	3,033,685
Debt Service:						
Principal on Debt	28,215	0	643,630	0	0	671,845
Interest on Debt	2,981	0	534,973	0	0	537,954
Other Debt Service	0	0	8,431	169,990	0	178,421
Capital Projects	0	0	0	7,036,783	113,955	7,150,738
Total Expenditures	\$ 10,019,011	\$ 3,033,685	\$ 1,187,034	\$ 7,206,773	\$ 1,066,285	\$ 22,512,788
Excess (Deficiency) of Revenues Over Expenditures	\$ (235,463)	\$ 70,888	\$ (367,849)	\$ (7,106,773)	\$ 24,554	\$ (7,614,643)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 5,575,000	\$ 0	\$ 5,575,000
Premiums on Debt Issued	0	0	0	35,242	0	35,242
Insurance Recovery	2,886	7,229	0	0	0	10,115
Transfers Out	(69,418)	0	0	0	(160,000)	(229,418)
Total Other Financing Sources (Uses)	\$ (66,532)	\$ 7,229	\$ 0	\$ 5,610,242	\$ (160,000)	\$ 5,390,939
Net Change in Fund Balances	\$ (301,995)	\$ 78,117	\$ (367,849)	\$ (1,496,531)	\$ (135,446)	\$ (2,223,704)
Fund Balance, July 1, 2009	2,357,441	2,121,656	3,083,097	6,458,962	451,604	14,472,760
Fund Balance, June 30, 2010	\$ 2,055,446	\$ 2,199,773	\$ 2,715,248	\$ 4,962,431	\$ 316,158	\$ 12,249,056

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

Exhibit C-4

Haywood County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 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)		\$ (2,223,704)
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 7,889,422	
Less: current year depreciation expense	<u>(2,153,396)</u>	5,736,026
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2010	\$ 1,153,954	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(968,609)</u>	185,345
<p>(3) The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.</p>		
Less: bond proceeds	\$ (5,575,000)	
Less: change in premium on bond issuance	(20,109)	
Add: change in deferred debt issuance costs	144,773	
Add: principal payments on capital lease	28,215	
Add: principal payments on bonds	<u>643,630</u>	(4,778,491)
<p>(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in accrued interest payable	\$ (36,481)	
Change in compensated absences payable	<u>(618)</u>	<u>(37,099)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (1,117,923)</u>

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

Exhibit D-1

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

	<u>Major Fund</u> <u>Business-type</u> <u>Activities -</u> <u>Enterprise</u> <u>Fund</u> <u>Solid Waste</u> <u>Disposal Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 333,334
Accounts Receivable	523,513
Allowance for Uncollectibles	(153,610)
Due from Other Funds	6,097
Total Current Assets	<u>\$ 709,334</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 235,000
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	125,452
Other Capital Assets	187,239
Total Noncurrent Assets	<u>\$ 547,691</u>
Total Assets	<u>\$ 1,257,025</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 43,975
Payroll Deductions Payable	864
Other Deferred Revenues	336,272
Current Portion of Long-term Liabilities	36,764
Total Current Liabilities	<u>\$ 417,875</u>
Noncurrent Liabilities:	
Due in More than One Year	<u>\$ 1,745,466</u>
Total Noncurrent Liabilities	<u>\$ 1,745,466</u>
Total Liabilities	<u>\$ 2,163,341</u>
<u>NET ASSETS</u>	
Invested in Capital Assets	\$ 547,691
Unrestricted	<u>(1,454,007)</u>
Net Assets (Deficit)	<u>\$ (906,316)</u>

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

Exhibit D-2

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

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>Operating Revenues</u>	
Tipping Fees	\$ 617,177
Sale of Materials and Supplies	39,376
Miscellaneous Refunds	1,256
Total Operating Revenues	<u>\$ 657,809</u>
<u>Operating Expenses</u>	
Supervisor/Director	\$ 18,489
Equipment Operators	92,704
Overtime Pay	5,383
Social Security	9,418
State Retirement	18,902
Employee and Dependent Insurance	20,878
Life Insurance	1,158
Unemployment Compensation	178
Other Fringe Benefits	10,002
Communication	1,823
Contracts with Government Agencies	3,327
Contracts with Private Agencies	526,711
Licenses	5,885
Maintenance and Repair Services - Equipment	579
Maintenance and Repair Services - Office Equipment	60
Postal Charges	10
Printing, Stationery, and Forms	575
Rentals	36,000
Travel	1,785
Crushed Stone	2,059
Diesel Fuel	7,499
Drugs and Medical Supplies	152
Electricity	6,176
Equipment and Machinery Parts	42,818
Gasoline	3,936
Lubricants	435
Office Supplies	632
Tires and Tubes	4,486
Other Supplies and Materials	3,862

(Continued)

Exhibit D-2

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

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>Operating Expenses (Cont.)</u>	
Premiums on Corporate Surety Bonds	\$ 75
Trustee's Commission	7,119
Vehicle and Equipment Insurance	2,210
Workers' Compensation Insurance	8,787
Depreciation	32,947
Landfill Postclosure Care Costs	21,133
Other Charges	5,171
Maintenance Equipment	4,121
Other Construction	2,179
Total Operating Expenses	<u>\$ 909,664</u>
Operating Income (Loss)	<u>\$ (251,855)</u>
<u>Nonoperating Revenues</u>	
Wholesale Beer Tax	\$ 84,613
Lease/Rentals	10,573
Solid Waste Grants	13,220
Contributions	18,000
Total Nonoperating Revenues	<u>\$ 126,406</u>
Income Before Transfers	\$ (125,449)
Transfers In	<u>160,000</u>
Change in Net Assets	\$ 34,551
Net Assets (Deficit), July 1, 2009	<u>(940,867)</u>
Net Assets (Deficit), June 30, 2010	<u>\$ (906,316)</u>

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

Exhibit D-3

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

	Major Fund
	Business-type Activities - Enterprise Fund
	Solid Waste Disposal Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 618,449
Receipts from Others	37,653
Payments for Waste Collections and Disposal Activity	(895,853)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (239,751)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	\$ (5,850)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (5,850)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Receipts from Wholesale Beer Tax	\$ 86,175
Receipts from Farmland Rental	10,038
Receipts from Grants	40,369
Contributions	18,000
Miscellaneous Refunds	1,252
Transfers from Other Funds	160,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 315,834</u>
Net Increase (Decrease) in Cash	\$ 70,233
Cash, July 1, 2009	<u>263,101</u>
Cash, June 30, 2010	<u><u>\$ 333,334</u></u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (251,855)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	32,947
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(310,850)
(Increase) Decrease in Allowance for Uncollectibles	92,362
(Increase) Decrease in Due from Other Funds	(6,097)
Increase (Decrease) in Accounts Payable	3,068
Increase (Decrease) in Payroll Deductions Payable	(453)
Increase (Decrease) in Due to State of Tennessee	(27)
Increase (Decrease) in Other Deferred Revenues	216,785
Increase (Decrease) in Accrued Liability for Landfill Postclosure Care Costs	<u>(15,631)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (239,751)</u>
<u>Reconciliation of Cash with Statement of Net Assets</u>	
Cash Per Net Assets	<u>\$ 333,334</u>
Cash, June 30, 2010	<u><u>\$ 333,334</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,125,064
Accounts Receivable	1,959
Due from Other Governments	<u>229,314</u>
Total Assets	<u><u>\$ 1,356,337</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 229,314
Due to Litigants, Heirs, and Others	<u>1,127,023</u>
Total Liabilities	<u><u>\$ 1,356,337</u></u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Haywood County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Haywood County:

A. Reporting Entity

Haywood County is a public municipal corporation governed by an elected 20-member board. As required by GAAP, these financial statements present Haywood County (the primary government) and its component units. Although required by GAAP, the financial statements of the Elma Ross Public Library, a nonmajor special revenue fund, were not available from other auditors in time for inclusion in this report. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Haywood County School Department operates the public school system in the county, and the voters of Haywood County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Haywood County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Haywood County, and the Haywood County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Haywood County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Haywood County Utility District provides water services to customers within the district, and the Haywood County Commission appoints its

three-member governing body. The district is funded primarily from charges to customers for water services and grants. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Haywood County Utility District were not available from other auditors in time for inclusion in this report.

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

Administrative Offices:

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

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

B. Government-wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given

function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers

revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Haywood County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Haywood County reports the following major governmental funds:

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

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

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

General Capital Projects Fund – This fund accounts for jail construction capital expenditures of the county.

Haywood County reports the following major enterprise fund:

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

Additionally, Haywood County reports the following fund type:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Haywood County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund, to account for the operations of the county's landfill. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are tipping fees.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

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

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

2. Receivables and Payables

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

All ambulance, solid waste disposal, and property taxes receivable are shown with an allowance for uncollectibles. Ambulance and solid waste disposal receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 3.24 percent of total taxes levied.

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

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

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

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

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

3. Capital Assets

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

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

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

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

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

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

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

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

4. Compensated Absences

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

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

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

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

5. Long-term Obligations

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

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

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

6. Net Assets and Fund Equity

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

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

As of June 30, 2010, Haywood County had \$3,339,317 in outstanding debt issued for capital purposes of the discretely presented Haywood County School Department. This debt is a liability of Haywood County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Haywood County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the General Fund, \$23,541 is designated for the dental program and \$9,823 for the Fire Department at June 30, 2010.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Haywood County School Department

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

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

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements 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 Haywood County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

B. Net Assets Deficit/Fund Deficit

The Solid Waste Disposal Fund had a deficit of \$1,454,007 in unrestricted net assets and a total net assets deficit of \$906,316 at June 30, 2010. This deficit primarily resulted from the recognition of a liability totaling \$1,782,230 for costs associated with closing the county's landfill and monitoring the landfill for 30 years after closure.

The General Capital Projects Fund had a deficit in unreserved fund balance of \$89,462 at June 30, 2010. This deficit resulted from the unperformed portions of construction contracts of \$5,051,893 being reserved as encumbrances. Funding for these future expenditures is expected to be provided by a transfer from the General Fund.

The Community Development/Industrial Park Fund had a deficit in unreserved fund balance of \$53,153 at June 30, 2010. This deficit resulted from the unperformed portions of construction contracts of \$68,500 being reserved as encumbrances. Funding for these future expenditures is expected to be received from grants.

The Other Capital Projects Fund had a deficit in unreserved fund balance of \$19,340 at June 30, 2010. This deficit resulted from the unperformed portions of construction contracts of \$59,288 being reserved as encumbrances. Funding for these future expenditures is expected to be received from contributions by the City of Brownsville.

C. Expenditures Exceeded Appropriations

General Fund expenditures exceeded appropriations approved by the County Commission in the Civil Defense and the Parks and Fair Board major appropriation categories (the legal level of control) by \$2,290 and \$27,940, respectively. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

net assets as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net assets represents nonpooled amounts held separately by individual funds.

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase. The county had no pooled or nonpooled investments as of June 30, 2010.

B. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets				
Not Depreciated:				
Land	\$ 2,487,961	\$ 1,837,100	\$ 0	\$ 4,325,061
Construction in Progress	2,056,027	5,032,795	0	7,088,822
Total Capital Assets				
Not Depreciated	\$ 4,543,988	\$ 6,869,895	\$ 0	\$ 11,413,883
Capital Assets				
Depreciated:				
Buildings				
and Improvements	\$ 7,976,046	\$ 140,458	\$ 0	\$ 8,116,504
Infrastructure	49,609,783	184,689	0	49,794,472
Other Capital Assets	7,320,608	694,380	164,636	7,850,352
Total Capital Assets				
Depreciated	\$ 64,906,437	\$ 1,019,527	\$ 164,636	\$ 65,761,328
Less Accumulated				
Depreciation For:				
Buildings				
and Improvements	\$ 5,202,087	\$ 210,194	\$ 0	\$ 5,412,281
Infrastructure	40,311,557	1,475,365	0	41,786,922
Other Capital Assets	5,311,444	467,837	164,636	5,614,645
Total Accumulated				
Depreciation	\$ 50,825,088	\$ 2,153,396	\$ 164,636	\$ 52,813,848
Total Capital Assets				
Depreciated, Net	\$ 14,081,349	\$ (1,133,869)	\$ 0	\$ 12,947,480
Governmental Activities				
Capital Assets, Net	\$ 18,625,337	\$ 5,736,026	\$ 0	\$ 24,361,363

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

Governmental Activities:

General Government	\$ 113,012
Finance	17,189
Administration of Justice	30,096
Public Safety	213,194
Public Health and Welfare	99,257
Social, Cultural, and Recreational Services	91,585
Other Operations	1,158
Highway Department	<u>1,587,905</u>

Total Depreciation Expense - Governmental Activities \$ 2,153,396

Business-type Activities:

	Balance 7-1-09	Increases	Balance 6-30-10
Capital Assets			
Not Depreciated:			
Land	\$ 235,000	\$ 0	\$ 235,000
Total Capital Assets			
Not Depreciated	<u>\$ 235,000</u>	<u>\$ 0</u>	<u>\$ 235,000</u>
Capital Assets			
Depreciated:			
Buildings and			
Improvements	\$ 225,797	\$ 0	\$ 225,797
Other Capital Assets	654,988	5,850	660,838
Total Capital Assets			
Depreciated	<u>\$ 880,785</u>	<u>\$ 5,850</u>	<u>\$ 886,635</u>
Less Accumulated			
Depreciation For:			
Buildings and			
Improvements	\$ 92,809	\$ 7,536	\$ 100,345
Other Capital Assets	448,188	25,411	473,599
Total Accumulated			
Depreciation	<u>\$ 540,997</u>	<u>\$ 32,947</u>	<u>\$ 573,944</u>
Total Capital Assets			
Depreciated, Net	<u>\$ 339,788</u>	<u>\$ (27,097)</u>	<u>\$ 312,691</u>
Business-type Activities			
Capital Assets, Net	<u>\$ 574,788</u>	<u>\$ (27,097)</u>	<u>\$ 547,691</u>

Discretely Presented Haywood County School Department

Governmental Activities:

	Balance 7-1-09	Increases	Balance 6-30-10
	<hr/>		<hr/>
Capital Assets Not Depreciated:			
Land	\$ 170,993	\$ 0	\$ 170,993
Construction in Progress	0	0	0
Total Capital Assets Not Depreciated	<hr/>	<hr/>	<hr/>
	\$ 170,993	\$ 0	\$ 170,993
 Capital Assets Depreciated:			
Buildings and Improvements	\$ 18,958,064	\$ 287,890	\$ 19,245,954
Other Capital Assets	5,004,738	420,760	5,425,498
Total Capital Assets Depreciated	<hr/>	<hr/>	<hr/>
	\$ 23,962,802	\$ 708,650	\$ 24,671,452
 Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 10,813,163	\$ 546,940	\$ 11,360,103
Other Capital Assets	2,959,051	356,586	3,315,637
Total Accumulated Depreciation	<hr/>	<hr/>	<hr/>
	\$ 13,772,214	\$ 903,526	\$ 14,675,740
 Total Capital Assets Depreciated, Net	<hr/>	<hr/>	<hr/>
	\$ 10,190,588	\$ (194,876)	\$ 9,995,712
 Governmental Activities Capital Assets, Net	<hr/>	<hr/>	<hr/>
	\$ 10,361,581	\$ (194,876)	\$ 10,166,705

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

Governmental Activities:

Instruction	\$ 469,793
Support Services	416,057
Operation of Non-Instructional Services	<u>17,676</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 903,526</u>

C. Construction Commitments

At June 30, 2010, the General Capital Projects Fund had uncompleted construction contracts of \$5,051,893 for jail construction. Funding for these future expenditures is expected to be provided by a transfer from the General Fund.

At June 30, 2010, the Community Development/Industrial Park Fund had uncompleted construction contracts of \$68,500 for waterline construction. Funding for these future expenditures is expected to be from federal grants.

At June 30, 2010, the Other Capital Projects Fund had uncompleted construction contracts of \$59,288 for industrial park improvements. Funding for these future expenditures is expected to be from contributions by the City of Brownsville.

