
ANNUAL FINANCIAL REPORT LEWIS COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2010



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

DEPARTMENT OF AUDIT
JUSTIN P. WILSON
Comptroller of the Treasury

DIVISION OF COUNTY AUDIT
RICHARD V. NORMENT
Assistant to the Comptroller

JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

KENT WHITE, CPA, CGFM, CFE
Auditor 4

DONYA WADE, CFE
MARK HARVILL
JACOB KENNEDY
State Auditors

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

LEWIS COUNTY, TENNESSEE TABLE OF CONTENTS

| | Exhibit | Page(s) |
|---|---------|---------|
| Audit Highlights | | 6-7 |
| <u>INTRODUCTORY SECTION</u> | | 8 |
| Lewis County Officials | | 9 |
| <u>FINANCIAL SECTION</u> | | 10 |
| Independent Auditor's Report | | 11-13 |
| BASIC FINANCIAL STATEMENTS: | | 14 |
| Government-wide Financial Statements: | | |
| Statement of Net Assets | A | 15 |
| Statement of Activities | B | 16-17 |
| Fund Financial Statements: | | |
| Governmental Funds: | | |
| Balance Sheet | C-1 | 18 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets | C-2 | 19 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances | C-3 | 20 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | C-4 | 21 |
| Fiduciary Funds: | | |
| Statement of Fiduciary Assets and Liabilities | D | 22 |
| Notes to the Financial Statements | | 23-55 |
| REQUIRED SUPPLEMENTARY INFORMATION: | | 56 |
| Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget: | | |
| General Fund | E-1 | 57-58 |
| Highway/Public Works Fund | E-2 | 59 |
| Schedule of Funding Progress – Pension Plans – Primary Government and Discretely Presented Lewis County School Department | E-3 | 60 |
| Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Lewis County School Department | E-4 | 61 |
| Notes to the Required Supplementary Information | | 62 |

| | Exhibit | Page(s) |
|--|---------|---------|
| COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES: | | 63 |
| Nonmajor Governmental Funds: | | 64 |
| Combining Balance Sheet | F-1 | 65 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | F-2 | 66-67 |
| Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget: | | |
| Solid Waste/Sanitation Fund | F-3 | 68 |
| Special Purpose Fund | F-4 | 69 |
| Drug Control Fund | F-5 | 70 |
| Sports and Recreation Fund | F-6 | 71 |
| Community Development/Industrial Park Fund | F-7 | 72 |
| Highway Capital Projects Fund | F-8 | 73 |
| Major Governmental Fund: | | 74 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget: | | |
| General Debt Service Fund | G | 75 |
| Fiduciary Funds: | | 76 |
| Combining Statement of Fiduciary Assets and Liabilities | H-1 | 77 |
| Combining Statement of Changes in Assets and Liabilities – All Agency Funds | H-2 | 78 |
| Component Unit: | | |
| Discretely Presented Lewis County School Department: | | 79 |
| Statement of Activities | I-1 | 80 |
| Balance Sheet – Governmental Funds | I-2 | 81 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets | I-3 | 82 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds | I-4 | 83 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | I-5 | 84 |
| Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget: | | |
| General Purpose School Fund | I-6 | 85-87 |
| School Federal Projects Fund | I-7 | 88 |
| Central Cafeteria Fund | I-8 | 89 |
| Miscellaneous Schedules: | | 90 |
| Schedule of Changes in Long-term Notes and Bonds | J-1 | 91 |
| Schedule of Long-term Debt Requirements by Year | J-2 | 92 |
| Schedule of Transfers – Primary Government and Discretely Presented Lewis County School Department | J-3 | 93 |
| Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Lewis County School Department | J-4 | 94 |

| | Exhibit | Page(s) |
|---|---------|---------|
| Schedule of Detailed Revenues – All Governmental Fund Types | J-5 | 95-104 |
| Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Lewis County School Department | J-6 | 105-106 |
| Schedule of Detailed Expenditures – All Governmental Fund Types | J-7 | 107-126 |
| Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Lewis County School Department | J-8 | 127-139 |
| Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund | J-9 | 140 |
| <u>SINGLE AUDIT SECTION</u> | | 141 |
| Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u> | | 142-144 |
| Auditor’s Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u> | | 145-147 |
| Schedule of Expenditures of Federal Awards and State Grants | | 148-149 |
| Schedule of Audit Findings Not Corrected | | 150 |
| Schedule of Findings and Questioned Costs | | 151-159 |
| Auditee Reporting Responsibilities | | 160 |

Audit Highlights

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

Scope

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

Results

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

Our audit resulted in ten findings and recommendations, which we have reviewed with Lewis County management. Detailed findings, recommendations, and management's response 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:

LEWIS COUNTY AND LEWIS COUNTY SCHOOL DEPARTMENT

- ◆ Lewis County and the Lewis County School Department do not have the resources to produce financial statements and notes to the financial statements.

OFFICE OF COUNTY MAYOR

- ◆ Deficiencies were noted in the maintenance of capital asset records.
 - ◆ Expenditures exceeded appropriations approved by the County Commission in several major appropriation categories (the legal level of control) in the General and Special Purpose funds.
 - ◆ A capital outlay note was not issued in compliance with state statutes.
 - ◆ The office had not established a formal purchase order system.
-

OFFICE OF COUNTY CLERK

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

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ The office did not deposit some funds within three days of collection.
-

OFFICE OF ASSESSOR OF PROPERTY

- ◆ Rollback taxes were not calculated.
-

OTHER FINDINGS

- ◆ Lewis County has a material recurring audit finding.
 - ◆ Duties were not segregated adequately in the Parks and Recreation Department and the Offices of County Mayor, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, and Register.
-

BEST PRACTICE

Lewis 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 Lewis County.

INTRODUCTORY SECTION

Lewis County Officials
June 30, 2010

Officials

Jonah Keltner, County Mayor
Ronnie Darnell, Road Superintendent
Benny Pace, Director of Schools
Joe Garner, Trustee
Travis Hinson, Assessor of Property
Sandra Clayton, County Clerk
Mike Hinson, Circuit and General Sessions Courts Clerk
Donna Couch, Clerk and Master
Ophelia Green, Register
Dwayne Kilpatrick, Sheriff

Board of County Commissioners

Jonah Keltner, County Mayor, Chairman
Cranford Durham
Twila Pigg
Brian Peery
Darrell Runions
Bobby James
Charles Talley
Jason Haygood
Van Ward
Ritchie Brewer

David Rentschler
Joseph Churchwell
Raymond Lomax
Leon Hunter
Matthew Spitzer
John Booker
Mark Graves
Ray Brewer, Jr.
Jason Fite

Highway Commission

Jonah Keltner, County Mayor, Chairman
Sandra Hatton
Ritchie Brewer

Board of Education

Mike Hinson, Chairman
Dustin Flowers
Marty Carroll
Steve Skelton
Jeff Gandy

Phyllis Townsend
Angela Leigh
Glenda Atkinson
Carolyn Duncan

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

September 16, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lewis County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Lewis County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lewis 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 Lewis County Emergency Communications District, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the Lewis County Emergency Communications District, which should be included to conform

with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated September 16, 2010, on our consideration of Lewis 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.A., Lewis 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.