D. 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>
General	Nonmajor governmental	\$ 13,966
Solid Waste Disposal	Nonmajor governmental	6,097

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

A portion of the receivable in the General Fund totaling \$13,830 was in transit from the Elma Ross Public Library (special revenue fund, which is not available for inclusion in this audit) at June 30, 2010.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Component Unit:		
School Department:	Primary Government:	
Nonmajor governmental	General	\$ 46,878

Interfund Transfers:

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

Primary Government

Transfers Out	Transfers In	
	Solid Waste Disposal Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 69,418
Nonmajor governmental funds	160,000	0
Total	<u>\$ 160,000</u>	<u>\$ 69,418</u>

Discretely Presented Haywood County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	School Federal Projects Fund
General Purpose School Fund	\$ 0	\$ 200,000
School Federal Projects Fund	3,872	0
Total	<u>\$ 3,872</u>	<u>\$ 200,000</u>

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.

The county made transfers of \$69,418 from the General Fund to the Elma Ross Public Library (special revenue fund) to provide funds for operations.

The financial statements of the Elma Ross Public Library had not been made available by other auditors as of the date of this report.

E. Capital Leases

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

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

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2011	\$ 31,197
Total Minimum Lease Payments	\$ 31,197
Less: Amount Representing Interest	<u>(1,528)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 29,669</u></u>

F. Long-term Debt

Primary Government

General Obligation Bonds

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.

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

General obligation bonds and the capital lease outstanding as of June 30, 2010, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
General Obligation Bonds	3.625 to 5.55%	\$ 15,860,000	\$ 15,469,114
General Obligation Bonds - Refunding	3 to 3.5	3,400,000	3,090,000
Capital Lease	5.15	89,080	29,669

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

Year Ending	Bonds		
	Principal	Interest	Total
2011	\$ 664,000	\$ 854,138	\$ 1,518,138
2012	710,118	773,306	1,483,424
2013	726,290	750,491	1,476,781
2014	742,515	727,172	1,469,687
2015	783,799	702,995	1,486,794
2016-20	4,610,432	3,034,698	7,645,130
2021-25	4,734,173	2,030,510	6,764,683
2026-30	5,396,315	907,196	6,303,511
2031-35	128,905	33,520	162,425
2036-38	62,567	4,141	66,708
Total	<u>\$ 18,559,114</u>	<u>\$ 9,818,167</u>	<u>\$ 28,377,281</u>

There is \$2,715,248 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$937, based on the 2000 federal census. Debt per capita, including bonds and the capital lease, totaled \$939, 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	Capital Lease
	<u> </u>	<u> </u>
Balance, July 1, 2009	\$ 13,627,744	\$ 57,884
Additions	5,575,000	0
Deductions	<u>(643,630)</u>	<u>(28,215)</u>
Balance, June 30, 2010	<u>\$ 18,559,114</u>	<u>\$ 29,669</u>
Balance Due Within One Year	<u>\$ 664,000</u>	<u>\$ 29,669</u>

	Compensated Absences
	<u> </u>
Balance, July 1, 2009	\$ 25,356
Additions	27,057
Deductions	<u>(26,439)</u>
Balance, June 30, 2010	<u>\$ 25,974</u>
Balance Due Within One Year	<u>\$ 19,480</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 18,614,757
Less: Balance Due Within One Year	(713,149)
Add: Unamortized Premium on Debt	<u>130,216</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 18,031,824</u>

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

Haywood County Solid Waste Disposal Fund (enterprise fund)

Changes in Long-term Liabilities

Long-term liability activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2010, was as follows:

Business-type Activities:

	<u>Closure/ Postclosure Care Costs</u>
Balance, July 1, 2009	\$ 1,797,861
Additions	21,133
Deductions	<u>(36,764)</u>
Balance, June 30, 2010	<u>\$ 1,782,230</u>
Balance Due Within One Year	<u>\$ 36,764</u>

Discretely Presented Haywood County School Department

Changes in Long-term Liabilities

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

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2009	\$ 292,073
Additions	216,694
Deductions	<u>(161,737)</u>
Balance, June 30, 2010	<u>\$ 347,030</u>
Balance Due Within One Year	<u>\$ 0</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Haywood County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual

Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2010, were \$83,073 and \$32,927, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

Employee Health Insurance

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

Workers' Compensation Insurance

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

Liability, Property, and Casualty

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

Discretely Presented Haywood County School Department

Employee Health Insurance

The Haywood County School Department participates in the Local Education Group Insurance Fund (LEGIF), which is a public entity risk pool established

to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, TCA, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

Liability, Property, Casualty, and Workers' Compensation Insurance

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 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. Haywood County had no assets that met the definition of intangible assets as of June 30, 2010. However, it is reasonably expected that Haywood County 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 risks management and 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 Haywood 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 investments 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. Haywood County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Haywood County may enter into derivative transactions in subsequent years.

C. Subsequent Events

On August 31, 2010, Ann Medford left the Office of County Clerk and was succeeded by Sonya Castellaw, and Elma Pirtle left the Office of Circuit, General Sessions, and Juvenile Courts Clerk and was succeeded by Mary B. Lonon.

On October 1, 2010, Haywood County entered a capital lease agreement to purchase four Sheriff's Department patrol cars for \$93,625.

D. Contingent Liabilities

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

E. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Haywood County closed its sanitary landfill in 1998. The \$1,782,230, reported as postclosure care liability at June 30, 2010, represents amounts based on what it would cost to perform all postclosure care in 2010.

Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Brownsville – Haywood County Emergency Management Agency is a joint venture between Haywood County and the City of Brownsville. The agency’s three-member board includes the county mayor, the mayor of the City of Brownsville, and one member who is jointly selected by the county mayor and the city mayor. The agency is jointly funded by the county and the City of Brownsville with additional revenues received from the State of Tennessee, the federal government, and private contributions. During the year ended June 30, 2010, the county provided financial assistance of \$18,348 to the agency.

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

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

Administrative Offices:

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

HTL Advantage
1469 South Main Street
Covington, TN 38019

G. Retirement Commitments

Employees

Plan Description

Employees of Haywood County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Haywood County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Haywood County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 12.67 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Haywood County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2010, Haywood County's annual pension cost of \$1,134,920 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected postretirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Haywood County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was eight years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$1,134,920	100%	\$0
6-30-09	1,056,148	100	0
6-30-08	1,049,433	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 88.14 percent funded. The actuarial accrued liability for benefits was \$25.49 million, and the actuarial value of assets was \$22.47 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.02 million. The covered payroll (annual payroll of active employees covered by the plan) was \$8.39 million, and the ratio of the UAAL to the covered payroll was 36.05 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The TCRS uses the frozen entry age cost method to calculate the annual required contribution. Effective July 1, 2009, the TCRS reestablished the unfunded accrued liabilities for all groups.

School Teachers

Plan Description

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2010, was 6.42 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended

June 30, 2010, 2009, and 2008, were \$849,123, \$787,806, and \$783,665, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2010, the discretely presented School Department contributed \$161,737, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	<u>Local Education Group Plan</u>
ARC	\$ 216,000
Interest on the NPO	13,143
Adjustment to the ARC	(12,449)
Annual OPEB cost	<u>\$ 216,694</u>
Less: Amount of contribution	(161,737)
Increase/decrease in NPO	<u>\$ 54,957</u>
Net OPEB obligation, 7-1-09	<u>292,073</u>
 Net OPEB obligation, 6-30-10	 <u><u>\$ 347,030</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group	\$ 251,707	43 %	\$ 142,234
6-30-09	"	236,396	37	292,073
6-30-10	"	216,694	75	347,030

Funded Status and Funding Progress

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

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-09
Actuarial accrued liability (AAL)	\$ 1,941,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,941,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 11,225,457
UAAL as a % of covered payroll	17%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents 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 for the Local Education Plan, 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) and 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 rate includes 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.

I. Purchasing Laws

Office of County Mayor

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

Office of Chief Administrative Highway Officer

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

Office of Director of Schools

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,239,112	\$ 6,081,402	\$ 6,081,402	\$ 157,710
Licenses and Permits	21,747	21,228	21,228	519
Fines, Forfeitures, and Penalties	160,818	153,315	156,419	4,399
Charges for Current Services	736,011	823,011	721,689	14,322
Other Local Revenues	153,229	135,200	167,303	(14,074)
Fees Received from County Officials	704,206	1,084,539	716,883	(12,677)
State of Tennessee	1,050,224	583,203	779,870	270,354
Federal Government	160,854	125,096	161,566	(712)
Other Governments and Citizens Groups	557,347	588,234	627,032	(69,685)
Total Revenues	\$ 9,783,548	\$ 9,595,228	\$ 9,433,392	\$ 350,156
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 220,100	\$ 240,096	\$ 260,096	\$ 39,996
Beer Board	710	3,000	3,000	2,290
County Mayor/Executive	238,546	248,987	248,987	10,441
County Attorney	86,002	30,863	87,927	1,925
Election Commission	122,353	136,461	146,449	24,096
Register of Deeds	126,882	127,966	129,373	2,491
Development	65,454	59,695	66,234	780
County Buildings	266,840	322,104	322,104	55,264
<u>Finance</u>				
Accounting and Budgeting	7,150	8,500	8,500	1,350
Property Assessor's Office	361,368	355,075	366,681	5,313
Reappraisal Program	14,294	34,739	34,739	20,445
County Trustee's Office	89,763	264,041	95,864	6,101
County Clerk's Office	85,483	316,475	101,522	16,039
<u>Administration of Justice</u>				
Circuit Court	476,714	494,075	506,235	29,521
General Sessions Judge	222,761	228,303	228,303	5,542
General Sessions Court Clerk	5,658	9,000	9,000	3,342
Chancery Court	152,812	160,898	160,898	8,086
Juvenile Court	79,060	80,563	81,161	2,101
<u>Public Safety</u>				
Sheriff's Department	1,358,804	1,409,094	1,416,231	57,427
Jail	1,313,702	1,267,014	1,380,054	66,352
Workhouse	224,576	224,548	228,476	3,900
Fire Prevention and Control	275,939	431,282	431,282	155,343
Civil Defense	122,925	69,994	120,635	(2,290)
Rescue Squad	10,146	7,500	10,146	0
County Coroner/Medical Examiner	4,400	4,800	4,800	400
Other Public Safety	190,359	195,234	195,234	4,875

(Continued)

Exhibit F-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 196,178	\$ 189,714	\$ 264,164	\$ 67,986
Rabies and Animal Control	86,547	84,567	86,547	0
Ambulance/Emergency Medical Services	1,163,887	1,244,919	1,252,672	88,785
Alcohol and Drug Programs	5,000	0	5,000	0
Other Local Health Services	3,500	3,500	3,500	0
<u>Social, Cultural, and Recreational Services</u>				
Libraries	0	133,611	0	0
Parks and Fair Boards	1,212,135	969,848	1,184,195	(27,940)
Other Social, Cultural, and Recreational	99,409	118,099	118,201	18,792
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	153,126	156,334	169,655	16,529
Forest Service	2,000	2,000	2,000	0
Soil Conservation	93,188	97,140	97,140	3,952
<u>Other Operations</u>				
Industrial Development	283,314	206,000	294,571	11,257
Veterans' Services	14,641	18,342	18,792	4,151
Other Charges	43,071	44,313	44,313	1,242
Contributions to Other Agencies	275,299	303,210	321,223	45,924
Employee Benefits	161	0	161	0
Miscellaneous	233,558	227,047	237,047	3,489
<u>Principal on Debt</u>				
General Government	28,215	0	28,215	0
<u>Interest on Debt</u>				
General Government	2,981	0	2,981	0
Total Expenditures	<u>\$ 10,019,011</u>	<u>\$ 10,528,951</u>	<u>\$ 10,774,308</u>	<u>\$ 755,297</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (235,463)</u>	<u>\$ (933,723)</u>	<u>\$ (1,340,916)</u>	<u>\$ 1,105,453</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 2,886	\$ 1,000	\$ 3,441	\$ (555)
Transfers Out	(69,418)	0	(69,418)	0
Total Other Financing Sources (Uses)	<u>\$ (66,532)</u>	<u>\$ 1,000</u>	<u>\$ (65,977)</u>	<u>\$ (555)</u>
Net Change in Fund Balance	\$ (301,995)	\$ (932,723)	\$ (1,406,893)	\$ 1,104,898
Fund Balance, July 1, 2009	<u>2,357,441</u>	<u>2,398,391</u>	<u>2,398,391</u>	<u>(40,950)</u>
Fund Balance, June 30, 2010	<u>\$ 2,055,446</u>	<u>\$ 1,465,668</u>	<u>\$ 991,498</u>	<u>\$ 1,063,948</u>

Exhibit F-2

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 617,500	\$ 599,183	\$ 599,183	\$ 18,317
Charges for Current Services	21	50	50	(29)
Other Local Revenues	625,640	265,000	770,500	(144,860)
State of Tennessee	1,861,412	2,296,761	2,296,761	(435,349)
Total Revenues	<u>\$ 3,104,573</u>	<u>\$ 3,160,994</u>	<u>\$ 3,666,494</u>	<u>\$ (561,921)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 178,980	\$ 194,825	\$ 194,825	\$ 15,845
Highway and Bridge Maintenance	1,598,345	2,442,936	2,943,436	1,345,091
Operation and Maintenance of Equipment	671,301	994,941	999,941	328,640
Other Charges	104,121	131,000	131,000	26,879
Employee Benefits	225,848	267,000	267,000	41,152
Capital Outlay	255,090	1,085,488	1,085,488	830,398
Total Expenditures	<u>\$ 3,033,685</u>	<u>\$ 5,116,190</u>	<u>\$ 5,621,690</u>	<u>\$ 2,588,005</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 70,888</u>	<u>\$ (1,955,196)</u>	<u>\$ (1,955,196)</u>	<u>\$ 2,026,084</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 7,229	\$ 0	\$ 0	\$ 7,229
Total Other Financing Sources (Uses)	<u>\$ 7,229</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,229</u>
Net Change in Fund Balance	\$ 78,117	\$ (1,955,196)	\$ (1,955,196)	\$ 2,033,313
Fund Balance, July 1, 2009	<u>2,121,656</u>	<u>2,094,080</u>	<u>2,094,080</u>	<u>27,576</u>
Fund Balance, June 30, 2010	<u>\$ 2,199,773</u>	<u>\$ 138,884</u>	<u>\$ 138,884</u>	<u>\$ 2,060,889</u>

Exhibit F-3

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-09	\$ 22,465	\$ 25,489	\$ 3,024	88.14 %	\$ 8,388	36.05 %
7-1-07	20,764	22,676	1,912	91.57	7,573	25.25

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

Exhibit F-4

Haywood County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Haywood County School Department
June 30, 2010

(Dollar amounts in thousands)

Plan	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)
Local Education Group	7-1-07	\$ 0	\$ 2,648	\$ 2,648	0%	\$ 13,208	20%
"	7-1-09	0	1,941	1,941	0	11,225	17

* Data only available for two actuarial valuations.

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

A. BUDGETARY INFORMATION

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

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

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

B. EXPENDITURES EXCEEDED APPROPRIATIONS

General Fund expenditures exceeded appropriations approved by the County Commission in the Civil Defense and the Parks and Fair Board major appropriation categories (the legal level of control) by \$2,290 and \$27,940, respectively. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

**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 Haywood County’s garbage collection operations.

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

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

Capital Projects Funds

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

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

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

Exhibit G-1

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

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds	
	Solid Waste / Sanitation	Drug Control	Constituti- onal - Officers - Fees	Total	Community Development/ Industrial Park	Other Capital Projects		Total
\$	0	0	69,919	\$ 69,919	0	0	\$ 0	69,919
Equity in Pooled Cash and Investments	152,990	7,423	0	160,413	22,097	44,991	67,088	227,501
Accounts Receivable	40,218	0	535	40,753	0	0	0	40,753
Due from Other Governments	0	0	0	0	6,750	0	6,750	6,750
Total Assets	\$ 193,208	\$ 7,423	\$ 70,454	\$ 271,085	\$ 28,847	\$ 44,991	\$ 73,838	\$ 344,923

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable
 Payroll Deductions Payable
 Contracts Payable
 Due to Other Funds
 Other Deferred Revenues
 Total Liabilities

\$	1,703	0	0	1,703	0	5,043	5,043	6,746
	2,286	0	0	2,286	0	0	0	2,286
	0	0	0	0	6,750	0	6,750	6,750
	6,097	0	136	6,233	0	0	0	6,233
	0	0	0	0	6,750	0	6,750	6,750
Total Liabilities	\$ 10,086	\$ 0	\$ 136	\$ 10,222	\$ 13,500	\$ 5,043	\$ 18,543	\$ 28,765

Fund Balances

Reserved for Encumbrances
 Unreserved (Deficit)
 Total Fund Balances

\$	0	0	0	0	68,500	59,288	127,788	127,788
	183,122	7,423	70,318	260,863	(53,153)	(19,340)	(72,493)	188,370
Total Fund Balances	\$ 183,122	\$ 7,423	\$ 70,318	\$ 260,863	\$ 15,347	\$ 39,948	\$ 55,295	\$ 316,158

Total Liabilities and Fund Balances

Total Liabilities and Fund Balances	\$ 193,208	\$ 7,423	\$ 70,454	\$ 271,085	\$ 28,847	\$ 44,991	\$ 73,838	\$ 344,923
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Exhibit G-2

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

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Community Development/ Industrial Park	Other Capital Projects	Total	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 0	\$ 2,493	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,493
Charges for Current Services	553,495	0	373,621	0	0	0	927,116
Other Local Revenues	1,577	0	0	0	28,790	0	30,367
State of Tennessee	24,147	0	0	0	0	0	24,147
Federal Government	50,000	0	0	0	0	0	50,000
Other Governments and Citizens Groups	0	0	0	0	56,716	0	56,716
Total Revenues	\$ 629,219	\$ 2,493	\$ 373,621	\$ 0	\$ 85,506	\$ 85,506	\$ 1,090,839
<u>Expenditures</u>							
Current:							
Finance	\$ 0	\$ 0	\$ 379,118	\$ 0	\$ 0	\$ 0	\$ 379,118
Public Safety	0	21,335	0	0	0	0	21,335
Public Health and Welfare	479,353	0	0	0	0	0	479,353
Other Operations	72,524	0	0	0	0	0	72,524
Capital Projects	0	0	0	11,750	102,205	113,955	113,955
Total Expenditures	\$ 551,877	\$ 21,335	\$ 379,118	\$ 11,750	\$ 102,205	\$ 113,955	\$ 1,066,285
Excess (Deficiency) of Revenues Over Expenditures	\$ 77,342	\$ (18,842)	\$ (5,497)	\$ (11,750)	\$ (16,699)	\$ (28,449)	\$ 24,554
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (160,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (160,000)
Total Other Financing Sources (Uses)	\$ (160,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (160,000)
Net Change in Fund Balances	\$ (82,658)	\$ (18,842)	\$ (5,497)	\$ (11,750)	\$ (16,699)	\$ (28,449)	\$ (135,446)
Fund Balance, July 1, 2009	265,780	26,265	75,815	27,097	56,647	83,744	451,604
Fund Balance, June 30, 2010	\$ 183,122	\$ 7,423	\$ 70,318	\$ 15,347	\$ 39,948	\$ 55,295	\$ 316,158

Exhibit G-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 553,495	\$ 488,500	\$ 488,500	\$ 64,995
Other Local Revenues	1,577	0	0	1,577
State of Tennessee	24,147	29,000	29,000	(4,853)
Federal Government	50,000	0	0	50,000
Total Revenues	<u>\$ 629,219</u>	<u>\$ 517,500</u>	<u>\$ 517,500</u>	<u>\$ 111,719</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 479,353	\$ 513,763	\$ 513,763	\$ 34,410
<u>Other Operations</u>				
Other Charges	30,497	31,300	31,300	803
Employee Benefits	42,027	59,146	59,146	17,119
Total Expenditures	<u>\$ 551,877</u>	<u>\$ 604,209</u>	<u>\$ 604,209</u>	<u>\$ 52,332</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 77,342</u>	<u>\$ (86,709)</u>	<u>\$ (86,709)</u>	<u>\$ 164,051</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 0	\$ 50,000	\$ 50,000	\$ (50,000)
Transfers Out	(160,000)	(160,000)	(160,000)	0
Total Other Financing Sources (Uses)	<u>\$ (160,000)</u>	<u>\$ (110,000)</u>	<u>\$ (110,000)</u>	<u>\$ (50,000)</u>
Net Change in Fund Balance	\$ (82,658)	\$ (196,709)	\$ (196,709)	\$ 114,051
Fund Balance, July 1, 2009	<u>265,780</u>	<u>263,945</u>	<u>263,945</u>	<u>1,835</u>
Fund Balance, June 30, 2010	<u>\$ 183,122</u>	<u>\$ 67,236</u>	<u>\$ 67,236</u>	<u>\$ 115,886</u>

Exhibit G-4

Haywood 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	\$ 2,493	\$ 7,000	\$ 7,000	\$ (4,507)
Total Revenues	\$ 2,493	\$ 7,000	\$ 7,000	\$ (4,507)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 21,335	\$ 6,600	\$ 26,850	\$ 5,515
Total Expenditures	\$ 21,335	\$ 6,600	\$ 26,850	\$ 5,515
Excess (Deficiency) of Revenues Over Expenditures	\$ (18,842)	\$ 400	\$ (19,850)	\$ 1,008
Net Change in Fund Balance	\$ (18,842)	\$ 400	\$ (19,850)	\$ 1,008
Fund Balance, July 1, 2009	26,265	26,161	26,161	104
Fund Balance, June 30, 2010	\$ 7,423	\$ 26,561	\$ 6,311	\$ 1,112

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 H

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 432,257	\$ 364,288	\$ 364,288	\$ 67,969
Other Local Revenues	374,961	432,525	432,525	(57,564)
State of Tennessee	11,967	11,346	11,346	621
Total Revenues	<u>\$ 819,185</u>	<u>\$ 808,159</u>	<u>\$ 808,159</u>	<u>\$ 11,026</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 643,630	\$ 630,046	\$ 643,630	\$ 0
<u>Interest on Debt</u>				
General Government	534,973	522,121	534,973	0
<u>Other Debt Service</u>				
General Government	8,431	6,078	9,290	859
Total Expenditures	<u>\$ 1,187,034</u>	<u>\$ 1,158,245</u>	<u>\$ 1,187,893</u>	<u>\$ 859</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (367,849)</u>	<u>\$ (350,086)</u>	<u>\$ (379,734)</u>	<u>\$ 11,885</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ 0	\$ (885)	\$ 885
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (885)</u>	<u>\$ 885</u>
Net Change in Fund Balance	\$ (367,849)	\$ (350,086)	\$ (380,619)	\$ 12,770
Fund Balance, July 1, 2009	<u>3,083,097</u>	<u>3,083,277</u>	<u>3,083,277</u>	<u>(180)</u>
Fund Balance, June 30, 2010	<u>\$ 2,715,248</u>	<u>\$ 2,733,191</u>	<u>\$ 2,702,658</u>	<u>\$ 12,590</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.

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.

Exhibit I-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,125,064	\$ 1,125,064
Accounts Receivable	0	1,959	1,959
Due from Other Governments	229,314	0	229,314
Total Assets	<u>\$ 229,314</u>	<u>\$ 1,127,023</u>	<u>\$ 1,356,337</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 229,314	\$ 0	\$ 229,314
Due to Litigants, Heirs, and Others	0	1,127,023	1,127,023
Total Liabilities	<u>\$ 229,314</u>	<u>\$ 1,127,023</u>	<u>\$ 1,356,337</u>

Exhibit I-2

Haywood 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	\$ 1,349,732	\$ 1,349,732	\$ 0
Due from Other Governments	238,987	229,314	238,987	229,314
Total Assets	\$ 238,987	\$ 1,579,046	\$ 1,588,719	\$ 229,314
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 238,987	\$ 1,579,046	\$ 1,588,719	\$ 229,314
Total Liabilities	\$ 238,987	\$ 1,579,046	\$ 1,588,719	\$ 229,314
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,279,861	\$ 4,802,081	\$ 4,956,878	\$ 1,125,064
Accounts Receivable	177	1,959	177	1,959
Total Assets	\$ 1,280,038	\$ 4,804,040	\$ 4,957,055	\$ 1,127,023
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,280,038	\$ 4,804,040	\$ 4,957,055	\$ 1,127,023
Total Liabilities	\$ 1,280,038	\$ 4,804,040	\$ 4,957,055	\$ 1,127,023
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,279,861	\$ 4,802,081	\$ 4,956,878	\$ 1,125,064
Equity in Pooled Cash and Investments	0	1,349,732	1,349,732	0
Accounts Receivable	177	1,959	177	1,959
Due from Other Governments	238,987	229,314	238,987	229,314
Total Assets	\$ 1,519,025	\$ 6,383,086	\$ 6,545,774	\$ 1,356,337
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 238,987	\$ 1,579,046	\$ 1,588,719	\$ 229,314
Due to Litigants, Heirs, and Others	1,280,038	4,804,040	4,957,055	1,127,023
Total Liabilities	\$ 1,519,025	\$ 6,383,086	\$ 6,545,774	\$ 1,356,337

Haywood County School Department

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

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

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

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

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department. This fund was closed during the year.

Exhibit J-1

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

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
Governmental Activities:				
Instruction	\$ 16,629,248	\$ 40,542	\$ 2,478,477	\$ (14,110,229)
Support Services	9,216,662	0	302,425	(8,914,237)
Operation of Non-Instructional Services	2,965,631	330,779	2,314,768	(320,084)
	<u>\$ 28,811,541</u>	<u>\$ 371,321</u>	<u>\$ 5,095,670</u>	<u>\$ (23,344,550)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 3,584,081
Local Option Sales Taxes				1,503,518
Wheel Tax				279,679
Other Local Taxes				42,665
Grants and Contributions Not Restricted to Specific Programs				17,404,546
Miscellaneous				61,716
Total General Revenues				<u>\$ 22,876,205</u>
Change in Net Assets				\$ (468,345)
Net Assets, July 1, 2009				<u>13,777,916</u>
Net Assets, June 30, 2010				<u><u>\$ 13,309,571</u></u>

Exhibit J-2

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

	<u>Major Funds</u>		<u>Nonmajor Fund</u>	<u>Total Govern- mental Funds</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>		
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 2,642,710	\$ 199,089	\$ 325,792	\$ 3,167,591
Accounts Receivable	94,285	0	0	94,285
Due from Other Governments	351,520	135,268	0	486,788
Due from Primary Government	0	0	46,878	46,878
Property Taxes Receivable	3,978,052	0	0	3,978,052
Allowance for Uncollectible Property Taxes	(128,845)	0	0	(128,845)
Total Assets	<u>\$ 6,937,722</u>	<u>\$ 334,357</u>	<u>\$ 372,670</u>	<u>\$ 7,644,749</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 11,464	\$ 0	\$ 0	\$ 11,464
Payroll Deductions Payable	550,883	58,155	9,459	618,497
Deferred Revenue - Current Property Taxes	3,524,892	0	0	3,524,892
Deferred Revenue - Delinquent Property Taxes	305,131	0	0	305,131
Other Deferred Revenues	136,437	1,465	0	137,902
Total Liabilities	<u>\$ 4,528,807</u>	<u>\$ 59,620</u>	<u>\$ 9,459</u>	<u>\$ 4,597,886</u>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 124,675	\$ 50,034	\$ 0	\$ 174,709
Reserved for Career Ladder Program	10,244	0	0	10,244
Reserved for Innovative Education Program Strategies	0	8,104	0	8,104
Reserved for Special Education - Grants to States	0	62,293	0	62,293
Other Federal Reserves	0	28,324	0	28,324
Unreserved, Reported In:				
General Fund	2,273,996	0	0	2,273,996
Special Revenue Funds	0	125,982	363,211	489,193
Total Fund Balances	<u>\$ 2,408,915</u>	<u>\$ 274,737</u>	<u>\$ 363,211</u>	<u>\$ 3,046,863</u>
Total Liabilities and Fund Balances	<u>\$ 6,937,722</u>	<u>\$ 334,357</u>	<u>\$ 372,670</u>	<u>\$ 7,644,749</u>

Exhibit J-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 3,046,863
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 170,993	
Add: buildings and improvements net of accumulated depreciation	7,885,851	
Add: other capital assets net of accumulated depreciation	<u>2,109,861</u>	10,166,705
(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		(347,030)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		
		<u>443,033</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 13,309,571</u></u>

Exhibit J-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 5,548,441	\$ 0	\$ 0	\$ 5,548,441
Licenses and Permits	1,055	0	0	1,055
Charges for Current Services	28,542	0	330,779	359,321
Other Local Revenues	127,695	0	904	128,599
State of Tennessee	16,871,371	0	20,227	16,891,598
Federal Government	217,585	3,476,604	1,698,358	5,392,547
Total Revenues	<u>\$ 22,794,689</u>	<u>\$ 3,476,604</u>	<u>\$ 2,050,268</u>	<u>\$ 28,321,561</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 13,178,220	\$ 2,479,796	\$ 0	\$ 15,658,016
Support Services	9,022,378	677,249	180	9,699,807
Operation of Non-Instructional Services	541,172	316,201	2,065,693	2,923,066
Capital Outlay	293,390	0	0	293,390
Capital Projects	0	0	5,218	5,218
Total Expenditures	<u>\$ 23,035,160</u>	<u>\$ 3,473,246</u>	<u>\$ 2,071,091</u>	<u>\$ 28,579,497</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (240,471)</u>	<u>\$ 3,358</u>	<u>\$ (20,823)</u>	<u>\$ (257,936)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 17,789	\$ 0	\$ 0	\$ 17,789
Transfers In	3,872	200,000	0	203,872
Transfers Out	(200,000)	(3,872)	0	(203,872)
Total Other Financing Sources (Uses)	<u>\$ (178,339)</u>	<u>\$ 196,128</u>	<u>\$ 0</u>	<u>\$ 17,789</u>
Net Change in Fund Balances	\$ (418,810)	\$ 199,486	\$ (20,823)	\$ (240,147)
Fund Balance, July 1, 2009	2,827,725	75,251	384,034	3,287,010
Fund Balance, June 30, 2010	<u>\$ 2,408,915</u>	<u>\$ 274,737</u>	<u>\$ 363,211</u>	<u>\$ 3,046,863</u>

Exhibit J-5

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

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ (240,147)
(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	\$ 708,650	
Less: current year depreciation expense	<u>(903,526)</u>	(194,876)
(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 taxes and other deferred June 30, 2010	\$ 443,033	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(421,398)</u>	21,635
(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>(54,957)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (468,345)</u>

Exhibit J-6

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

	Special Revenue Fund <u>Central Cafeteria</u>	Capital Projects Fund <u>Education Capital Projects</u>	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 330,779	\$ 0	\$ 330,779
Other Local Revenues	904	0	904
State of Tennessee	20,227	0	20,227
Federal Government	1,698,358	0	1,698,358
Total Revenues	<u>\$ 2,050,268</u>	<u>\$ 0</u>	<u>\$ 2,050,268</u>
<u>Expenditures</u>			
Current:			
Support Services	\$ 180	\$ 0	\$ 180
Operation of Non-Instructional Services	2,065,693	0	2,065,693
Capital Projects	0	5,218	5,218
Total Expenditures	<u>\$ 2,065,873</u>	<u>\$ 5,218</u>	<u>\$ 2,071,091</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (15,605)</u>	<u>\$ (5,218)</u>	<u>\$ (20,823)</u>
Net Change in Fund Balances	\$ (15,605)	\$ (5,218)	\$ (20,823)
Fund Balance, July 1, 2009	<u>378,816</u>	<u>5,218</u>	<u>384,034</u>
Fund Balance, June 30, 2010	<u>\$ 363,211</u>	<u>\$ 0</u>	<u>\$ 363,211</u>

Exhibit J-7

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 5,548,441	\$ 0	\$ 0	\$ 5,548,441	\$ 5,594,102	\$ 5,594,102	\$ (45,661)
Licenses and Permits	1,055	0	0	1,055	2,000	2,000	(945)
Charges for Current Services	28,542	0	0	28,542	30,000	30,000	(1,458)
Other Local Revenues	127,695	0	0	127,695	214,470	214,470	(86,775)
State of Tennessee	16,871,371	0	0	16,871,371	17,051,512	16,888,436	(17,065)
Federal Government	217,585	0	0	217,585	186,625	190,045	27,540
Total Revenues	\$ 22,794,689	\$ 0	\$ 0	\$ 22,794,689	\$ 23,078,709	\$ 22,919,053	\$ (124,364)