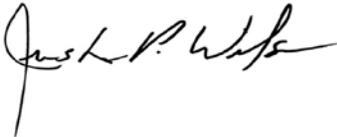
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 57 through 62 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 Lewis 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 Lewis 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 Lewis County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

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

| | <u>Primary Government Governmental Activities</u> | <u>Component Unit Lewis County School Department</u> |
|---|---|--|
| <u>ASSETS</u> | | |
| Cash | \$ 6,233 | \$ 14,275 |
| Equity in Pooled Cash and Investments | 2,471,945 | 3,911,130 |
| Inventories | 0 | 30,566 |
| Accounts Receivable | 129,855 | 606,076 |
| Allowance for Uncollectibles | (63,433) | 0 |
| Due from Other Governments | 701,090 | 745,371 |
| Property Taxes Receivable | 2,065,445 | 1,216,869 |
| Allowance for Uncollectible Property Taxes | (83,397) | (64,636) |
| Capital Assets: | | |
| Assets Not Depreciated: | | |
| Land | 906,625 | 461,601 |
| Assets Net of Accumulated Depreciation: | | |
| Buildings and Improvements | 1,373,190 | 4,937,687 |
| Other Capital Assets | 335,753 | 1,151,552 |
| Infrastructure | <u>6,480,925</u> | <u>0</u> |
| Total Assets | <u>\$ 14,324,231</u> | <u>\$ 13,010,491</u> |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 850 | \$ 13,971 |
| Accrued Payroll | 3,333 | 0 |
| Payroll Deductions Payable | 222 | 0 |
| Accrued Interest Payable | 7,895 | 0 |
| Deferred Revenue - Current Property Taxes | 1,892,473 | 1,114,963 |
| Noncurrent Liabilities: | | |
| Due Within One Year | 275,584 | 4,455 |
| Due in More Than One Year | <u>1,283,361</u> | <u>125,743</u> |
| Total Liabilities | <u>\$ 3,463,718</u> | <u>\$ 1,259,132</u> |
| <u>NET ASSETS</u> | | |
| Invested in Capital Assets, Net of Related Debt | \$ 8,906,788 | \$ 0 |
| Invested in Capital Assets | 0 | 6,550,840 |
| Restricted for: | | |
| Highway/Public Works | 1,903,912 | 0 |
| Solid Waste/Sanitation | 313,155 | 0 |
| Alcohol and Drug Treatment | 39,340 | 0 |
| Debt Service | 40,625 | 0 |
| Food Service | 0 | 506,368 |
| Capital Outlay | 0 | 523,573 |
| Basic Education Program | 0 | 151,652 |
| Other Purposes | 131,284 | 83,901 |
| Unrestricted | <u>(474,591)</u> | <u>3,935,025</u> |
| Total Net Assets | <u>\$ 10,860,513</u> | <u>\$ 11,751,359</u> |

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

Exhibit B

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

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | Component Unit |
|---|------------------|----------------------------|---|---|--|---|-------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Governmental Activities | Lewis County School Department | |
| | | | | | | | |
| Primary Government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 660,158 | \$ 224,795 | \$ 309,578 | \$ 0 | \$ (125,785) | \$ 0 | |
| Finance | 379,893 | 206,355 | 3,740 | 0 | (169,798) | 0 | |
| Administration of Justice | 408,337 | 246,356 | 9,300 | 0 | (152,681) | 0 | |
| Public Safety | 1,562,138 | 233,486 | 36,584 | 0 | (1,292,068) | 0 | |
| Public Health and Welfare | 693,175 | 501,176 | 75,522 | 335,282 | 218,805 | 0 | |
| Social, Cultural, and Recreational Services | 350,583 | 19,763 | 42,165 | 0 | (288,655) | 0 | |
| Agriculture and Natural Resources | 80,362 | 0 | 0 | 0 | (80,362) | 0 | |
| Other Operations | 393,128 | 5,722 | 2,563 | 0 | (384,843) | 0 | |
| Highways/Public Works | 2,268,072 | 12,281 | 1,369,701 | 436,677 | (449,413) | 0 | |
| Interest on Long-term Debt | 69,439 | 0 | 0 | 0 | (69,439) | 0 | |
| Other Debt Service | 647,860 | 0 | 196,230 | 0 | (451,630) | 0 | |
| Total Governmental Activities | \$ 7,513,145 | \$ 1,449,934 | \$ 2,045,383 | \$ 771,959 | \$ (3,245,869) | \$ 0 | |
| Total Primary Government | \$ 7,513,145 | \$ 1,449,934 | \$ 2,045,383 | \$ 771,959 | \$ (3,245,869) | \$ 0 | |
| Component Unit: | | | | | | | |
| Lewis County School Department | \$ 14,272,764 | \$ 341,237 | \$ 2,517,024 | \$ 0 | \$ 0 | \$ (11,414,503) | |
| Total Component Unit | \$ 14,272,764 | \$ 341,237 | \$ 2,517,024 | \$ 0 | \$ 0 | \$ (11,414,503) | |

(Continued)

Exhibit B

Lewis County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | |
|--|------------------|----------------------------|---|--|---------------------------------------|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Component Unit | |
| | | | | | Primary Governmental Activities | Lewis County School Department |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes Levied for General Purposes | | \$ 1,643,750 | | | \$ 1,062,484 | |
| Property Taxes Levied for Debt Service | | 154,813 | | | 0 | |
| Local Option Sales Tax | | 112,300 | | | 1,149,442 | |
| Wheel Tax | | 217,366 | | | 0 | |
| Litigation Tax - General | | 29,902 | | | 0 | |
| Litigation Tax - Jail, Workhouse, or Courthouse | | 15,052 | | | 0 | |
| Business Tax | | 34,555 | | | 0 | |
| Wholesale Beer Tax | | 31,197 | | | 0 | |
| Other Local Taxes | | 17,386 | | | 24,037 | |
| Grants and Contributions Not Restricted to Specific Programs | | 571,462 | | | 10,679,746 | |
| Unrestricted Investment Earnings | | 144,490 | | | 34,794 | |
| Miscellaneous | | 131,011 | | | 34,858 | |
| Insurance Recovery | | 18,175 | | | 6,766 | |
| E-rate Money | | 0 | | | 17,577 | |
| Total General Revenues | | \$ 3,121,459 | | | \$ 13,009,704 | |
| Change in Net Assets | | \$ (124,410) | | | \$ 1,595,201 | |
| Net Assets, July 1, 2009 | | 10,984,923 | | | 10,156,158 | |
| Net Assets, June 30, 2010 | | \$ 10,860,513 | | | \$ 11,751,359 | |