<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 10,689,878	\$ (24,779)	\$ 1,000	\$ 10,666,099	\$ 11,420,288	\$ 10,988,792	\$ 322,693
Alternative Instruction Program	332,094	0	0	332,094	383,333	383,156	51,062
Special Education Program	1,485,713	0	0	1,485,713	1,502,249	1,509,246	23,533
Vocational Education Program	619,778	0	0	619,778	602,039	634,255	14,477
Adult Education Program	50,757	0	959	51,716	49,500	52,320	604
<u>Support Services</u>							
Attendance	132,578	(564)	0	132,014	130,813	132,467	453
Health Services	134,962	0	0	134,962	160,489	158,945	23,983
Other Student Support	773,579	0	0	773,579	663,072	785,662	12,083
Regular Instruction Program	855,764	0	0	855,764	830,416	855,473	(291)
Alternative Instruction Program	67,681	0	0	67,681	67,848	68,024	343
Special Education Program	151,859	0	0	151,859	153,190	153,189	1,330
Vocational Education Program	147,657	0	0	147,657	155,309	155,309	7,652
Adult Programs	58,455	(300)	0	58,155	58,113	58,712	557

(Continued)

Exhibit J-7

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
				0 \$	0 \$			
<u>Expenditures (Cont.)</u>								
<u>Support Services (Cont.)</u>								
Other Programs	\$ 116,000	\$ 0	\$ 0	\$ 116,000	\$ 0	\$ 116,000	\$ 0	
Board of Education	383,088	(1,345)	0	381,743	443,841	418,306	36,563	
Director of Schools	262,292	0	0	262,292	275,737	301,271	38,979	
Office of the Principal	1,544,672	(7,361)	0	1,537,311	1,528,799	1,558,153	20,842	
Fiscal Services	297,112	(3,039)	0	294,073	299,078	299,078	5,005	
Operation of Plant	1,446,174	0	0	1,446,174	1,541,571	1,541,570	95,396	
Maintenance of Plant	776,809	(235,849)	43,589	584,549	597,566	760,049	175,500	
Transportation	1,790,853	(10,888)	5,369	1,785,334	1,686,391	1,824,649	39,315	
Central and Other	82,843	0	0	82,843	86,654	86,654	3,811	
<u>Operation of Non-Instructional Services</u>								
Community Services	0	0	0	0	346,128	0	0	
Early Childhood Education	541,172	0	1,081	542,253	539,138	543,077	824	
<u>Capital Outlay</u>								
Regular Capital Outlay	293,390	0	72,677	366,067	0	371,842	5,775	
Total Expenditures	\$ 23,035,160	\$ (284,125)	\$ 124,675	\$ 22,875,710	\$ 23,521,562	\$ 23,756,199	\$ 880,489	
<u>Excess (Deficiency) of Revenues</u>								
Over Expenditures	\$ (240,471)	\$ 284,125	\$ (124,675)	\$ (81,021)	\$ (442,853)	\$ (837,146)	\$ 756,125	
<u>Other Financing Sources (Uses)</u>								
Insurance Recovery	\$ 17,789	\$ 0	\$ 0	\$ 17,789	\$ 0	\$ 25,000	\$ (7,211)	
Transfers In	3,872	0	0	3,872	0	0	3,872	
Transfers Out	(200,000)	19,853	0	(180,147)	(3,872)	(206,413)	26,266	
Total Other Financing Sources (Uses)	\$ (178,339)	\$ 19,853	\$ 0	\$ (158,486)	\$ (3,872)	\$ (181,413)	\$ 22,927	
Net Change in Fund Balance	\$ (418,810)	\$ 303,978	\$ (124,675)	\$ (239,507)	\$ (446,725)	\$ (1,018,559)	\$ 779,052	
Fund Balance, July 1, 2009	2,827,725	(303,978)	0	2,523,747	2,579,483	2,579,483	(55,736)	
Fund Balance, June 30, 2010	\$ 2,408,915	\$ 0	\$ (124,675)	\$ 2,284,240	\$ 2,132,758	\$ 1,560,924	\$ 723,316	

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	Original	Final	
Revenues								
Other Local Revenues	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	1,485 \$	1,485 \$	(1,485)
Federal Government	3,476,604	0	0	3,476,604	4,114,564	4,554,321	4,554,321	(1,077,717)
Total Revenues	\$ 3,476,604 \$	0 \$	0 \$	3,476,604 \$	4,114,564 \$	4,555,806 \$	4,555,806 \$	(1,079,202)
Expenditures								
<u>Instruction</u>								
Regular Instruction Program	\$ 1,507,766 \$	(45,466) \$	47,918 \$	1,510,218 \$	1,515,234 \$	1,589,386 \$	1,589,386 \$	79,168
Alternative Instruction Program	4,162	0	0	4,162	29,050	33,544	33,544	29,382
Special Education Program	843,469	0	0	843,469	1,229,780	1,337,487	1,337,487	494,018
Vocational Education Program	124,399	0	0	124,399	122,982	124,399	124,399	0
<u>Support Services</u>								
Other Student Support	159,872	0	2,116	161,988	157,324	513,132	513,132	351,144
Regular Instruction Program	215,151	0	0	215,151	253,541	291,765	291,765	76,614
Special Education Program	179,120	0	0	179,120	356,473	246,945	246,945	67,825
Vocational Education Program	3,910	0	0	3,910	8,500	3,910	3,910	0
Transportation	119,196	0	0	119,196	91,680	124,948	124,948	5,752
<u>Operation of Non-Instructional Services</u>								
Community Services	316,201	0	0	316,201	346,128	316,201	316,201	0
Total Expenditures	\$ 3,473,246 \$	(45,466) \$	50,034 \$	3,477,814 \$	4,110,692 \$	4,581,717 \$	4,581,717 \$	1,103,903
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,358 \$	45,466 \$	(50,034) \$	(1,210) \$	3,872 \$	(25,911) \$	(25,911) \$	24,701
<u>Other Financing Sources (Uses)</u>								
Transfers In	\$ 200,000 \$	0 \$	0 \$	200,000 \$	0 \$	0 \$	0 \$	200,000
Transfers Out	(3,872)	0	0	(3,872)	(3,872)	(3,872)	(3,872)	0
Total Other Financing Sources (Uses)	\$ 196,128 \$	0 \$	0 \$	196,128 \$	(3,872) \$	(3,872) \$	(3,872) \$	200,000
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 199,486 \$	45,466 \$	(50,034) \$	194,918 \$	0 \$	(29,783) \$	(29,783) \$	224,701
Fund Balance, July 1, 2009	75,251	(45,466)	0	29,785	75,251	75,251	75,251	(45,466)
Fund Balance, June 30, 2010	\$ 274,737 \$	0 \$	(50,034) \$	224,703 \$	75,251 \$	45,468 \$	45,468 \$	179,235

Exhibit J-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 330,779	\$ 539,075	\$ 539,075	\$ (208,296)
Other Local Revenues	904	1,634	1,634	(730)
State of Tennessee	20,227	24,000	24,000	(3,773)
Federal Government	1,698,358	1,626,576	1,732,882	(34,524)
Total Revenues	<u>\$ 2,050,268</u>	<u>\$ 2,191,285</u>	<u>\$ 2,297,591</u>	<u>\$ (247,323)</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 180	\$ 180	\$ 180	\$ 0
<u>Operation of Non-Instructional Services</u>				
Food Service	2,065,693	2,191,105	2,297,411	231,718
Total Expenditures	<u>\$ 2,065,873</u>	<u>\$ 2,191,285</u>	<u>\$ 2,297,591</u>	<u>\$ 231,718</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (15,605)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (15,605)</u>
Net Change in Fund Balance	\$ (15,605)	\$ 0	\$ 0	\$ (15,605)
Fund Balance, July 1, 2009	<u>378,816</u>	<u>374,712</u>	<u>374,712</u>	<u>4,104</u>
Fund Balance, June 30, 2010	<u>\$ 363,211</u>	<u>\$ 374,712</u>	<u>\$ 374,712</u>	<u>\$ (11,501)</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Haywood County, Tennessee
Schedule of Changes in Capital Lease 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	Outstanding 6-30-10
CAPITAL LEASE PAYABLE								
Payable through General Fund								
Sheriff's Vehicles (4)	\$ 89,080	5.15	9-8-08	9-10-10	\$ 57,884	\$ 0	\$ 28,215	\$ 29,669
Total Capital Lease Payable					<u>\$ 57,884</u>	<u>\$ 0</u>	<u>\$ 28,215</u>	<u>\$ 29,669</u>
BONDS PAYABLE								
Payable through General Debt Service Fund								
Waterline (USDA Rural Developments)	560,000	4.875	2-5-1998	2-5-38	\$ 492,744	\$ 0	\$ 8,546	\$ 484,198
General Obligation Improvements	1,000,000	1.25 to 3.25	1-1-03	6-1-10	160,000	0	160,000	0
General Obligation 2007	5,000,000	4 to 4.05	12-20-07	6-1-28	5,000,000	0	0	5,000,000
General Obligation 2008	4,425,000	3.625 to 4.3	12-23-08	6-30-21	4,275,000	0	150,000	4,125,000
General Obligation Refunding, Series 2009	3,400,000	3 to 3.5	4-15-09	6-30-16	3,400,000	0	310,000	3,090,000
General Obligation 2009	300,000	4.5	6-30-09	6-28-24	300,000	0	15,084	284,916
General Obligation 2010	5,575,000	4.75 to 5.55	3-10-10	6-1-30	0	5,575,000	0	5,575,000
Total Bonds Payable					<u>\$ 13,627,744</u>	<u>\$ 5,575,000</u>	<u>\$ 643,630</u>	<u>\$ 18,559,114</u>

Exhibit K-2

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

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2011	\$ 29,669	\$ 1,528	\$ 31,197
Total	\$ 29,669	\$ 1,528	\$ 31,197

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 664,000	\$ 854,138	\$ 1,518,138
2012	710,118	773,306	1,483,424
2013	726,290	750,491	1,476,781
2014	742,515	727,172	1,469,687
2015	783,799	702,995	1,486,794
2016	800,141	673,928	1,474,069
2017	881,546	647,673	1,529,219
2018	933,018	609,463	1,542,481
2019	984,557	571,923	1,556,480
2020	1,011,170	531,711	1,542,881
2021	1,062,858	489,823	1,552,681
2022	869,624	445,106	1,314,730
2023	906,473	406,833	1,313,306
2024	942,722	365,937	1,308,659
2025	952,496	322,811	1,275,307
2026	993,360	278,798	1,272,158
2027	1,034,265	233,642	1,267,907
2028	1,075,216	185,661	1,260,877
2029	1,121,214	135,046	1,256,260
2030	1,172,260	74,049	1,246,309
2031	23,359	9,126	32,485
2032	24,512	7,973	32,485
2033	25,721	6,764	32,485
2034	26,991	5,495	32,486
2035	28,322	4,162	32,484
2036	29,719	2,765	32,484
2037	31,186	1,299	32,485
2038	1,662	77	1,739
Total	\$ 18,559,114	\$ 9,818,167	\$ 28,377,281

Exhibit K-3

Haywood County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Haywood 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	Public Library	Operations	\$ 69,418
Solid Waste/Sanitation	Solid Waste Disposal	"	160,000
Total Transfers Primary Government			<u>\$ 229,418</u>
<u>DISCRETELY PRESENTED HAYWOOD</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Early intervening services	\$ 3,872
General Purpose School	School Federal Projects	Cash flow	200,000
Total Transfers Discretely Presented Haywood County School Department			<u>\$ 203,872</u>

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u> , and County Commission	\$ 91,596 (1,2)	\$ 50,000	State Automobile Mutual Insurance Company
Chief Administrative Highway Officer	Section 8-24-102, <u>TCA</u> , and County Commission	71,976 (1)	100,000	"
Director of Schools	State Board of Education and County Board of Education	92,600 (3)	50,000	"
Trustee	Section 8-24-102, <u>TCA</u> , and County Commission	61,711 (1)	833,000	State Automobile Mutual Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u> , and County Commission	61,711 (1)	10,000	Auto Owners Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u> , and County Commission	61,711 (1)	50,000	State Automobile Mutual Insurance Company
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	59,191	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u> , and County Commission	61,711 (1)	70,000	"
Register	Section 8-24-102, <u>TCA</u> , and County Commission	61,711 (1)	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u> , and County Commission	68,230 (1,4)	25,000	"
Employee Blanket Bonds:				
Office of County Mayor and Highway Department:				
All Employees			150,000	Local Government Property and Casualty Fund
Office of Director of Schools:				
All Employees			150,000	Tennessee Risk Management Trust

- (1) Includes a certified public administrator supplement of \$2,520.
- (2) Includes a county commission chairman compensation of \$19,096.
- (3) Includes a chief executive officer training supplement of \$1,700.
- (4) Includes a law enforcement training supplement of \$600.

Exhibit K-5

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

	Special Revenue Funds					Debt Service			Total	
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Fund		Capital Projects Funds		
						General	Debt Service	General		Other
<u>Local Taxes</u>										
County Property Taxes										
Current Property Tax	\$ 4,085,934	\$ 0	\$ 0	\$ 0	\$ 426,161	\$ 152,058	\$ 0	\$ 0	\$ 4,664,153	
Discount on Property Taxes	(41,716)	0	0	0	(4,359)	(1,556)	0	0	(47,631)	
Trustee's Collections - Prior Year	176,276	0	0	0	21,506	7,767	0	0	205,549	
Trustee's Collections - Bankruptcy	498	0	0	0	57	22	0	0	577	
Circuit/Clerk & Master Collections - Prior Years	84,660	0	0	0	9,943	3,549	0	0	98,152	
Interest and Penalty	32,631	0	0	0	3,956	1,321	0	0	37,908	
Payments in-Lieu-of Taxes - T.V.A.	195,189	0	0	0	20,396	7,280	0	0	222,865	
Payments in-Lieu-of Taxes - Local Utilities	64,248	0	0	0	0	0	0	0	64,248	
Payments in-Lieu-of Taxes - Other	495,982	0	0	0	0	0	0	0	495,982	
<u>County Local Option Taxes</u>										
Local Option Sales Tax	160,810	0	0	0	0	0	0	0	160,810	
Hotel/Motel Tax	56,286	0	0	0	0	0	0	0	56,286	
Wheel Tax	435,166	0	0	0	139,840	19,244	0	0	594,250	
Litigation Tax - General	222,479	0	0	0	0	0	0	0	222,479	
Litigation Tax - Special Purpose	3,339	0	0	0	0	0	0	0	3,339	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	242,572	0	0	242,572	
Business Tax	184,402	0	0	0	0	0	0	0	184,402	
Other County Local Option Taxes	28,892	0	0	0	0	0	0	0	28,892	
<u>Statutory Local Taxes</u>										
Bank Excise Tax	9,876	0	0	0	0	0	0	0	9,876	
Wholesale Beer Tax	42,307	0	0	0	0	0	0	0	42,307	
Beer Privilege Tax	1,853	0	0	0	0	0	0	0	1,853	
Total Local Taxes	\$ 6,239,112	\$ 0	\$ 0	\$ 0	\$ 617,500	\$ 432,257	\$ 0	\$ 0	\$ 7,288,869	
<u>Licenses and Permits</u>										
<u>Licenses</u>										
Animal Registration	1,383	0	0	0	0	0	0	0	1,383	
Cable TV Franchise	1,226	0	0	0	0	0	0	0	1,226	
<u>Permits</u>										
Beer Permits	475	0	0	0	0	0	0	0	475	

(Continued)

Exhibit K-5

Haywood 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	Constitutional Officers - Fees	Highway / Public Works	General	Debt Service	General	Capital Projects	Other Capital Projects		
<u>Licenses and Permits (Cont.)</u>												
<u>Permits (Cont.)</u>												
Building Permits	\$ 18,663	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,663
Total Licenses and Permits	\$ 21,747	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,747
<u>Fines, Forfeitures, and Penalties</u>												
<u>Circuit Court</u>												
Officers Costs	\$ 1,806	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,806
Drug Control Fines	6,022	0	2,209	0	0	0	0	0	0	0	0	8,231
Jail Fees	5,049	0	0	0	0	0	0	0	0	0	0	5,049
Data Entry Fee - Circuit Court	162	0	0	0	0	0	0	0	0	0	0	162
Courtroom Security Fee	511	0	0	0	0	0	0	0	0	0	0	511
<u>General Sessions Court</u>												
Fines	10,427	0	0	0	0	0	0	0	0	0	0	10,427
Officers Costs	23,667	0	0	0	0	0	0	0	0	0	0	23,667
Game and Fish Fines	635	0	0	0	0	0	0	0	0	0	0	635
Drug Control Fines	866	0	284	0	0	0	0	0	0	0	0	1,150
Jail Fees	16,449	0	0	0	0	0	0	0	0	0	0	16,449
DUI Treatment Fines	4,035	0	0	0	0	0	0	0	0	0	0	4,035
Data Entry Fee - General Sessions Court	13,611	0	0	0	0	0	0	0	0	0	0	13,611
Courtroom Security Fee	56,956	0	0	0	0	0	0	0	0	0	0	56,956
Victims Assistance Assessments	10,256	0	0	0	0	0	0	0	0	0	0	10,256
<u>Juvenile Court</u>												
Fines	870	0	0	0	0	0	0	0	0	0	0	870
Officers Costs	3,998	0	0	0	0	0	0	0	0	0	0	3,998
Data Entry Fee - Juvenile Court	846	0	0	0	0	0	0	0	0	0	0	846
<u>Chancery Court</u>												
Officers Costs	2,040	0	0	0	0	0	0	0	0	0	0	2,040
Data Entry Fee - Chancery Court	1,258	0	0	0	0	0	0	0	0	0	0	1,258
Courtroom Security Fee	1,354	0	0	0	0	0	0	0	0	0	0	1,354
Total Fines, Forfeitures, and Penalties	\$ 160,818	\$ 0	\$ 2,493	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 163,311

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service			Total
	Constituti -		Highway /	Capital Projects Funds		Debt Service	Other	
	General	Drug Control		Officers - Fees	Public Works			
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Residential Waste Collection Charge	\$ 0	\$ 552,310	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 552,310
Patient Charges	673,428	0	0	0	0	0	0	673,428
Zoning Studies	120	0	0	0	0	0	0	120
Work Release Charges for Board	0	1,185	0	0	0	0	0	1,185
Other General Service Charges	1,662	0	0	0	0	0	0	1,662
<u>Fees</u>								
Recreation Fees	28,136	0	0	0	0	0	0	28,136
Copy Fees	6,088	0	0	0	0	0	0	6,088
Telephone Commissions	14,847	0	0	0	0	0	0	14,847
Vending Machine Collections	2,636	0	0	21	0	0	0	2,657
Constitutional Officers' Fees and Commissions	0	0	0	373,621	0	0	0	373,621
Data Processing Fee - Registrar	5,850	0	0	0	0	0	0	5,850
Data Processing Fee - Sheriff	2,344	0	0	0	0	0	0	2,344
Sexual Offender Registration Fees - Sheriff	900	0	0	0	0	0	0	900
Total Charges for Current Services	\$ 736,011	\$ 553,495	\$ 0	\$ 373,621	\$ 21	\$ 0	\$ 0	\$ 1,663,148
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	0	0	0	0	0	341,037	0	341,037
Lease/Rentals	15,076	0	0	0	570	0	28,790	44,436
Sale of Materials and Supplies	86,616	0	0	82,489	0	0	0	169,105
Commissary Sales	23,410	0	0	0	0	0	0	23,410
Sale of Gasoline	0	0	0	209,718	0	0	0	209,718
Miscellaneous Refunds	28,127	1,577	0	105	0	1,399	0	31,208
<u>Other Local Revenues</u>								
Other Local Revenues	0	0	0	332,758	32,525	0	0	365,283
Total Other Local Revenues	\$ 153,229	\$ 1,577	\$ 0	\$ 625,640	\$ 374,961	\$ 0	\$ 28,790	\$ 1,184,197

(Continued)

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

	Special Revenue Funds				Debt Service			Total
	Constitutional Officers - Fees		Highway / Public Works	Capital Projects Funds	Debt Service	Capital Projects Funds		
	General	Drug Control				General	Other	
<u>Excess Fees</u>								
County Clerk	\$ 17,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,000
Trustee	130,000	0	0	0	0	0	0	130,000
<u>Fees in-Lieu-of Salary</u>								
Circuit Court Clerk	26,635	0	0	0	0	0	0	26,635
General Sessions Court Clerk	372,873	0	0	0	0	0	0	372,873
Clerk and Master	67,148	0	0	0	0	0	0	67,148
Juvenile Court Clerk	20,030	0	0	0	0	0	0	20,030
Register	62,588	0	0	0	0	0	0	62,588
Sheriff	7,932	0	0	0	0	0	0	7,932
Total Fees Received from County Officials	\$ 704,206	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 704,206
<u>State of Tennessee</u>								
General Government Grants	\$ 9,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,300
Juvenile Services Program	5,725	0	0	0	0	0	0	5,725
State Reappraisal Grant	161	0	0	0	0	0	0	161
On-Behalf Contributions for OPEB								
Public Safety Grants								
Law Enforcement Training Programs	10,800	0	0	0	0	0	0	10,800
Other Public Safety Grants	13,944	0	0	0	0	0	0	13,944
Health and Welfare Grants								
Health Department Programs	130,525	0	0	0	0	0	0	130,525
Other Health and Welfare Grants	13,758	0	0	0	0	0	0	13,758
Public Works Grants								
State Aid Program	0	0	0	114,306	0	0	0	114,306
Litter Program	0	24,147	0	0	0	0	0	24,147
Other State Revenues								
Income Tax	21,342	0	0	0	0	0	0	21,342
Beer Tax	17,778	0	0	0	0	0	0	17,778
Alcoholic Beverage Tax	44,895	0	0	0	0	0	0	44,895
Mixed Drink Tax	4,111	0	0	0	0	0	0	4,111

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service			Total	
	Constituti -					Debt Service	Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works		General	General		
<u>State of Tennessee (Cont.)</u>										
<u>Other State Revenues (Cont.)</u>										
State Revenue Sharing - T.V.A.	\$ 320,862	\$ 0	\$ 0	\$ 0	\$ 33,528	\$ 11,967	\$ 0	\$ 0	\$ 366,357	
Contracted Prisoner Boarding	231,140	0	0	0	0	0	0	0	231,140	
Gasoline and Motor Fuel Tax	0	0	0	0	1,699,004	0	0	0	1,699,004	
Petroleum Special Tax	0	0	0	0	14,574	0	0	0	14,574	
Registrar's Salary Supplement	16,380	0	0	0	0	0	0	0	16,380	
Other State Grants	170,965	0	0	0	0	0	0	0	170,965	
Other State Revenues	38,538	0	0	0	0	0	0	0	38,538	
Total State of Tennessee	\$ 1,050,224	\$ 24,147	\$ 0	\$ 0	\$ 1,861,412	\$ 11,967	\$ 0	\$ 0	\$ 2,947,750	
<u>Federal Government</u>										
<u>Federal Through State</u>										
USDA - Other	\$ 79,271	\$ 50,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 129,271	
Community Development	1,750	0	0	0	0	0	0	0	1,750	
Homeland Security Grants	33,765	0	0	0	0	0	0	0	33,765	
<u>Direct Federal Revenue</u>										
Forest Service	46,068	0	0	0	0	0	0	0	46,068	
Total Federal Government	\$ 160,854	\$ 50,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 210,854	
<u>Other Governments and Citizens Groups</u>										
<u>Other Governments</u>										
Contributions	\$ 496,549	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 56,716	\$ 653,265	
Contracted Services	53,669	0	0	0	0	0	0	0	53,669	
<u>Citizens Groups</u>										
Donations	2,829	0	0	0	0	0	0	0	2,829	
Other	4,300	0	0	0	0	0	0	0	4,300	
Total Other Governments and Citizens Groups	\$ 557,347	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 56,716	\$ 714,063	
Total	\$ 9,783,548	\$ 629,219	\$ 2,493	\$ 373,621	\$ 3,104,573	\$ 819,185	\$ 100,000	\$ 85,506	\$ 14,898,145	

Exhibit K-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,317,161	\$ 0	\$ 0	\$ 3,317,161
Discount on Property Taxes	(33,930)	0	0	(33,930)
Trustee's Collections - Prior Year	167,424	0	0	167,424
Trustee's Collections - Bankruptcy	442	0	0	442
Circuit/Clerk & Master Collections - Prior Years	77,389	0	0	77,389
Interest and Penalty	30,795	0	0	30,795
Payments in-Lieu-of Taxes - T.V.A.	158,742	0	0	158,742
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,508,074	0	0	1,508,074
Wheel Tax	279,679	0	0	279,679
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	2,450	0	0	2,450
Other Statutory Local Taxes	40,215	0	0	40,215
Total Local Taxes	\$ 5,548,441	\$ 0	\$ 0	\$ 5,548,441
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,055	\$ 0	\$ 0	\$ 1,055
Total Licenses and Permits	\$ 1,055	\$ 0	\$ 0	\$ 1,055
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 69,137	\$ 69,137
Lunch Payments - Adults	0	0	37,144	37,144
Income from Breakfast	0	0	4,255	4,255
A la carte Sales	0	0	98,992	98,992
Receipts from Individual Schools	28,542	0	0	28,542
<u>Other Charges for Services</u>				
Other Charges for Services	0	0	121,251	121,251
Total Charges for Current Services	\$ 28,542	\$ 0	\$ 330,779	\$ 359,321
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 904	\$ 904
Lease/Rentals	2,000	0	0	2,000
Refund of Telecommunication & Internet Fees (E-Rate)	35,469	0	0	35,469
Miscellaneous Refunds	59,516	0	0	59,516
<u>Nonrecurring Items</u>				
Damages Recovered from Individuals	200	0	0	200
<u>Other Local Revenues</u>				
Other Local Revenues	30,510	0	0	30,510
Total Other Local Revenues	\$ 127,695	\$ 0	\$ 904	\$ 128,599
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 116,000	\$ 0	\$ 0	\$ 116,000
<u>State Education Funds</u>				
Basic Education Program	14,960,700	0	0	14,960,700

(Continued)

Exhibit K-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Basic Education Program - ARRA	\$ 605,300	\$ 0	\$ 0	\$ 605,300
Early Childhood Education	583,550	0	0	583,550
School Food Service	0	0	20,227	20,227
Driver Education	1,578	0	0	1,578
Other State Education Funds	2,815	0	0	2,815
Coordinated School Health - ARRA	90,000	0	0	90,000
Internet Connectivity - ARRA	9,474	0	0	9,474
Family Resource Centers - ARRA	33,300	0	0	33,300
Career Ladder Program	141,827	0	0	141,827
Career Ladder - Extended Contract - ARRA	45,741	0	0	45,741
Other Vocational	4,000	0	0	4,000
<u>Other State Revenues</u>				
Mixed Drink Tax	4,111	0	0	4,111
State Revenue Sharing - T.V.A.	260,975	0	0	260,975
Safe Schools - ARRA	12,000	0	0	12,000
Total State of Tennessee	\$ 16,871,371	\$ 0	\$ 20,227	\$ 16,891,598
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,053,468	\$ 1,053,468
USDA - Commodities	0	0	106,306	106,306
Breakfast	0	0	501,114	501,114
USDA - Other	0	0	11,770	11,770
USDA Food Service Equipment Grant - ARRA	0	0	25,700	25,700
Adult Education State Grant Program	102,956	0	0	102,956
Vocational Education - Basic Grants to States	0	162,362	0	162,362
Title I Grants to Local Education Agencies	0	1,413,737	0	1,413,737
Special Education - Grants to States	24,223	1,122,439	0	1,146,662
Special Education Preschool Grants	0	51,715	0	51,715
Safe and Drug-free Schools - State Grants	0	309,229	0	309,229
Rural Education	0	108,371	0	108,371
Eisenhower Professional Development State Grants	0	273,955	0	273,955
Other Federal through State	0	34,796	0	34,796
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	90,406	0	0	90,406
Total Federal Government	\$ 217,585	\$ 3,476,604	\$ 1,698,358	\$ 5,392,547
Total	\$ 22,794,689	\$ 3,476,604	\$ 2,050,268	\$ 28,321,561

Exhibit K-7

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

General Fund

General Government

County Commission

Other Salaries and Wages	\$	19,096	
Board and Committee Members Fees		26,750	
Social Security		2,503	
State Retirement		304	
Employee and Dependent Insurance		4,996	
Life Insurance		1,387	
Other Fringe Benefits		93,100	
Audit Services		5,939	
Dues and Memberships		5,111	
Travel		65	
Other Contracted Services		5,250	
Other Charges		40,595	
Building Construction		15,004	
Total County Commission			\$ 220,100

Beer Board

Secretary to Board	\$	150	
Board and Committee Members Fees		450	
Legal Notices, Recording, and Court Costs		110	
Total Beer Board			710

County Mayor/Executive

County Official/Administrative Officer	\$	69,980	
Accountants/Bookkeepers		65,898	
Secretary(ies)		18,407	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		13,523	
State Retirement		20,954	
Employee and Dependent Insurance		7,999	
Life Insurance		807	
Unemployment Compensation		152	
Other Fringe Benefits		2,520	
Communication		4,745	
Data Processing Services		6,700	
Dues and Memberships		2,246	
Maintenance and Repair Services - Office Equipment		142	
Maintenance and Repair Services - Vehicles		893	
Postal Charges		5,578	
Travel		3,356	
Gasoline		3,738	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Library Books/Media	\$	1,519	
Office Supplies		3,844	
Premiums on Corporate Surety Bonds		84	
Workers' Compensation Insurance		639	
Office Equipment		2,302	
Total County Mayor/Executive			\$ 238,546

County Attorney

County Official/Administrative Officer	\$	5,400	
Social Security		413	
State Retirement		684	
Operating Lease Payments		1,270	
Legal Services		37,508	
Duplicating Supplies		79	
Library Books/Media		8,148	
Liability Claims		32,500	
Total County Attorney			86,002

Election Commission

County Official/Administrative Officer	\$	53,272	
Part-time Personnel		15,124	
Election Commission		4,267	
Election Workers		9,988	
Social Security		5,285	
State Retirement		6,838	
Life Insurance		226	
Unemployment Compensation		100	
Communication		3,139	
Data Processing Services		9,406	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		881	
Maintenance Agreements		4,297	
Postal Charges		1,855	
Printing, Stationery, and Forms		854	
Travel		5,295	
Office Supplies		1,080	
Workers' Compensation Insurance		244	
Other Charges		52	
Total Election Commission			122,353

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	59,191	
Deputy(ies)		29,110	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		7,005	
State Retirement		11,436	
Employee and Dependent Insurance		2,952	
Life Insurance		464	
Unemployment Compensation		42	
Other Fringe Benefits		1,260	
Communication		1,169	
Dues and Memberships		570	
Postal Charges		261	
Printing, Stationery, and Forms		1,288	
Rentals		1,209	
Travel		565	
Maintenance and Repair Services - Records		2,046	
Duplicating Supplies		291	
Premiums on Corporate Surety Bonds		34	
Workers' Compensation Insurance		317	
Data Processing Equipment		5,152	
Total Register of Deeds			\$ 126,882

Development

Supervisor/Director	\$	30,400
Secretary(ies)		1,200
Social Security		2,396
State Retirement		3,940
Employee and Dependent Insurance		5,438
Life Insurance		198
Unemployment Compensation		44
Communication		1,055
Contracts with Government Agencies		7,750
Data Processing Services		3,960
Dues and Memberships		100
Legal Notices, Recording, and Court Costs		46
Maintenance and Repair Services - Vehicles		2,045
Postal Charges		144
Travel		174
Gasoline		1,644
Office Supplies		2,466

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Development (Cont.)