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

Exhibit C-1

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

| | Major Funds | | | Nonmajor | Total |
|--|--------------|--------------|------------|------------|--------------|
| | General | Highway / | General | Other | |
| | | Public | Debt | Govern- | |
| | Works | Service | mental | Funds | |
| <u>ASSETS</u> | | | | | |
| Cash | \$ 6,023 | \$ 10 | \$ 0 | \$ 200 | \$ 6,233 |
| Equity in Pooled Cash and Investments | 659,763 | 1,430,386 | 40,830 | 340,966 | 2,471,945 |
| Accounts Receivable | 1,249 | 0 | 0 | 128,606 | 129,855 |
| Allowance for Uncollectibles | 0 | 0 | 0 | (63,433) | (63,433) |
| Due from Other Governments | 269,384 | 431,706 | 0 | 0 | 701,090 |
| Property Taxes Receivable | 1,778,081 | 76,587 | 177,310 | 33,467 | 2,065,445 |
| Allowance for Uncollectible Property Taxes | (71,794) | (3,093) | (7,159) | (1,351) | (83,397) |
| Total Assets | \$ 2,642,706 | \$ 1,935,596 | \$ 210,981 | \$ 438,455 | \$ 5,227,738 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | |
| <u>Liabilities</u> | | | | | |
| Accounts Payable | \$ 0 | \$ 850 | \$ 0 | \$ 0 | \$ 850 |
| Accrued Payroll | 3,333 | 0 | 0 | 0 | 3,333 |
| Payroll Deductions Payable | 0 | 0 | 0 | 206 | 206 |
| Due to State of Tennessee | 16 | 0 | 0 | 0 | 16 |
| Deferred Revenue - Current Property Taxes | 1,629,175 | 70,173 | 162,461 | 30,664 | 1,892,473 |
| Deferred Revenue - Delinquent Property Taxes | 57,823 | 2,633 | 5,809 | 988 | 67,253 |
| Other Deferred Revenues | 14,024 | 130,494 | 0 | 57,457 | 201,975 |
| Total Liabilities | \$ 1,704,371 | \$ 204,150 | \$ 168,270 | \$ 89,315 | \$ 2,166,106 |
| <u>Fund Balances</u> | | | | | |
| Reserved for Alcohol and Drug Treatment | \$ 39,340 | \$ 0 | \$ 0 | \$ 0 | \$ 39,340 |
| Reserved for Litigation Tax - Jail, Workhouse, or Courthouse | 15,052 | 0 | 0 | 0 | 15,052 |
| Reserved for Drug Court | 16,253 | 0 | 0 | 0 | 16,253 |
| Reserved for Sexual Offender Registration | 1,384 | 0 | 0 | 0 | 1,384 |
| Reserved for Courtroom Security | 367 | 0 | 0 | 0 | 367 |
| Reserved for Computer System - Register | 21,811 | 0 | 0 | 0 | 21,811 |
| Reserved for Automation Purposes - Circuit Court | 1,420 | 0 | 0 | 0 | 1,420 |
| Reserved for Automation Purposes - General Sessions Court | 5,447 | 0 | 0 | 0 | 5,447 |
| Reserved for Automation Purposes - Chancery Court | 5,505 | 0 | 0 | 0 | 5,505 |
| Reserved for Automation Purposes - Sheriff | 12,005 | 0 | 0 | 0 | 12,005 |
| Reserved for Automation Purposes - County Clerk | 11,639 | 0 | 0 | 0 | 11,639 |
| Reserved for Capital Outlay | 97,915 | 0 | 0 | 0 | 97,915 |
| Reserved for Other General Purposes | 10,706 | 0 | 0 | 0 | 10,706 |
| Unreserved, Reported In: | | | | | |
| General Fund | 699,491 | 0 | 0 | 0 | 699,491 |
| Special Revenue Funds | 0 | 1,731,446 | 0 | 285,393 | 2,016,839 |
| Debt Service Funds | 0 | 0 | 42,711 | 0 | 42,711 |
| Capital Projects Funds | 0 | 0 | 0 | 63,747 | 63,747 |
| Total Fund Balances | \$ 938,335 | \$ 1,731,446 | \$ 42,711 | \$ 349,140 | \$ 3,061,632 |
| Total Liabilities and Fund Balances | \$ 2,642,706 | \$ 1,935,596 | \$ 210,981 | \$ 438,455 | \$ 5,227,738 |

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

Exhibit C-2

Lewis 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) | | \$ 3,061,632 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | |
| Add: land | \$ 906,625 | |
| Add: buildings and improvements net of accumulated depreciation | 1,373,190 | |
| Add: other capital assets net of accumulated depreciation | 335,753 | |
| Add: infrastructure net of accumulated depreciation | <u>6,480,925</u> | 9,096,493 |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | |
| Less: notes payable | \$ (287,620) | |
| Less: bonds payable | (1,230,000) | |
| Less: compensated absences payable | (15,929) | |
| Less: other postemployment benefits liability | (25,396) | |
| Less: accrued interest on bonds and notes | <u>(7,895)</u> | (1,566,840) |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | <u>269,228</u> |
| Net assets of governmental activities (Exhibit A) | | <u>\$ 10,860,513</u> |

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

Exhibit C-3

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

| | Major Funds | | | Nonmajor Funds | Total Governmental Funds |
|--|---------------------|------------------------------|----------------------------|-------------------------------------|--------------------------------|
| | General | Highway / Public Works | General Debt Service | Other Govern- mental Funds | |
| <u>Revenues</u> | | | | | |
| Local Taxes | \$ 2,196,020 | \$ 74,827 | \$ 171,695 | \$ 33,915 | \$ 2,476,457 |
| Licenses and Permits | 2,315 | 0 | 0 | 0 | 2,315 |
| Fines, Forfeitures, and Penalties | 66,457 | 0 | 0 | 8,237 | 74,694 |
| Charges for Current Services | 36,327 | 0 | 0 | 509,885 | 546,212 |
| Other Local Revenues | 197,988 | 0 | 136,150 | 116,988 | 451,126 |
| Fees Received from County Officials | 426,480 | 0 | 0 | 0 | 426,480 |
| State of Tennessee | 677,556 | 1,832,468 | 0 | 6,000 | 2,516,024 |
| Federal Government | 424,752 | 171,255 | 0 | 0 | 596,007 |
| Other Governments and Citizens Groups | 41,565 | 12,281 | 196,230 | 46,250 | 296,326 |
| Total Revenues | \$ 4,069,460 | \$ 2,090,831 | \$ 504,075 | \$ 721,275 | \$ 7,385,641 |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| General Government | \$ 578,878 | \$ 0 | \$ 0 | \$ 0 | \$ 578,878 |
| Finance | 319,213 | 0 | 0 | 0 | 319,213 |
| Administration of Justice | 337,578 | 0 | 0 | 10,079 | 347,657 |
| Public Safety | 1,310,210 | 0 | 0 | 153,551 | 1,463,761 |
| Public Health and Welfare | 256,348 | 0 | 0 | 414,900 | 671,248 |
| Social, Cultural, and Recreational Services | 133,746 | 0 | 0 | 141,278 | 275,024 |
| Agriculture and Natural Resources | 80,362 | 0 | 0 | 0 | 80,362 |
| Other Operations | 729,682 | 0 | 5,347 | 50,301 | 785,330 |
| Highways | 0 | 1,753,872 | 0 | 18,782 | 1,772,654 |
| Instruction | 4,800 | 0 | 0 | 0 | 4,800 |
| Debt Service: | | | | | |
| Principal on Debt | 0 | 0 | 1,252,574 | 0 | 1,252,574 |
| Interest on Debt | 0 | 0 | 79,124 | 0 | 79,124 |
| Other Debt Service | 0 | 0 | 56,389 | 0 | 56,389 |
| Total Expenditures | \$ 3,750,817 | \$ 1,753,872 | \$ 1,393,434 | \$ 788,891 | \$ 7,687,014 |
| Excess (Deficiency) of Revenues Over Expenditures | | | | | |
| | \$ 318,643 | \$ 336,959 | \$ (889,359) | \$ (67,616) | \$ (301,373) |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Notes Issued | \$ 0 | \$ 0 | \$ 55,389 | \$ 0 | \$ 55,389 |
| Insurance Recovery | 10,975 | 7,200 | 0 | 0 | 18,175 |
| Transfers In | 238,853 | 48,283 | 206,587 | 249,593 | 743,316 |
| Transfers Out | (249,593) | (48,587) | 0 | (445,136) | (743,316) |
| Total Other Financing Sources (Uses) | \$ 235 | \$ 6,896 | \$ 261,976 | \$ (195,543) | \$ 73,564 |
| Net Change in Fund Balances | | | | | |
| | \$ 318,878 | \$ 343,855 | \$ (627,383) | \$ (263,159) | \$ (227,809) |
| Fund Balance, July 1, 2009 | 619,457 | 1,387,591 | 670,094 | 612,299 | 3,289,441 |
| Fund Balance, June 30, 2010 | \$ 938,335 | \$ 1,731,446 | \$ 42,711 | \$ 349,140 | \$ 3,061,632 |