Workers' Compensation Insurance	\$	2,450	
Other Charges		<u>4</u>	
Total Development			\$ 65,454

County Buildings

Supervisor/Director	\$	31,195	
Custodial Personnel		49,482	
Other Salaries and Wages		18,374	
Social Security		8,195	
State Retirement		9,943	
Employee and Dependent Insurance		13,873	
Life Insurance		697	
Unemployment Compensation		306	
Other Fringe Benefits		9,555	
Communication		440	
Maintenance Agreements		30,538	
Maintenance and Repair Services - Vehicles		2,145	
Rentals		2,400	
Travel		24	
Custodial Supplies		6,456	
Duplicating Supplies		411	
Gasoline		381	
Utilities		47,399	
Other Supplies and Materials		21,324	
Vehicle and Equipment Insurance		1,298	
Workers' Compensation Insurance		4,321	
Building Improvements		<u>8,083</u>	
Total County Buildings			266,840

Finance

Accounting and Budgeting

Board and Committee Members Fees	\$	<u>7,150</u>	
Total Accounting and Budgeting			7,150

Property Assessor's Office

County Official/Administrative Officer	\$	59,191	
Deputy(ies)		129,241	
Educational Incentive - Official/Admin Officer		2,520	
Board and Committee Members Fees		910	
Social Security		14,447	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

State Retirement	\$	24,202	
Employee and Dependent Insurance		17,514	
Life Insurance		1,236	
Unemployment Compensation		199	
Other Fringe Benefits		3,570	
Communication		3,107	
Contracts with Private Agencies		40,599	
Data Processing Services		14,599	
Dues and Memberships		1,155	
Maintenance and Repair Services - Buildings		25	
Maintenance and Repair Services - Vehicles		1,498	
Postal Charges		1,700	
Rentals		8,400	
Travel		2,820	
Duplicating Supplies		2,184	
Gasoline		3,920	
Office Supplies		1,624	
Utilities		4,592	
Vehicle and Equipment Insurance		887	
Workers' Compensation Insurance		2,863	
Data Processing Equipment		5,380	
Motor Vehicles		10,972	
Office Equipment		2,013	
Total Property Assessor's Office			\$ 361,368

Reappraisal Program

Other Salaries and Wages	\$	9,058	
Social Security		661	
State Retirement		1,247	
Unemployment Compensation		11	
Data Processing Services		1,958	
Maintenance and Repair Services - Vehicles		123	
Office Supplies		476	
Workers' Compensation Insurance		760	
Total Reappraisal Program			14,294

County Trustee's Office

Social Security	\$	12,534	
State Retirement		21,583	
Employee and Dependent Insurance		19,487	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Life Insurance	\$	1,002	
Unemployment Compensation		168	
Other Fringe Benefits		1,890	
Communication		3,966	
Data Processing Services		5,872	
Dues and Memberships		1,076	
Maintenance Agreements		3,733	
Maintenance and Repair Services - Office Equipment		316	
Postal Charges		8,613	
Printing, Stationery, and Forms		2,191	
Office Supplies		3,387	
Premiums on Corporate Surety Bonds		1,902	
Workers' Compensation Insurance		606	
Other Charges		1,437	
Total County Trustee's Office			\$ 89,763

County Clerk's Office

Social Security	\$	15,017	
State Retirement		18,750	
Employee and Dependent Insurance		21,020	
Life Insurance		1,152	
Unemployment Compensation		311	
Other Fringe Benefits		2,940	
Communication		2,032	
Dues and Memberships		397	
Operating Lease Payments		962	
Maintenance Agreements		15,071	
Postal Charges		2,553	
Printing, Stationery, and Forms		602	
Office Supplies		1,701	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		678	
Other Charges		400	
Data Processing Equipment		187	
Office Equipment		1,610	
Total County Clerk's Office			85,483

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	59,191	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Deputy(ies)	\$ 262,867	
Board and Committee Members Fees	345	
Jury and Witness Expense	7,105	
Social Security	25,214	
State Retirement	43,246	
Employee and Dependent Insurance	38,481	
Life Insurance	2,197	
Unemployment Compensation	462	
Other Fringe Benefits	9,240	
Communication	2,720	
Data Processing Services	9,559	
Dues and Memberships	397	
Postal Charges	1,829	
Printing, Stationery, and Forms	1,724	
Rentals	3,281	
Travel	118	
Data Processing Supplies	310	
Office Supplies	3,830	
Premiums on Corporate Surety Bonds	100	
Workers' Compensation Insurance	1,214	
Other Charges	315	
Data Processing Equipment	160	
Office Equipment	2,809	
Total Circuit Court		\$ 476,714

General Sessions Judge

Judge(s)	\$ 154,320
Secretary(ies)	27,214
Social Security	11,234
State Retirement	23,249
Employee and Dependent Insurance	826
Life Insurance	673
Unemployment Compensation	42
Other Fringe Benefits	1,260
Communication	176
Dues and Memberships	1,022
Travel	733
Library Books/Media	660
Office Supplies	485
Workers' Compensation Insurance	645

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge (Cont.)

Office Equipment	\$ 222	
Total General Sessions Judge		\$ 222,761

General Sessions Court Clerk

Postal Charges	\$ 1,178	
Printing, Stationery, and Forms	3,141	
Office Supplies	1,339	
Total General Sessions Court Clerk		5,658

Chancery Court

County Official/Administrative Officer	\$ 59,191	
Deputy(ies)	54,638	
Educational Incentive - Official/Admin Officer	2,520	
Social Security	8,850	
State Retirement	14,653	
Employee and Dependent Insurance	5,621	
Life Insurance	677	
Unemployment Compensation	126	
Other Fringe Benefits	420	
Communication	1,216	
Dues and Memberships	492	
Postal Charges	1,127	
Printing, Stationery, and Forms	606	
Travel	259	
Other Contracted Services	650	
Office Supplies	1,366	
Workers' Compensation Insurance	400	
Total Chancery Court		152,812

Juvenile Court

Youth Service Officer(s)	\$ 51,288	
Social Security	4,022	
State Retirement	6,782	
Employee and Dependent Insurance	4,306	
Life Insurance	372	
Unemployment Compensation	84	
Other Fringe Benefits	840	
Communication	2,836	
Dues and Memberships	269	
Legal Services	3,831	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Postal Charges	\$	226	
Travel		1,259	
Data Processing Supplies		598	
Office Supplies		1,895	
Workers' Compensation Insurance		188	
Other Charges		264	
Total Juvenile Court			\$ 79,060

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	65,110
Supervisor/Director		38,937
Deputy(ies)		324,932
Detective(s)		37,877
Investigator(s)		40,822
Lieutenant(s)		113,541
Sergeant(s)		62,643
Salary Supplements		4,785
Guards		36,838
Secretary(ies)		47,027
Educational Incentive - Official/Admin Officer		2,520
Overtime Pay		37,022
In-Service Training		10,800
Social Security		61,316
State Retirement		104,815
Employee and Dependent Insurance		95,536
Life Insurance		4,178
Unemployment Compensation		1,070
Other Fringe Benefits		14,280
Communication		16,900
Dues and Memberships		390
Legal Notices, Recording, and Court Costs		367
Maintenance Agreements		4,378
Maintenance and Repair Services - Equipment		2,504
Maintenance and Repair Services - Office Equipment		1,343
Maintenance and Repair Services - Vehicles		38,312
Medical and Dental Services		1,180
Postal Charges		1,488
Printing, Stationery, and Forms		562
Travel		2,153

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Tuition	\$	6,158	
Gasoline		78,740	
Instructional Supplies and Materials		376	
Law Enforcement Supplies		22,523	
Library Books/Media		331	
Office Supplies		3,050	
Tires and Tubes		6,436	
Uniforms		7,273	
Other Supplies and Materials		988	
Premiums on Corporate Surety Bonds		392	
Vehicle and Equipment Insurance		11,561	
Workers' Compensation Insurance		21,256	
Other Charges		1,224	
Data Processing Equipment		4,535	
Law Enforcement Equipment		4,739	
Motor Vehicles		14,087	
Other Equipment		1,509	
Total Sheriff's Department			\$ 1,358,804

Jail

Assistant(s)	\$	32,960
Supervisor/Director		38,378
Deputy(ies)		347,717
Secretary(ies)		27,436
Cafeteria Personnel		66,075
Overtime Pay		13,040
Social Security		40,644
State Retirement		62,708
Employee and Dependent Insurance		71,820
Life Insurance		3,804
Unemployment Compensation		1,025
Other Fringe Benefits		14,490
Communication		8,764
Maintenance Agreements		3,437
Maintenance and Repair Services - Equipment		16,767
Maintenance and Repair Services - Office Equipment		2,933
Maintenance and Repair Services - Vehicles		2,328
Medical and Dental Services		226,082
Postal Charges		285
Printing, Stationery, and Forms		1,225

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Travel	\$	1,949	
Remittance of Revenue Collected		200	
Custodial Supplies		13,086	
Drugs and Medical Supplies		83,826	
Food Supplies		124,466	
Gasoline		2,982	
Library Books/Media		257	
Office Supplies		1,630	
Prisoners Clothing		4,829	
Uniforms		7,506	
Utilities		65,255	
Other Supplies and Materials		3,532	
Vehicle and Equipment Insurance		756	
Workers' Compensation Insurance		14,776	
Building Improvements		4,660	
Food Service Equipment		1,284	
Office Equipment		790	
Total Jail			\$ 1,313,702

Workhouse

County Official/Administrative Officer	\$	38,595	
Assistant(s)		18,622	
Laborers		20,567	
Social Security		6,110	
State Retirement		10,467	
Employee and Dependent Insurance		23,417	
Life Insurance		540	
Unemployment Compensation		126	
Other Fringe Benefits		2,730	
Communication		2,697	
Maintenance and Repair Services - Buildings		4,903	
Maintenance and Repair Services - Equipment		27,593	
Other Contracted Services		4,513	
Diesel Fuel		9,137	
Fertilizer, Lime, and Seed		26,043	
Gasoline		3,612	
Utilities		9,303	
Vehicle and Equipment Insurance		1,890	
Workers' Compensation Insurance		6,801	
Other Equipment		6,910	
Total Workhouse			224,576

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

Other Per Diem and Fees	\$	20,791	
Social Security		1,001	
State Retirement		1,657	
Life Insurance		136	
Unemployment Compensation		42	
Contracts with Government Agencies		193,487	
Maintenance and Repair Services - Equipment		4,482	
Maintenance and Repair Services - Vehicles		7,644	
Tuition		570	
Diesel Fuel		3,992	
Gasoline		1,074	
Vehicle and Equipment Insurance		33,708	
Workers' Compensation Insurance		3,695	
Other Charges		3,660	
Total Fire Prevention and Control			\$ 275,939

Civil Defense

County Official/Administrative Officer	\$	32,678	
Part-time Personnel		10,081	
Social Security		3,441	
Life Insurance		164	
Unemployment Compensation		86	
Other Fringe Benefits		1,260	
Contracts with Government Agencies		35,224	
Vehicle and Equipment Insurance		378	
Workers' Compensation Insurance		2,784	
Other Charges		36,829	
Total Civil Defense			122,925

Rescue Squad

Contributions	\$	7,500	
Vehicle and Equipment Insurance		2,646	
Total Rescue Squad			10,146

County Coroner/Medical Examiner

Medical Personnel	\$	4,400	
Total County Coroner/Medical Examiner			4,400

Other Public Safety

Contracts with Government Agencies	\$	190,359	
Total Other Public Safety			190,359

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Paraprofessionals	\$	29,543	
Clerical Personnel		54,874	
Custodial Personnel		16,800	
Overtime Pay		370	
Social Security		6,192	
State Retirement		9,353	
Employee and Dependent Insurance		14,585	
Life Insurance		532	
Unemployment Compensation		188	
Other Fringe Benefits		2,310	
Communication		2,850	
Contracts with Government Agencies		17,154	
Maintenance and Repair Services - Buildings		14,450	
Postal Charges		221	
Travel		1,530	
Other Contracted Services		2,161	
Custodial Supplies		418	
Drugs and Medical Supplies		2,336	
Office Supplies		2,501	
Utilities		7,815	
Other Supplies and Materials		9,676	
Workers' Compensation Insurance		319	
Total Local Health Center			\$ 196,178

Rabies and Animal Control

Contracts with Government Agencies	\$	86,547	
Total Rabies and Animal Control			86,547

Ambulance/Emergency Medical Services

Assistant(s)	\$	43,290	
Supervisor/Director		54,560	
Medical Personnel		1,000	
Paraprofessionals		218,563	
Secretary(ies)		25,814	
Attendants		272,686	
Part-time Personnel		30,532	
Overtime Pay		46,799	
Other Salaries and Wages		9,463	
In-Service Training		3,025	
Social Security		53,913	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

State Retirement	\$	89,223	
Employee and Dependent Insurance		69,717	
Life Insurance		3,838	
Unemployment Compensation		1,036	
Other Fringe Benefits		13,230	
Communication		6,818	
Data Processing Services		5,104	
Dues and Memberships		290	
Laundry Service		1,854	
Licenses		1,965	
Maintenance Agreements		6,731	
Maintenance and Repair Services - Buildings		4,562	
Maintenance and Repair Services - Vehicles		22,635	
Postal Charges		1,611	
Travel		2,015	
Tuition		900	
Remittance of Revenue Collected		378	
Custodial Supplies		3,130	
Diesel Fuel		20,078	
Drugs and Medical Supplies		27,140	
Gasoline		3,760	
Instructional Supplies and Materials		1,170	
Office Supplies		6,366	
Uniforms		5,190	
Utilities		8,736	
Other Supplies and Materials		1,700	
Liability Insurance		17,101	
Refunds		3,211	
Vehicle and Equipment Insurance		7,653	
Workers' Compensation Insurance		53,113	
Other Equipment		13,987	
Total Ambulance/Emergency Medical Services			\$ 1,163,887

Alcohol and Drug Programs

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

Other Local Health Services

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

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Parks and Fair Boards

County Official/Administrative Officer	\$	45,356	
Supervisor/Director		17,160	
Foremen		32,258	
Laborers		133,653	
Secretary(ies)		29,750	
Temporary Personnel		40,861	
Overtime Pay		3,689	
Social Security		22,097	
State Retirement		35,076	
Employee and Dependent Insurance		47,001	
Life Insurance		1,817	
Unemployment Compensation		617	
Other Fringe Benefits		8,190	
Communication		9,586	
Dues and Memberships		1,164	
Maintenance and Repair Services - Buildings		28,352	
Maintenance and Repair Services - Equipment		10,076	
Maintenance and Repair Services - Office Equipment		1,095	
Maintenance and Repair Services - Vehicles		4,793	
Pest Control		1,290	
Postal Charges		339	
Travel		3,877	
Remittance of Revenue Collected		210	
Custodial Supplies		12,289	
Fertilizer, Lime, and Seed		31,162	
Gasoline		11,755	
Office Supplies		5,704	
Utilities		79,475	
Other Supplies and Materials		13,825	
Refunds		9,335	
Vehicle and Equipment Insurance		3,024	
Workers' Compensation Insurance		8,066	
Other Charges		1,750	
Building Improvements		19,921	
Heating and Air Conditioning Equipment		12,835	
Maintenance Equipment		8,475	
Motor Vehicles		15,985	
Site Development		500,227	
Total Parks and Fair Boards			\$ 1,212,135

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational

Temporary Personnel	\$	3,368	
Social Security		209	
Unemployment Compensation		20	
Contracts with Government Agencies		894	
Payments to Schools - Other USDA		71,838	
Travel		520	
Other Supplies and Materials		10,734	
Workers' Compensation Insurance		120	
Other Charges		4,206	
Site Development		7,500	
Total Other Social, Cultural, and Recreational			\$ 99,409

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	120,266	
Custodial Personnel		1,768	
Part-time Personnel		11,600	
Social Security		990	
Unemployment Compensation		40	
Communication		5,016	
Licenses		1,473	
Travel		7,146	
Custodial Supplies		993	
Other Supplies and Materials		1,391	
Other Charges		823	
Data Processing Equipment		1,620	
Total Agriculture Extension Service			153,126

Forest Service

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

Soil Conservation

Secretary(ies)	\$	23,083	
Other Salaries and Wages		41,386	
Social Security		4,411	
State Retirement		8,612	
Employee and Dependent Insurance		8,688	
Life Insurance		422	
Unemployment Compensation		84	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Other Fringe Benefits	\$	2,100	
Contributions		900	
Workers' Compensation Insurance		3,502	
Total Soil Conservation			\$ 93,188