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

Exhibit C-4

Lewis 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) | | \$ (227,809) |
| (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 | \$ 692,113 | |
| Less: current year depreciation expense | <u>(1,167,588)</u> | (475,475) |
| (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 | \$ 269,228 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2009 | <u>(284,309)</u> | (15,081) |
| (3) The issuance of long-term debt (e.g., bonds and notes) 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. | | |
| Add: principal payments on bonds | \$ 150,000 | |
| Add: principal payments on notes | 511,103 | |
| Less: note proceeds | <u>(55,389)</u> | 605,714 |
| (4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | |
| Change in accrued interest payable | \$ 9,685 | |
| Change in compensated absences payable | 2,585 | |
| Change in other postemployment benefits liability | <u>(24,029)</u> | <u>(11,759)</u> |
| Change in net assets of governmental activities (Exhibit B) | | <u>\$ (124,410)</u> |

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

Exhibit D

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

| | <u>Agency Funds</u> |
|-------------------------------------|-------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 677,416 |
| Due from Other Governments | <u>159,558</u> |
| Total Assets | <u>\$ 836,974</u> |
| <u>LIABILITIES</u> | |
| Due to Other Taxing Units | \$ 159,558 |
| Due to Litigants, Heirs, and Others | <u>677,416</u> |
| Total Liabilities | <u>\$ 836,974</u> |

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lewis 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 Lewis County:

A. Reporting Entity

Lewis County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Lewis County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Lewis County School Department operates the public school system in the county, and the voters of Lewis 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 Lewis County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Lewis County, and the Lewis 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 Lewis County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Lewis 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 Lewis

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

Administrative Office:

Lewis County Emergency Communications District
P.O. Box 611
Hohenwald, TN 38462

B. Government-wide and Fund Financial Statements

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

Lewis County issues most debt for the discretely presented Lewis County School Department. No debt issues were contributed by the county to the School Department during the year ended June 30, 2010.

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

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

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

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

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

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

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

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

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

Lewis County reports the following major governmental funds:

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

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

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

Additionally, Lewis County reports the following fund types:

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Lewis 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 Lewis County School Department reports the following major governmental funds:

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial

statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

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

2. Receivables and Payables

All solid waste and property tax receivables are shown with an allowance for uncollectibles. Solid waste receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to two percent of total taxes levied.

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

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

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

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

3. Inventories

Inventories of the School Department are recorded at cost, determined on the average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. **Capital Assets**

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

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

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

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

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

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 20-40 |
| Other Capital Assets | 5-20 |
| Infrastructure: | |
| Roads | 8-30 |
| Bridges | 20-40 |

5. **Compensated Absences**

It is the county's policy to permit employees to accumulate earned but unused sick leave and compensatory time benefits. There is no liability for unpaid accumulated sick leave since Lewis County does not have a policy to pay any amounts when employees separate from service with the government. The county's policy does not allow for the accumulation of unused vacation days beyond the fiscal year.

It is the School Department's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. 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. A

liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

6. Long-term Obligations

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

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

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

7. Net Assets and Fund Equity

In the government-wide financial statements, 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, Lewis County had \$1,230,000 in outstanding debt for capital purposes for the discretely presented Lewis County School Department. This debt is a liability of Lewis County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Lewis County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county’s capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2010.

| <u>Fund/Purpose</u> | <u>Amount</u> |
|-------------------------|---------------|
| General: | |
| Library | \$ 5,133 |
| Property Assessor | 3,119 |
| Solid Waste/Sanitation: | |
| Capital Outlay | 39,789 |
| General Purpose School: | |
| Capital Outlay | 523,573 |

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 Lewis County School Department

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

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

Primary Government

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

Discretely Presented Lewis County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the major appropriation categories (the legal level of control) of the following funds:

| | | |
|----------------------------------|----|--------|
| General: | | |
| County Mayor/Executive | \$ | 2,301 |
| County Attorney | | 3,060 |
| Jail | | 91,588 |
| Juvenile Services | | 226 |
| County Coroner/Medical Examiner | | 1,252 |
| Sanitation Education/Information | | 238 |
| Miscellaneous | | 1,158 |
| Special Purpose Tax Fund: | | |
| Operating Transfer | | 48,283 |

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

C. A Capital Outlay Note was not Issued in Compliance with State Statutes

On January 22, 2010, county officials issued a \$55,439 capital outlay note to purchase a tractor for the Highway Department without the approval of the state Comptroller's Office as required by Section 9-21-601, Tennessee Code Annotated (TCA). Also, county officials did not file a Report on Debt Obligation with the state Comptroller's Office for the capital outlay note within 45 days of the debt issuance as required by Section 9-21-151, TCA. A Report on Debt Obligation was filed on August 23, 2010.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Lewis County and the Lewis 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 and 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

| | Balance 7-1-09 | Increases | Decreases | Balance 6-30-10 |
|--|----------------------|---------------------|--------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 906,625 | \$ 0 | \$ 0 | \$ 906,625 |
| Total Capital Assets Not Depreciated | <u>\$ 906,625</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 906,625</u> |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 2,905,724 | \$ 53,669 | \$ 0 | \$ 2,959,393 |
| Other Capital Assets | 1,628,371 | 103,639 | (20,500) | 1,711,510 |
| Roads and Bridges | 17,354,852 | 534,805 | 0 | 17,889,657 |
| Total Capital Assets Depreciated | <u>\$ 21,888,947</u> | <u>\$ 692,113</u> | <u>\$ (20,500)</u> | <u>\$ 22,560,560</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Improvements | \$ 1,484,031 | \$ 102,172 | \$ 0 | \$ 1,586,203 |
| Other Capital Assets | 1,317,254 | 79,003 | (20,500) | 1,375,757 |
| Roads and Bridges | 10,422,319 | 986,413 | 0 | 11,408,732 |
| Total Accumulated Depreciation | <u>\$ 13,223,604</u> | <u>\$ 1,167,588</u> | <u>\$ (20,500)</u> | <u>\$ 14,370,692</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 8,665,343</u> | <u>\$ (475,475)</u> | <u>\$ 0</u> | <u>\$ 8,189,868</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 9,571,968</u> | <u>\$ (475,475)</u> | <u>\$ 0</u> | <u>\$ 9,096,493</u> |

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

Governmental Activities:

| | | |
|---|---------------|----------------------|
| General Government | \$ | 3,490 |
| Public Safety | | 44,027 |
| Public Health and Welfare | | 17,127 |
| Social, Cultural, and Recreation | | 54,514 |
| Other General Government | | 8,286 |
| Highway/Public Works | | <u>1,040,144</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$</u> | <u>1,167,588</u> |

Discretely Presented Lewis County School Department

Governmental Activities:

| | Balance 7-1-09 | Increases | Decreases | Balance 6-30-10 |
|--|----------------------|-------------------|--------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 461,601 | \$ | \$ 0 | \$ 461,601 |
| Total Capital Assets Not Depreciated | <u>\$ 456,601</u> | <u>\$</u> | <u>\$ 0</u> | <u>\$ 456,601</u> |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 10,646,912 | \$ | \$ 0 | \$ 10,646,912 |
| Other Capital Assets | 2,346,593 | 228,360 | (39,679) | 2,535,274 |
| Total Capital Assets Depreciated | <u>\$ 12,993,505</u> | <u>\$ 228,360</u> | <u>\$ (39,679)</u> | <u>\$ 13,182,186</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Improvements | \$ 5,354,573 | \$ 354,652 | \$ 0 | \$ 5,709,225 |
| Other Capital Assets | 1,268,170 | 155,231 | (39,679) | 1,383,722 |
| Total Accumulated Depreciation | <u>\$ 6,622,743</u> | <u>\$ 509,883</u> | <u>\$ (39,679)</u> | <u>\$ 7,092,947</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 6,370,762</u> | <u>\$ 281,523</u> | <u>\$ 0</u> | <u>\$ 6,089,239</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 6,832,363</u> | <u>\$ 281,523</u> | <u>\$ 0</u> | <u>\$ 6,550,840</u> |

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

Governmental Activities:

| | |
|---|-------------------|
| Support Services | \$ 487,557 |
| Operation of Non-Instructional Services | <u>22,326</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 509,883</u> |

C. Interfund Transfers

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

Primary Government

| Transfers Out | Transfers In | | | |
|-----------------------------|-------------------|-------------------------------|---------------------------|-----------------------------|
| | General Fund | Highway/ Public Works Fund | General Debt Service Fund | Nonmajor Governmental Funds |
| General Fund | \$ 0 | \$ 0 | 0 | \$ 249,593 |
| Highway/Public Works Fund | 0 | 0 | 48,587 | 0 |
| Nonmajor governmental funds | <u>238,853</u> | <u>48,283</u> | <u>158,000</u> | <u>0</u> |
| Total | <u>\$ 238,853</u> | <u>\$ 48,283</u> | <u>\$ 206,587</u> | <u>\$ 249,593</u> |

Discretely Presented Lewis County School Department

| Transfers Out | Transfers In | |
|------------------------------|-----------------------------|------------------------------|
| | General Purpose School Fund | School Federal Projects Fund |
| General Purpose School Fund | \$ 0 | \$ 50,000 |
| School Federal Projects Fund | <u>16,627</u> | <u>0</u> |
| Total | <u>\$ 16,627</u> | <u>\$ 50,000</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.

D. Long-term Debt

Primary Government

General Obligation Bonds and Notes

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 14 years for bonds and up to 12 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2010, will be retired from the General Debt Service Fund.

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

| Type | Interest Rate | Original Amount of Issue | Balance 6-30-10 |
|--------------------------------------|---------------|--------------------------|-----------------|
| General Obligation Bonds - Refunding | 3.35 % | \$ 1,970,000 | \$ 1,230,000 |
| Capital Outlay Notes | 3 to 4.9 | 905,389 | 287,620 |

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

| Year Ending June 30 | Bonds | | |
|---------------------|--------------|------------|--------------|
| | Principal | Interest | Total |
| 2011 | \$ 155,000 | \$ 41,205 | \$ 196,205 |
| 2012 | 160,000 | 36,013 | 196,013 |
| 2013 | 170,000 | 30,652 | 200,652 |
| 2014 | 175,000 | 24,958 | 199,958 |
| 2015 | 185,000 | 19,095 | 204,095 |
| 2016-2017 | 385,000 | 19,430 | 404,430 |
| Total | \$ 1,230,000 | \$ 171,353 | \$ 1,401,353 |

| Year Ending June 30 | Notes | | |
|------------------------|------------|-----------|------------|
| | Principal | Interest | Total |
| 2011 | \$ 112,620 | \$ 13,292 | \$ 125,912 |
| 2012 | 85,000 | 8,575 | 93,575 |
| 2013 | 90,000 | 4,410 | 94,410 |
| Total | \$ 287,620 | \$ 26,277 | \$ 313,897 |

There is \$42,711 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$108, based on the 2000 federal census. Debt per capita, including bonds and notes, totaled \$134, based on the 2000 federal census.

Changes in Long-term Liabilities

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

Governmental Activities:

| | Bonds | | Notes | |
|-----------------------------|-------|-----------|-------|-----------|
| | | | | |
| Balance, July 1, 2009 | \$ | 1,380,000 | \$ | 743,334 |
| Additions | | 0 | | 55,389 |
| Deductions | | (150,000) | | (511,103) |
| Balance, June 30, 2010 | \$ | 1,230,000 | \$ | 287,620 |
| Balance Due Within One Year | \$ | 155,000 | \$ | 112,620 |

| | Compensated Absences | | Other Postemployment Benefits | |
|-----------------------------|----------------------|----------|-------------------------------|---------|
| | | | | |
| Balance, July 1, 2009 | \$ | 18,514 | \$ | 1,367 |
| Additions | | 23,246 | | 26,003 |
| Deductions | | (25,831) | | (1,974) |
| Balance, June 30, 2010 | \$ | 15,929 | \$ | 25,396 |
| Balance Due Within One Year | \$ | 7,964 | \$ | 0 |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|---------------------|
| Total Noncurrent Liabilities, June 30, 2010 | \$ 1,558,945 |
| Less: Balance Due Within One Year | <u>(275,584)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 1,283,361</u> |

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

Discretely Presented Lewis County School Department

Changes in Long-term Liabilities

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

| Governmental Activities: | Compensated Absences | Other Postemployment Benefits |
|-----------------------------|-------------------------|-------------------------------------|
| Balance, July 1, 2009 | \$ 4,039 | \$ 74,069 |
| Additions | 3,336 | 111,176 |
| Deductions | <u>(2,920)</u> | <u>(59,502)</u> |
| Balance, June 30, 2010 | <u>\$ 4,455</u> | <u>\$ 125,743</u> |
| Balance Due Within One Year | <u>\$ 4,455</u> | <u>\$ 0</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|-------------------|
| Total Noncurrent Liabilities, June 30, 2010 | \$ 130,198 |
| Less: Balance Due Within One Year | <u>(4,455)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 125,743</u> |

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

E. On-Behalf Payments – Discretely Presented Lewis County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Lewis County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare

Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2010, were \$34,688 and \$7,544, 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

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

The county decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for workers' compensation coverage. Lewis County joined the Local Government Workers' Compensation Fund (LGWCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. Lewis County pays annual premiums to the LGWCF for its workers' compensation coverage. The creation of the LGWCF provides for it to be self-sustaining through member premiums.

Lewis County (excluding the Highway Department) purchases commercial insurance for health insurance coverage. This health insurance is not available for retirees. Settled claims have not exceeded this commercial coverage for any of the past three fiscal years.