Other Operations

Industrial Development

Engineering Services	\$	56,457	
Other Contracted Services		115,000	
Other Charges		45,730	
Land		37,371	
Site Development		28,756	
Total Industrial Development			283,314

Veterans' Services

Other Salaries and Wages	\$	10,104	
Social Security		808	
Unemployment Compensation		36	
Communication		1,791	
Maintenance Agreements		450	
Postal Charges		129	
Rentals		600	
Travel		639	
Office Supplies		84	
Total Veterans' Services			14,641

Other Charges

Supervisor/Director	\$	25,181	
Social Security		2,143	
State Retirement		3,811	
Employee and Dependent Insurance		4,620	
Life Insurance		151	
Unemployment Compensation		42	
Other Fringe Benefits		4,200	
Communication		554	
Maintenance Agreements		1,332	
Workers' Compensation Insurance		1,037	
Total Other Charges			43,071

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$ 256,406	
Remittance of Revenue Collected	18,893	
Total Contributions to Other Agencies		\$ 275,299

Employee Benefits

On-Behalf Payments to OPEB	\$ 161	
Total Employee Benefits		161

Miscellaneous

Building and Contents Insurance	\$ 48,288	
Liability Insurance	56,631	
Trustee's Commission	118,691	
Other Charges	9,948	
Total Miscellaneous		233,558

Principal on Debt

General Government

Principal on Capital Leases	\$ 28,215	
Total General Government		28,215

Interest on Debt

General Government

Interest on Capital Leases	\$ 2,981	
Total General Government		2,981

Total General Fund \$ 10,019,011

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Supervisor/Director	\$ 19,669
Equipment Operators	97,093
Secretary(ies)	28,265
Overtime Pay	1,850
Life Insurance	721
Other Fringe Benefits	12,110
Communication	1,885
Data Processing Services	22,299
Legal Notices, Recording, and Court Costs	399
Maintenance and Repair Services - Equipment	786

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Postal Charges	\$	15,186	
Printing, Stationery, and Forms		325	
Crushed Stone		2,158	
Diesel Fuel		33,320	
Electricity		2,593	
Equipment and Machinery Parts		24,836	
Gasoline		12,824	
Instructional Supplies and Materials		6,090	
Lubricants		1,878	
Office Supplies		1,078	
Tires and Tubes		11,007	
Other Supplies and Materials		1,520	
Other Charges		1,978	
Maintenance Equipment		10,752	
Other Construction		168,731	
Total Waste Pickup			\$ 479,353

Other Operations

Other Charges

Trustee's Commission	\$	5,129	
Vehicle and Equipment Insurance		15,819	
Workers' Compensation Insurance		9,549	
Total Other Charges			30,497

Employee Benefits

Social Security	\$	10,412	
State Retirement		17,124	
Employee and Dependent Insurance		14,260	
Unemployment Compensation		231	
Total Employee Benefits			42,027

Total Solid Waste/Sanitation Fund \$ 551,877

Drug Control Fund

Public Safety

Drug Enforcement

Tuition	\$	989	
Trustee's Commission		26	
Law Enforcement Equipment		70	
Motor Vehicles		20,250	
Total Drug Enforcement			\$ 21,335

Total Drug Control Fund 21,335

(Continued)

Exhibit K-7

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

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 172,545	
Total County Trustee's Office		\$ 172,545

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 206,573	
Total County Clerk's Office		<u>206,573</u>

Total Constitutional Officers - Fees Fund		\$ 379,118
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 69,456	
Accountants/Bookkeepers	60,809	
Educational Incentive - Official/Admin Officer	2,520	
Longevity Pay	840	
Board and Committee Members Fees	13,200	
Communication	5,077	
Data Processing Services	6,400	
Dues and Memberships	3,338	
Legal Notices, Recording, and Court Costs	1,120	
Postal Charges	561	
Printing, Stationery, and Forms	69	
Travel	1,774	
Drugs and Medical Supplies	935	
Electricity	10,352	
Office Supplies	1,077	
Other Charges	<u>1,452</u>	
Total Administration		\$ 178,980

Highway and Bridge Maintenance

Laborers	\$ 423,988	
Other Contracted Services	335,258	
Asphalt	367,084	
Crushed Stone	224,016	
Fertilizer, Lime, and Seed	82,920	
Other Road Supplies	30,302	
Pipe	123,191	
Road Signs	5,868	
Wood Products	<u>5,718</u>	
Total Highway and Bridge Maintenance		1,598,345

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Laborers	\$	146,099	
Diesel Fuel		203,793	
Equipment and Machinery Parts		124,128	
Gasoline		153,461	
Lubricants		8,656	
Tires and Tubes		35,164	
Total Operation and Maintenance of Equipment			\$ 671,301

Other Charges

Liability Insurance	\$	3,882	
Premiums on Corporate Surety Bonds		400	
Trustee's Commission		28,120	
Vehicle and Equipment Insurance		36,945	
Workers' Compensation Insurance		34,774	
Total Other Charges			104,121

Employee Benefits

Social Security	\$	50,959	
State Retirement		87,612	
Employee and Dependent Insurance		83,466	
Unemployment Compensation		517	
Other Fringe Benefits		3,294	
Total Employee Benefits			225,848

Capital Outlay

Engineering Services	\$	6,838	
Highway Equipment		126,836	
State Aid Projects		121,416	
Total Capital Outlay			255,090

Total Highway/Public Works Fund \$ 3,033,685

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	643,630	
Total General Government			\$ 643,630

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 534,973	
Total General Government		\$ 534,973

Other Debt Service

General Government

Trustee's Commission	\$ 6,219	
Other Debt Issuance Charges	2,212	
Total General Government		<u>8,431</u>

Total General Debt Service Fund		\$ 1,187,034
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General Capital Projects Fund

Other Debt Service

General Government

Underwriter's Discount	\$ 63,117	
Other Debt Issuance Charges	106,873	
Total General Government		\$ 169,990

Capital Projects

Administration of Justice Projects

Foremen	\$ 217,635	
Social Security	16,298	
Unemployment Compensation	339	
Architects	81,149	
Legal Services	32,750	
Utilities	11,303	
Excess Risk Insurance	2,203	
Liability Insurance	19,053	
Other Charges	21,106	
Building Construction	4,734,947	
Land	1,900,000	
Total Administration of Justice Projects		<u>7,036,783</u>

Total General Capital Projects Fund		7,206,773
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Community Development/Industrial Park Fund

Capital Projects

Other General Government Projects

Engineering Services	\$ 6,750	
Other Contracted Services	5,000	
Total Other General Government Projects		<u>\$ 11,750</u>

Total Community Development/Industrial Park Fund		11,750
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(Continued)

Exhibit K-7

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

Other Capital Projects Fund

Capital Projects

Other General Government Projects

Consultants	\$	4,940	
Engineering Services		17,270	
Other Contracted Services		2,756	
Other Charges		23,959	
Site Development		9,223	
Other Construction		44,057	
Total Other General Government Projects			\$ 102,205

Total Other Capital Projects Fund \$ 102,205

Total Governmental Funds - Primary Government \$ 22,512,788

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 7,218,477	
Career Ladder Program	75,208	
Career Ladder Extended Contracts	32,950	
Educational Assistants	582,010	
Other Salaries and Wages	21,280	
Certified Substitute Teachers	15,589	
Non-certified Substitute Teachers	79,962	
Social Security	466,452	
State Retirement	543,197	
Medical Insurance	896,889	
Dental Insurance	48,759	
Unemployment Compensation	9,578	
Employer Medicare	109,486	
Other Contracted Services	69,348	
Instructional Supplies and Materials	165,017	
Textbooks	240,587	
Other Charges	6,021	
Regular Instruction Equipment	109,068	
Total Regular Instruction Program		\$ 10,689,878

Alternative Instruction Program

Teachers	\$ 221,769	
Career Ladder Program	1,000	
Other Salaries and Wages	27,355	
Certified Substitute Teachers	121	
Non-certified Substitute Teachers	4,350	
Social Security	15,188	
State Retirement	17,768	
Medical Insurance	34,471	
Dental Insurance	1,330	
Unemployment Compensation	379	
Employer Medicare	3,553	
Other Contracted Services	743	
Instructional Supplies and Materials	3,569	
Other Supplies and Materials	362	
Other Charges	136	
Total Alternative Instruction Program		332,094

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$ 1,052,637	
Career Ladder Program	4,000	
Homebound Teachers	13,942	
Educational Assistants	30,504	
Other Salaries and Wages	9,001	
Certified Substitute Teachers	3,734	
Non-certified Substitute Teachers	11,075	
Social Security	65,370	
State Retirement	71,495	
Medical Insurance	127,249	
Dental Insurance	6,844	
Unemployment Compensation	1,302	
Employer Medicare	15,351	
Contracts with Other School Systems	50,000	
Maintenance and Repair Services - Equipment	287	
Other Contracted Services	3,599	
Instructional Supplies and Materials	19,203	
Regular Instruction Equipment	120	
Total Special Education Program		\$ 1,485,713

Vocational Education Program

Teachers	\$ 467,722	
Career Ladder Program	1,000	
Certified Substitute Teachers	4,160	
Non-certified Substitute Teachers	5,852	
Social Security	27,695	
State Retirement	30,092	
Medical Insurance	50,158	
Dental Insurance	2,379	
Unemployment Compensation	554	
Employer Medicare	6,529	
Maintenance and Repair Services - Equipment	2,875	
Instructional Supplies and Materials	12,514	
T&I Construction Materials	6,213	
Textbooks	1,399	
Vocational Instruction Equipment	636	
Total Vocational Education Program		619,778

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program

Teachers	\$	46,257	
Unemployment Compensation		185	
Employer Medicare		671	
Instructional Supplies and Materials		3,044	
Other Supplies and Materials		600	
Total Adult Education Program			\$ 50,757

Support Services

Attendance

Supervisor/Director	\$	72,776	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		600	
Social Security		4,669	
State Retirement		4,904	
Medical Insurance		4,147	
Dental Insurance		316	
Unemployment Compensation		42	
Employer Medicare		1,092	
Travel		3,307	
Other Contracted Services		23,308	
Other Supplies and Materials		52	
In Service/Staff Development		541	
Other Charges		3,094	
Attendance Equipment		10,730	
Total Attendance			132,578

Health Services

Medical Personnel	\$	68,273
Social Security		3,892
State Retirement		4,383
Medical Insurance		16,340
Dental Insurance		302
Unemployment Compensation		84
Employer Medicare		910
Travel		2,189
Other Contracted Services		15,055
Drugs and Medical Supplies		1,630
Other Supplies and Materials		18,025
In Service/Staff Development		3,171

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Other Charges	\$ 708	
Total Health Services		\$ 134,962

Other Student Support

Career Ladder Program	\$ 4,990	
Guidance Personnel	362,901	
Attendants	135,262	
Other Salaries and Wages	2,300	
Social Security	29,581	
State Retirement	39,614	
Medical Insurance	44,489	
Dental Insurance	2,384	
Unemployment Compensation	846	
Employer Medicare	6,918	
Contracts with Government Agencies	77,848	
Evaluation and Testing	28,544	
Travel	108	
Other Contracted Services	16,039	
Other Supplies and Materials	898	
Other Charges	12,199	
Other Equipment	8,658	
Total Other Student Support		773,579

Regular Instruction Program

Supervisor/Director	\$ 205,872
Career Ladder Program	13,048
Career Ladder Extended Contracts	800
Librarians	251,426
Instructional Computer Personnel	121,829
Other Salaries and Wages	38,900
Social Security	36,872
State Retirement	42,999
Medical Insurance	69,364
Dental Insurance	3,672
Unemployment Compensation	509
Employer Medicare	8,623
Travel	6,661
Other Contracted Services	2,970
Library Books/Media	28,213

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Periodicals	\$	2,808	
Other Supplies and Materials		295	
In Service/Staff Development		10,607	
Other Charges		485	
Other Equipment		9,811	
Total Regular Instruction Program			\$ 855,764

Alternative Instruction Program

Supervisor/Director	\$	52,463	
Career Ladder Program		780	
In-Service Training		864	
Social Security		3,176	
State Retirement		3,474	
Medical Insurance		3,158	
Dental Insurance		249	
Unemployment Compensation		47	
Employer Medicare		743	
Travel		87	
In Service/Staff Development		2,640	
Total Alternative Instruction Program			67,681

Special Education Program

Supervisor/Director	\$	53,774	
Career Ladder Program		3,900	
Psychological Personnel		55,218	
Social Security		6,865	
State Retirement		7,248	
Medical Insurance		8,690	
Dental Insurance		609	
Unemployment Compensation		86	
Employer Medicare		1,605	
Travel		9,996	
Other Supplies and Materials		386	
In Service/Staff Development		3,482	
Total Special Education Program			151,859

Vocational Education Program

Supervisor/Director	\$	61,945	
Career Ladder Program		1,000	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Secretary(ies)	\$	40,389	
Social Security		5,836	
State Retirement		9,159	
Medical Insurance		11,205	
Dental Insurance		272	
Unemployment Compensation		122	
Employer Medicare		1,365	
Travel		3,616	
Other Contracted Services		3,422	
Other Supplies and Materials		3,357	
In Service/Staff Development		4,524	
Other Equipment		1,445	
Total Vocational Education Program			\$ 147,657

Adult Programs

Supervisor/Director	\$	14,795	
Career Ladder Program		220	
Other Salaries and Wages		25,995	
Social Security		2,356	
State Retirement		4,258	
Medical Insurance		4,947	
Dental Insurance		66	
Unemployment Compensation		42	
Employer Medicare		551	
Travel		239	
Other Supplies and Materials		967	
In Service/Staff Development		2,359	
Other Charges		1,660	
Total Adult Programs			58,455

Other Programs

On-Behalf Payments to OPEB	\$	116,000	
Total Other Programs			116,000

Board of Education

Secretary to Board	\$	3,023	
Board and Committee Members Fees		4,795	
Social Security		485	
State Retirement		383	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Medical Insurance	\$	20	
Unemployment Compensation		5	
Employer Medicare		113	
Audit Services		5,250	
Dues and Memberships		8,220	
Legal Services		2,476	
Travel		15,277	
Other Contracted Services		35,797	
Liability Insurance		26,276	
Trustee's Commission		139,870	
Workers' Compensation Insurance		132,035	
In Service/Staff Development		730	
Refund to Applicant for Criminal Investigation		1,008	
Other Charges		7,325	
Total Board of Education			\$ 383,088

Director of Schools

County Official/Administrative Officer	\$	90,900	
Career Ladder Program		1,700	
Clerical Personnel		78,888	
Social Security		10,442	
State Retirement		15,940	
Medical Insurance		11,397	
Dental Insurance		316	
Unemployment Compensation		163	
Employer Medicare		2,442	
Communication		4,167	
Dues and Memberships		3,212	
Postal Charges		4,969	
Travel		6,696	
Other Contracted Services		7,389	
Office Supplies		10,580	
Other Supplies and Materials		324	
In Service/Staff Development		1,330	
Other Charges		6,121	
Administration Equipment		5,316	
Total Director of Schools			262,292

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	409,620	
Career Ladder Program		16,001	
Accountants/Bookkeepers		62,939	
Career Ladder Extended Contracts		11,427	
Assistant Principals		453,928	
Secretary(ies)		204,621	
Social Security		67,930	
State Retirement		89,159	
Medical Insurance		104,791	
Dental Insurance		3,586	
Unemployment Compensation		1,196	
Employer Medicare		15,887	
Communication		53,258	
Dues and Memberships		3,750	
Travel		3,759	
Other Contracted Services		23,244	
Other Supplies and Materials		1,535	
Other Charges		7,264	
Administration Equipment		10,777	
Total Office of the Principal			\$ 1,544,672

Fiscal Services

Supervisor/Director	\$	78,639	
Accountants/Bookkeepers		73,640	
Clerical Personnel		57,850	
Social Security		11,978	
State Retirement		26,542	
Medical Insurance		18,444	
Dental Insurance		329	
Unemployment Compensation		214	
Employer Medicare		2,801	
Data Processing Services		834	
Travel		642	
Other Contracted Services		7,499	
Data Processing Supplies		4,675	
Other Supplies and Materials		1,572	
In Service/Staff Development		1,462	
Administration Equipment		9,991	
Total Fiscal Services			297,112