The Lewis County Highway Department participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, Tennessee Code Annotated (TCA), all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the

state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Lewis County School Department

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 an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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

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. Lewis County and the Lewis County School Department had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably expected that Lewis County and/or the School Department may acquire intangible assets in subsequent years.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the costs of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the

commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. For the same reasons, derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Lewis County's derivative transactions. GASB Statement No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investment purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statement of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e. effective) derivative instruments are reported in the Statement of Net Assets as deferrals. Lewis County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Lewis County may enter into derivative transactions in subsequent years.

C. Subsequent Events

The following table lists officials who left office on August 31, 2010, and their successors:

| Official | Office | Successor |
|---------------|---------------|----------------|
| Jonah Keltner | County Mayor | Van Ward |
| Mike Hinson | Circuit Clerk | Barbara Hinson |
| Joe Garner | Trustee | Clark Carroll |
| Ophelia Green | Register | Cheryl Staggs |

D. Contingent Liabilities

The county attorney has not responded to requests to provide information regarding pending lawsuits in which the county may be involved. Management is unaware of any pending lawsuits.

E. Change in Administration

On October 27, 2009, Kenneth Turnbow, County Mayor, died and was succeeded by Jonah Keltner.

F. Joint Ventures

The Hohenwald/Lewis County Economic Development Council is a joint venture between Lewis County and the City of Hohenwald. The council comprises the mayor of the City of Hohenwald, the mayor of Lewis County, and the president of the Lewis County Chamber of Commerce. The purpose

of the council is to expand and diversify the economy of the City of Hohenwald and Lewis County. The city and county provide the majority of the funding for the council. Lewis County did not appropriate any funds to the Hohenwald/Lewis County Economic Development Council during the 2009-10 year.

The Joint Economic and Community Development Board of Lewis County is a joint venture between Lewis County and the City of Hohenwald. The board comprises the mayor of the City of Hohenwald, the mayor of Lewis County, the president of the Lewis County Chamber of Commerce, a private citizen who owns greenbelt property, and a local industry representative. The purpose of the board is to develop, recommend, and direct a strategic plan of policies and action that improves the economic well-being of the community and those activities and services that support economic growth and improve the quality of life of the community's members. The city and county provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Lewis County did not appropriate any funds to the Joint Economic and Community Development Board of Lewis County during the 2009-10 year.

The Twenty-first Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-first Judicial District, Williamson, Lewis, Hickman, and Perry counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors, including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Lewis County did not appropriate any funds to the DTF for the year ended June 30, 2010.

Lewis County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Twenty-first Judicial District Drug Task Force can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Twenty-first Judicial District Drug Task Force
P.O. Box 937
Franklin, TN 37065

G. Jointly Governed Organization

Lewis County, in conjunction with Hickman, Perry, and Wayne counties, and the cities of Hohenwald, Centerville, Waynesboro, and Linden, has created

the South Central Tennessee Railroad Authority (SCTRA). The SCTRA's board comprises 16 members, consisting of the county mayors/executives, city mayors, and appointed members from the respective county commissions and city councils. Lewis County does not have any ongoing financial interest or responsibility for the entity, and the county did not appropriate any funds to the SCTRA during the audit period. Funding sources for the SCTRA are lease payments, switching fees, interest, and grants.

H. Retirement Commitments

Plan Description

Employees of Lewis 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 Lewis 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 <http://www.tn.gov/treasury/tcrs/PS/>.

Funding Policy

County Employees

Lewis County requires employees to contribute five percent of their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 5.44 percent of annual covered payroll. The contribution requirement of plan

members is set by state statute. The contribution requirement for Lewis County is established and may be amended by the TCRS Board of Trustees.

County Officials

Lewis County requires its county officials to contribute five percent of their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 3.12 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Lewis County is established and may be amended by the TCRS Board of Trustees.

Highway Department Employees

Lewis County requires Highway Department employees to contribute five percent of their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 10.23 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Lewis County is established and may be amended by the TCRS Board of Trustees.

School Department Employees

The Lewis County School Department requires employees to contribute five percent of their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 10.81 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

County Employees

For the year ended June 30, 2010, Lewis County's annual pension cost of \$62,386 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), and (c) projected 3.5 percent annual increase in the Social Security wage base. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. The 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 zero 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 | \$62,386 | 100% | \$0 |
| 6-30-09 | 61,755 | 100 | 0 |
| 6-30-08 | 45,237 | 100 | 0 |

County Officials

For the year ended June 30, 2010, Lewis County official’s annual pension cost of \$17,273 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. The 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 15 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 | \$17,273 | 100% | \$0 |
| 6-30-09 | 17,640 | 100 | 0 |
| 6-30-08 | 25,797 | 100 | 0 |

Highway Department Employees

For the year ended June 30, 2010, the Highway Department’s annual pension cost of \$47,575 to TCRS was equal to the county’s required and actual

contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. The 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 | \$47,575 | 100% | \$0 |
| 6-30-09 | 54,010 | 100 | 0 |
| 6-30-08 | 83,311 | 100 | 0 |

School Department Employees

For the year ended June 30, 2010, the Lewis County School Department's annual pension cost of \$171,811 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. The 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 | \$171,811 | 100% | \$0 |
| 6-30-09 | 165,887 | 100 | 0 |
| 6-30-08 | 121,324 | 100 | 0 |

Funded Status and Funding Progress

County Employees

As of July 1, 2009, the most recent actuarial valuation date, the plan was 61.26 percent funded. The actuarial accrued liability for benefits was \$.37 million, and the actuarial value of assets was \$.23 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.14 million. The covered payroll (annual payroll of active employees covered by the plan) was \$1.12 million, and the ratio of the UAAL to the covered payroll was 12.73 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 annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

County Officials

As of July 1, 2009, the most recent actuarial valuation date, the plan was 87.14 percent funded. The actuarial accrued liability for benefits was \$1.98 million, and the actuarial value of assets was \$1.72 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.25 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.60 million, and the ratio of the UAAL to the covered payroll was 42.17 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 annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

Highway Department Employees

As of July 1, 2009, the most recent actuarial valuation date, the plan was 85 percent funded. The actuarial accrued liability for benefits was \$1.78 million, and the actuarial value of assets was \$1.52 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.27 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.49 million, and the ratio of the UAAL to the covered payroll was 54.29 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 annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

School Department Employees

As of July 1, 2009, the most recent actuarial valuation date, the plan was 83.17 percent funded. The actuarial accrued liability for benefits was \$4.13 million, and the actuarial value of assets was \$3.44 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.70 million. The covered payroll (annual payroll of active employees covered by the plan) was \$1.48 million, and the ratio of the UAAL to the covered payroll was 46.96 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 annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

School Teachers

Plan Description

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2010, was 6.42 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2010, 2009, and 2008, were \$436,001, \$426,644, and \$406,777, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 members in the Medicare Supplement Plan. Lewis County Highway Department retirees contribute \$533 per month towards their insurance premium. School Department retirees' contributions vary depending on the insurance options they select, ranging from \$183 to \$581 per month. Lewis County and the School Department recognized expenditures of \$1,974 and

\$59,502, respectively, for postemployment health care during the year ended June 30, 2010.

Annual OPEB Cost and Net OPEB Obligation

| | Local Education Group Plan | Local Government Group Plan * |
|------------------------------|-------------------------------------|--|
| | <u>Plan</u> | <u>Plan *</u> |
| ARC | \$ 111,000 | \$ 26,000 |
| Interest on the NPO | 3,333 | 61 |
| Adjustment to the ARC | (3,157) | (58) |
| Annual OPEB cost | <u>\$ 111,176</u> | <u>\$ 26,003</u> |
| Amount of contribution | <u>(59,502)</u> | <u>(1,974)</u> |
| Increase/decrease in NPO | \$ 51,674 | \$ 24,029 |
| Net OPEB obligation, 7-1-09 | <u>74,069</u> | <u>1,367</u> |
| Net OPEB obligation, 6-30-10 | <u><u>\$ 125,743</u></u> | <u><u>\$ 25,396</u></u> |

* Local Government Group Plan covers only the Highway Department.

| Fiscal Year Ended* | Plan | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation at Year End |
|--------------------------|------------------------|------------------------|---|---------------------------------------|
| 6-30-09 | Local Education Group | \$ 110,472 | 33 % | \$ 74,069 |
| 6-30-10 | " | 111,176 | 54 | 125,743 |
| 6-30-09 | Local Government Group | 3,813 | 64 | 1,367 |
| 6-30-10 | " | 26,003 | 8 | 25,396 |

* Data only available for two years.

Funded Status and Funding Progress

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

| | Local Education Group Plan | Local Government Group Plan |
|---|-------------------------------------|--------------------------------------|
| Actuarial valuation date | 7-1-09 | 7-1-09 |
| Actuarial accrued liability (AAL) | \$ 1,075,000 | \$ 259,000 |
| Actuarial value of plan assets | \$ 0 | \$ 0 |
| Unfunded actuarial accrued liability (UAAL) | \$ 1,075,000 | \$ 259,000 |
| Actuarial value of assets as a % of the AAL | 0% | 0% |
| Covered payroll (active plan members) | \$ 7,155,000 | \$ 493,000 |
| UAAL as a % of covered payroll | 15% | 53% |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

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

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

is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

J. Purchasing Laws

Office of County Mayor

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

Office of Road Superintendent

Purchasing procedures for the Highway Department are governed by Chapter 395, Private Acts of 1937, as amended, and provisions of the Uniform Road Law, Section 54-7-113, TCA, which provide for purchases exceeding \$10,000 to be made after public advertisement, solicitation of competitive bids, and approval by the county Highway Advisory Commission.

Office of Director of Schools

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Lewis 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 | \$ 2,196,020 | \$ 2,144,323 | \$ 2,144,323 | \$ 51,697 |
| Licenses and Permits | 2,315 | 2,000 | 2,000 | 315 |
| Fines, Forfeitures, and Penalties | 66,457 | 57,085 | 57,085 | 9,372 |
| Charges for Current Services | 36,327 | 33,050 | 36,630 | (303) |
| Other Local Revenues | 197,988 | 181,300 | 196,343 | 1,645 |
| Fees Received from County Officials | 426,480 | 459,000 | 459,000 | (32,520) |
| State of Tennessee | 677,556 | 794,217 | 1,009,964 | (332,408) |
| Federal Government | 424,752 | 71,686 | 71,686 | 353,066 |
| Other Governments and Citizens Groups | 41,565 | 64,000 | 64,000 | (22,435) |
| Total Revenues | \$ 4,069,460 | \$ 3,806,661 | \$ 4,041,031 | \$ 28,429 |
| <u>Expenditures</u> | | | | |
| <u>General Government</u> | | | | |
| County Commission | \$ 47,787 | \$ 53,834 | \$ 54,304 | \$ 6,517 |
| Board of Equalization | 1,150 | 1,000 | 1,150 | 0 |
| County Mayor/Executive | 119,646 | 113,213 | 117,345 | (2,301) |
| County Attorney | 15,571 | 3,200 | 12,511 | (3,060) |
| Election Commission | 68,385 | 69,202 | 69,202 | 817 |
| Register of Deeds | 82,120 | 84,711 | 84,711 | 2,591 |
| Building | 0 | 0 | 8,300 | 8,300 |
| Geographical Information Systems | 29,388 | 30,164 | 36,096 | 6,708 |
| County Buildings | 214,831 | 204,407 | 221,344 | 6,513 |
| <u>Finance</u> | | | | |
| Property Assessor's Office | 79,934 | 82,731 | 82,981 | 3,047 |
| Reappraisal Program | 22,158 | 19,805 | 23,233 | 1,075 |
| County Trustee's Office | 108,100 | 108,405 | 108,405 | 305 |
| County Clerk's Office | 109,021 | 105,351 | 110,606 | 1,585 |
| <u>Administration of Justice</u> | | | | |
| Circuit Court | 67,596 | 72,775 | 72,275 | 4,679 |
| General Sessions Judge | 91,111 | 91,355 | 91,406 | 295 |
| General Sessions Court Clerk | 64,487 | 60,892 | 65,152 | 665 |
| Chancery Court | 87,335 | 87,549 | 87,549 | 214 |
| Judicial Commissioners | 26,812 | 27,079 | 27,626 | 814 |
| Courtroom Security | 237 | 2,000 | 2,000 | 1,763 |
| <u>Public Safety</u> | | | | |
| Sheriff's Department | 548,652 | 563,772 | 564,111 | 15,459 |
| Drug Enforcement | 0 | 0 | 300 | 300 |
| Administration of the Sexual Offender Registry | 242 | 0 | 580 | 338 |
| Jail | 625,128 | 520,423 | 533,540 | (91,588) |
| Juvenile Services | 12,066 | 11,840 | 11,840 | (226) |
| Fire Prevention and Control | 21,160 | 19,000 | 21,160 | 0 |
| Civil Defense | 88,033 | 80,401 | 93,601 | 5,568 |
| Other Emergency Management | 1,690 | 59,000 | 59,000 | 57,310 |

(Continued)