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Other Salaries and Wages	\$	1,200	
Social Security		74	
Unemployment Compensation		7	
Employer Medicare		17	
Maintenance and Repair Services - Equipment		2,692	
Other Contracted Services		591,985	
Electricity		507,270	
Natural Gas		158,119	
Water and Sewer		67,972	
Other Supplies and Materials		1,197	
Boiler Insurance		6,006	
Building and Contents Insurance		109,421	
Other Charges		214	
Total Operation of Plant			\$ 1,446,174

Maintenance of Plant

Supervisor/Director	\$	29,250	
Maintenance Personnel		121,879	
Social Security		9,134	
State Retirement		14,756	
Medical Insurance		18,531	
Unemployment Compensation		367	
Employer Medicare		2,136	
Laundry Service		2,057	
Maintenance and Repair Services - Buildings		340,366	
Maintenance and Repair Services - Equipment		17,199	
Other Contracted Services		57,389	
Other Supplies and Materials		88,881	
Other Charges		12,044	
Maintenance Equipment		62,820	
Total Maintenance of Plant			776,809

Transportation

Supervisor/Director	\$	40,127
Mechanic(s)		139,592
Bus Drivers		646,192
Social Security		50,517
State Retirement		96,061
Medical Insurance		10,794

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Dental Insurance	\$	170	
Unemployment Compensation		2,242	
Employer Medicare		11,815	
Communication		21,417	
Laundry Service		2,651	
Maintenance and Repair Services - Vehicles		93,756	
Medical and Dental Services		16,822	
Diesel Fuel		189,130	
Gasoline		56,383	
Lubricants		9,260	
Tires and Tubes		59,353	
Vehicle Parts		69,964	
Other Supplies and Materials		41,250	
Vehicle and Equipment Insurance		33,784	
In Service/Staff Development		1,601	
Other Charges		30,148	
Transportation Equipment		<u>167,824</u>	
Total Transportation	\$		1,790,853

Central and Other

Supervisor/Director	\$	59,665	
Social Security		3,699	
State Retirement		3,831	
Medical Insurance		11,043	
Dental Insurance		604	
Unemployment Compensation		42	
Employer Medicare		865	
Travel		1,008	
Office Supplies		73	
Other Supplies and Materials		312	
In Service/Staff Development		1,432	
Administration Equipment		<u>269</u>	
Total Central and Other			82,843

Operation of Non-Instructional Services

Early Childhood Education

Teachers	\$	263,923	
Educational Assistants		107,980	
Certified Substitute Teachers		162	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Non-certified Substitute Teachers	\$	2,616	
Social Security		21,740	
State Retirement		30,126	
Medical Insurance		36,095	
Dental Insurance		1,791	
Unemployment Compensation		572	
Employer Medicare		5,086	
Other Contracted Services		4,200	
Instructional Supplies and Materials		49,068	
Other Supplies and Materials		1,051	
In Service/Staff Development		1,198	
Other Charges		3,081	
Other Equipment		12,483	
Total Early Childhood Education			\$ 541,172

Capital Outlay

Regular Capital Outlay

Engineering Services	\$	5,500	
Building Improvements		287,890	
Total Regular Capital Outlay			293,390

Total General Purpose School Fund \$ 23,035,160

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	780,803	
Educational Assistants		214,724	
Other Salaries and Wages		3,617	
Certified Substitute Teachers		470	
Non-certified Substitute Teachers		2,839	
Social Security		59,194	
State Retirement		76,559	
Medical Insurance		86,860	
Dental Insurance		5,987	
Unemployment Compensation		1,434	
Employer Medicare		13,848	
Other Contracted Services		19,361	
Instructional Supplies and Materials		46,666	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Other Supplies and Materials	\$ 24,966	
Regular Instruction Equipment	170,438	
Total Regular Instruction Program		\$ 1,507,766

Alternative Instruction Program

Instructional Supplies and Materials	\$ 1,776	
Other Equipment	2,386	
Total Alternative Instruction Program		4,162

Special Education Program

Teachers	\$ 117,118	
Educational Assistants	435,150	
Social Security	33,040	
State Retirement	57,697	
Medical Insurance	19,840	
Dental Insurance	452	
Unemployment Compensation	1,232	
Employer Medicare	7,727	
Contracts with Other School Systems	104,500	
Other Contracted Services	41,115	
Instructional Supplies and Materials	10,772	
Textbooks	2,457	
Other Supplies and Materials	742	
Other Charges	387	
Special Education Equipment	11,240	
Total Special Education Program		843,469

Vocational Education Program

Instructional Supplies and Materials	\$ 48,249	
Vocational Instruction Equipment	76,150	
Total Vocational Education Program		124,399

Support Services

Other Student Support

Guidance Personnel	\$ 30,926	
Other Salaries and Wages	50,999	
Social Security	4,355	
State Retirement	4,054	
Medical Insurance	5,643	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Unemployment Compensation	\$	97	
Employer Medicare		1,188	
Evaluation and Testing		20,455	
Travel		19,696	
Other Contracted Services		13,381	
Other Supplies and Materials		2,637	
In Service/Staff Development		4,777	
Other Charges		1,664	
Total Other Student Support			\$ 159,872

Regular Instruction Program

Supervisor/Director	\$	95,893	
In-Service Training		11,412	
Social Security		6,242	
State Retirement		6,903	
Medical Insurance		8,756	
Dental Insurance		302	
Unemployment Compensation		102	
Employer Medicare		1,460	
Travel		401	
Other Contracted Services		4,844	
Other Supplies and Materials		317	
In Service/Staff Development		78,519	
Total Regular Instruction Program			215,151

Special Education Program

Supervisor/Director	\$	32,749	
Assessment Personnel		103,370	
In-Service Training		3,510	
Social Security		8,439	
State Retirement		8,964	
Medical Insurance		4,802	
Dental Insurance		604	
Unemployment Compensation		114	
Employer Medicare		1,974	
Travel		2,777	
Other Supplies and Materials		1,352	
In Service/Staff Development		10,465	
Total Special Education Program			179,120

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

In-Service Training	\$	648	
Social Security		40	
State Retirement		42	
Employer Medicare		9	
In Service/Staff Development		3,171	
Total Vocational Education Program			\$ 3,910

Transportation

Mechanic(s)	\$	5,216	
Bus Drivers		16,639	
Social Security		1,355	
State Retirement		2,507	
Medical Insurance		1,317	
Unemployment Compensation		33	
Employer Medicare		317	
Contracts with Parents		3,643	
Other Contracted Services		5,168	
Transportation Equipment		83,001	
Total Transportation			119,196

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	54,570	
Other Salaries and Wages		185,052	
Social Security		13,941	
State Retirement		15,260	
Medical Insurance		8,716	
Dental Insurance		300	
Unemployment Compensation		60	
Employer Medicare		3,381	
Travel		1,400	
Other Contracted Services		3,235	
Instructional Supplies and Materials		18,511	
In Service/Staff Development		234	
Other Charges		9,467	
Other Equipment		2,074	
Total Community Services			316,201

Total School Federal Projects Fund \$ 3,473,246

(Continued)

Exhibit K-8

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

Central Cafeteria Fund

Support Services

Board of Education

Refund to Applicant for Criminal Investigation	\$ 180	
Total Board of Education		\$ 180

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 56,223	
Accountants/Bookkeepers	36,902	
Clerical Personnel	29,011	
Cafeteria Personnel	680,112	
Other Salaries and Wages	27,140	
Social Security	49,399	
State Retirement	95,374	
Medical Insurance	24,497	
Unemployment Compensation	2,287	
Employer Medicare	11,553	
Other Fringe Benefits	19,468	
Communication	5,286	
Maintenance and Repair Services - Equipment	26,580	
Transportation - Other than Students	10,470	
Travel	8,781	
Other Contracted Services	9,124	
Food Preparation Supplies	76,383	
Food Supplies	725,284	
Office Supplies	5,972	
Uniforms	502	
USDA - Commodities	106,306	
Other Supplies and Materials	24,961	
In Service/Staff Development	2,761	
Other Charges	750	
Food Service Equipment	30,567	
Total Food Service		<u>2,065,693</u>

Total Central Cafeteria Fund		\$ 2,065,873
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Education Capital Projects Fund

Capital Projects

Education Capital Projects

Building Improvements	\$ 5,218	
Total Education Capital Projects		<u>\$ 5,218</u>

Total Education Capital Projects Fund		<u>5,218</u>
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Total Governmental Funds - Haywood County School Department		<u>\$ 28,579,497</u>
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Exhibit K-9

Haywood County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2010

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 1,349,732
Total Cash Receipts	<u>\$ 1,349,732</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,336,235
Trustee's Commission	13,497
Total Cash Disbursements	<u>\$ 1,349,732</u>
 Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2009	<u>0</u>
 Cash Balance, June 30, 2010	<u><u>\$ 0</u></u>

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

January 20, 2011

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Haywood County's basic financial statements and have issued our report thereon dated January 20, 2011. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the Haywood County Emergency Communications District and the Haywood County Utility District, discretely presented components units, which were not available from other auditors as of the date of this report. Also, our report on the aggregate remaining fund information was qualified due to not including the financial statements of the Elma Ross Public Library, a nonmajor special revenue fund, 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 Haywood County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Haywood County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Haywood County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and 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 10.07.

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, 10.05, and 10.06.

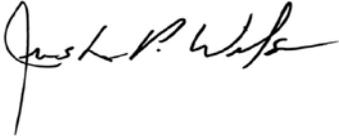
Compliance and Other Matters

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

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke extending to the right.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
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NASHVILLE, TENNESSEE 37243-1402
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

January 20, 2011

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Haywood County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. Haywood County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Haywood County's management. Our responsibility is to express an opinion on Haywood County's compliance based on our audit.

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

believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Haywood County's compliance with those requirements.

In our opinion, Haywood County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Haywood County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Haywood County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Haywood 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 controls over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County as of and for the year ended June 30, 2010, and have issued our report thereon dated January 20, 2011. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Haywood County Emergency Communications District and the Haywood County Utility District, which were not available from other auditors as of the date of this report. Also, our report on the aggregate remaining fund information was qualified due to not including the financial statements of the Elma Ross Public Library, a nonmajor special revenue fund, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Haywood County's basic financial statements. The

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

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

Yours very truly,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Haywood 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:			
Direct Program:			
Community Facilities Loans and Grants	10.766	N/A	\$ 50,000
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	106,306 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	501,114
National School Lunch Program	10.555	N/A	1,053,468 (3)
Summer Food Service Program for Children	10.559	N/A	11,770
Child Nutrition Discretionary Grants, Limited Availability	10.579	N/A	25,700
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	(2)	79,271
Total U.S. Department of Agriculture			\$ 1,827,629
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	(2)	\$ 1,750
Total U.S. Department of Housing and Urban Development:			\$ 1,750
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	Z-08-023233	\$ 9,300
Total U.S. Department of Justice			\$ 9,300
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	Z-08-201216-00	\$ 102,956
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,131,367
Title I Grants to Local Education Agencies, Recovery Act	84.389	N/A	292,031
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	772,786
Special Education - Preschool Grants	84.173	N/A	38,896
Special Education - Grants to States, Recovery Act	84.391	N/A	318,729
Special Education - Preschool Grants, Recovery Act	84.392	N/A	5,673
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	N/A	605,300
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	N/A	190,515
Career and Technical Education - Basic Grants to States	84.048	N/A	163,512
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	21,430
Twenty-first Century Community Learning Centers	84.287	N/A	350,000
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	13,161
Education Technology State Grants, Recovery Act	84.386	N/A	22,983
Rural Education	84.358	N/A	100,267
English Language Acquisition Grants	84.365	N/A	8,910
Improving Teacher Quality State Grants	84.367	N/A	261,596
Total U.S. Department of Education			\$ 4,400,112

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security: Passed-through State Department of Military: Homeland Security Grant Program	97.067	(2)	\$ 33,765
Total U.S. Department of Homeland Security			\$ 33,765
Total Expenditures of Federal Awards			\$ 6,272,556
<u>State Grants</u>		<u>Contract Number</u>	
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 5,725
Optional Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	13,220
Public Safety Grant - State Department of Transportation	N/A	(2)	5,050
Highway Safety Grant - State Department of Transportation	N/A	(2)	8,894
Rural Local Health Services - State Department of Health	N/A	(2)	130,525
Delta Rural Health - Lebonheur Methodist Hospital	N/A	(2)	13,758
Litter Grant - State Department of Transportation	N/A	(2)	24,147
Early Childhood Education - State Department of Education	N/A	(2)	583,550
Local Parks and Recreation Fund - State Department of Environment and Conservation	N/A	(2)	170,965
Total State Grants			\$ 955,834

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Total for CFDA No. 10.555 is \$1,159,774.

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

HAYWOOD COUNTY

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.01	198	Haywood County does not have the resources to produce financial statements and notes to the financial statements

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.02	199	A fund required material audit adjustments for proper financial statement presentation
09.03	199	The Solid Waste Disposal Fund had a deficit in unrestricted net assets

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.05	200	The Highway Department did not maintain a system to account for materials used on some types of road projects

OFFICE OF REGISTER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.06	201	Duties were not segregated adequately in the office

HAYWOOD COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our reports on the aggregate discretely presented component units and the aggregate remaining fund information are qualified. Our report on the governmental activities, the business-type activities, and each major fund is unqualified.
2. The audit of the financial statements of Haywood 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 Haywood County.
4. The audit disclosed no significant deficiency in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The 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); the Twenty-first Century Community Learning Centers (CFDA No. 84.287); 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. Haywood County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

HAYWOOD COUNTY

FINDING 10.01 **HAYWOOD COUNTY DOES NOT HAVE THE RESOURCES TO PRODUCE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS**

(Internal Control – Material Weakness Under Government Auditing Standards)

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

RECOMMENDATION

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

OFFICE OF COUNTY MAYOR

FINDING 10.02 **THE GENERAL CAPITAL PROJECTS FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2010, various general ledger account balances of the General Capital Projects Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Haywood County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

FINDING 10.03 **THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN UNRESTRICTED NET ASSETS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Solid Waste Disposal Fund had a deficit in unrestricted net assets of \$1,454,007 at June 30, 2010. This deficit resulted from the recognition of a liability totaling \$1,782,230 in the financial statements for future costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists because management failed to correct the finding noted in prior audit reports and resulted in inadequate financing to fund the liability.

RECOMMENDATION

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

FINDING 10.04 EXPENDITURES EXCEEDED APPROPRIATIONS
(Noncompliance Under Government Auditing Standards)

General Fund expenditures exceeded appropriations approved by the County Commission in the Civil Defense and the Parks and Fair Boards major appropriation categories (the legal level of control) by \$2,290 and \$27,940, respectively. Section 5-9-401, Tennessee Code Annotated states, “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 of the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.” 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.

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

FINDING 10.05 THE HIGHWAY DEPARTMENT DID NOT MAINTAIN A SYSTEM TO ACCOUNT FOR MATERIALS USED ON SOME TYPES OF ROAD PROJECTS
(Internal Control – Significant Deficiency Under Government Auditing Standards)

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

RECOMMENDATION

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

OFFICE OF REGISTER

**FINDING 10.06 DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICE
(Internal Control – Significant Deficiency Under Government Auditing Standards)**

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

RECOMMENDATION

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

OTHER FINDING AND RECOMMENDATION

**FINDING 10.07 HAYWOOD COUNTY HAS MATERIAL RECURRING AUDIT FINDINGS
(Internal Control – Material Weakness Under Government Auditing Standards)**

Haywood 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	Haywood County does not have the resources to produce financial statements and notes to the financial statements
10.02, 09.02, 08.04	Several funds 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

Haywood 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 would provide management with guidance to correct all reported material weaknesses in internal control and material noncompliance. If these audit findings continue to recur, Haywood County may be required to establish an Audit Committee under the provisions of Section 9-3-405, TCA.

BEST PRACTICE

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

Haywood 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 Haywood 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.

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

There were no findings and questioned costs for federal awards.

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

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