Exhibit E-1

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

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | |
| <u>Public Safety (Cont.)</u> | | | | |
| County Coroner/Medical Examiner | \$ 13,239 | \$ 7,552 | \$ 11,987 | \$ (1,252) |
| <u>Public Health and Welfare</u> | | | | |
| Local Health Center | 31,071 | 33,911 | 33,911 | 2,840 |
| Ambulance/Emergency Medical Services | 136,000 | 136,000 | 136,000 | 0 |
| Other Local Health Services | 6,721 | 5,000 | 38,300 | 31,579 |
| Sanitation Education/Information | 29,475 | 29,237 | 29,237 | (238) |
| Other Public Health and Welfare | 53,081 | 6,209 | 54,662 | 1,581 |
| <u>Social, Cultural, and Recreational Services</u> | | | | |
| Senior Citizens Assistance | 46,689 | 60,000 | 60,000 | 13,311 |
| Libraries | 87,057 | 78,995 | 87,187 | 130 |
| Parks and Fair Boards | 0 | 108,679 | 0 | 0 |
| <u>Agriculture and Natural Resources</u> | | | | |
| Agriculture Extension Service | 44,009 | 44,533 | 44,533 | 524 |
| Soil Conservation | 18,000 | 18,000 | 18,000 | 0 |
| Storm Water Management | 18,353 | 0 | 18,353 | 0 |
| <u>Other Operations</u> | | | | |
| Tourism | 470 | 1,802 | 1,802 | 1,332 |
| Other Economic and Community Development | 133,561 | 7,750 | 135,961 | 2,400 |
| Airport | 51,803 | 267,137 | 267,643 | 215,840 |
| Veterans' Services | 5,521 | 5,554 | 5,722 | 201 |
| Contributions to Other Agencies | 829 | 850 | 850 | 21 |
| Employee Benefits | 430,878 | 425,000 | 432,937 | 2,059 |
| Miscellaneous | 106,620 | 93,543 | 105,462 | (1,158) |
| <u>Instruction</u> | | | | |
| Adult Education Program | 4,800 | 4,800 | 4,800 | 0 |
| Total Expenditures | <u>\$ 3,750,817</u> | <u>\$ 3,806,661</u> | <u>\$ 4,047,675</u> | <u>\$ 296,858</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 318,643</u> | <u>\$ 0</u> | <u>\$ (6,644)</u> | <u>\$ 325,287</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 10,975 | \$ 0 | \$ 0 | \$ 10,975 |
| Transfers In | 238,853 | 0 | 0 | 238,853 |
| Transfers Out | (249,593) | 0 | (259,113) | 9,520 |
| Total Other Financing Sources (Uses) | <u>\$ 235</u> | <u>\$ 0</u> | <u>\$ (259,113)</u> | <u>\$ 259,348</u> |
| Net Change in Fund Balance | \$ 318,878 | \$ 0 | \$ (265,757) | \$ 584,635 |
| Fund Balance, July 1, 2009 | <u>619,457</u> | <u>637,078</u> | <u>637,078</u> | <u>(17,621)</u> |
| Fund Balance, June 30, 2010 | <u>\$ 938,335</u> | <u>\$ 637,078</u> | <u>\$ 371,321</u> | <u>\$ 567,014</u> |

Exhibit E-2

Lewis 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 | \$ 74,827 | \$ 67,117 | \$ 67,117 | \$ 7,710 |
| Other Local Revenues | 0 | 750 | 750 | (750) |
| State of Tennessee | 1,832,468 | 1,652,364 | 1,652,364 | 180,104 |
| Federal Government | 171,255 | 235,000 | 235,000 | (63,745) |
| Other Governments and Citizens Groups | 12,281 | 6,000 | 6,000 | 6,281 |
| Total Revenues | <u>\$ 2,090,831</u> | <u>\$ 1,961,231</u> | <u>\$ 1,961,231</u> | <u>\$ 129,600</u> |
| <u>Expenditures</u> | | | | |
| <u>Highways</u> | | | | |
| Administration | \$ 178,994 | \$ 171,107 | \$ 182,032 | \$ 3,038 |
| Highway and Bridge Maintenance | 660,904 | 775,400 | 684,400 | 23,496 |
| Operation and Maintenance of Equipment | 191,004 | 322,542 | 312,542 | 121,538 |
| Other Charges | 41,579 | 82,086 | 82,086 | 40,507 |
| Employee Benefits | 190,080 | 212,500 | 208,500 | 18,420 |
| Capital Outlay | 491,311 | 372,484 | 492,292 | 981 |
| Total Expenditures | <u>\$ 1,753,872</u> | <u>\$ 1,936,119</u> | <u>\$ 1,961,852</u> | <u>\$ 207,980</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 336,959</u> | <u>\$ 25,112</u> | <u>\$ (621)</u> | <u>\$ 337,580</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 7,200 | \$ 0 | \$ 0 | \$ 7,200 |
| Transfers In | 48,283 | 0 | 48,283 | 0 |
| Transfers Out | (48,587) | (25,112) | (48,587) | 0 |
| Total Other Financing Sources (Uses) | <u>\$ 6,896</u> | <u>\$ (25,112)</u> | <u>\$ (304)</u> | <u>\$ 7,200</u> |
| Net Change in Fund Balance | \$ 343,855 | \$ 0 | \$ (925) | \$ 344,780 |
| Fund Balance, July 1, 2009 | 1,387,591 | 1,362,078 | 1,362,078 | 25,513 |
| Fund Balance, June 30, 2010 | <u>\$ 1,731,446</u> | <u>\$ 1,362,078</u> | <u>\$ 1,361,153</u> | <u>\$ 370,293</u> |

Exhibit E-3

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

(Dollar amounts in thousands)

| Plans | 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) |
|------------------------------|--------------------------|------------------------------------|---|-----------------------------|--------------------|---------------------|---|
| County Employees | 7-1-09 | \$ 226 | \$ 369 | \$ 143 | 61.26 % | \$ 1,124 | 12.73 % |
| " | 7-1-07 | 0 | 0 | 0 | 0 | 0 | 0 |
| County Officials | 7-1-09 | 1,722 | 1,976 | 254 | 87.14 | 603 | 42.17 |
| " | 7-1-07 | 1,648 | 1,682 | 34 | 97.98 | 525 | 6.48 |
| Highway Department Employees | 7-1-09 | 1,515 | 1,783 | 268 | 85 | 492 | 54.29 |
| " | 7-1-07 | 1,425 | 1,627 | 202 | 87.58 | 545 | 37.06 |
| School Department Employees | 7-1-09 | 3,439 | 4,135 | 696 | 83.17 | 1,482 | 46.96 |
| " | 7-1-07 | 3,190 | 3,723 | 533 | 85.68 | 1,329 | 40.11 |

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

Exhibit E-4

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

(Dollar amounts in thousands)

| Plans | Actuarial Valuation Date * | Actuarial | | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll (b-a)/c) |
|--|----------------------------------|---------------------------|--------------------------------------|--------------------------------------|--------------------------|---------------------------|--|
| | | Value of Assets (a) | Accrued Liability (AAL) (b) | | | | |
| <u>PRIMARY GOVERNMENT</u> | | | | | | | |
| Local Government Group | 7-1-07 | \$ 0 | \$ 25 | 25 | 0 % | \$ 532 | 5 % |
| " | 7-1-09 | 0 | 259 | 259 | 0 | 493 | 53 |
| <u>DISCRETELY PRESENTED LEWIS COUNTY SCHOOL DEPARTMENT</u> | | | | | | | |
| Local Education Group | 7-1-07 | 0 | 1,107 | 1,107 | 0 | 6,933 | 16 |
| " | 7-1-09 | 0 | 1,075 | 1,075 | 0 | 7,155 | 15 |

* An additional actuarial valuation will be reported as the data becomes available.

LEWIS 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 Lewis 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/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the Lewis 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 following major appropriation categories (the legal level of control):

| <u>Major Category</u> | <u>Amount Overspent</u> |
|----------------------------------|-----------------------------|
| County Mayor/Executive | \$ 2,301 |
| County Attorney | 3,060 |
| Jail | 91,588 |
| Juvenile Services | 226 |
| County Coroner/Medical Examiner | 1,252 |
| Sanitation Education/Information | 238 |
| Miscellaneous | 1,158 |

Such overexpenditures are a violation of state statutes. These overexpenditures 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 transactions relating to Lewis County’s waste disposal program.

Special Purpose Fund – The Special Purpose Fund is used to account for the accumulation of resources for future projects.

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

Sports and Recreation Fund – The Sports and Recreation Fund is used to account for transactions relating to the Lewis County Memorial Park.

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

Capital Projects Funds

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

Community Development/Industrial Park Fund – The Community Development/ Industrial Park Fund is used to account for community development and industrial park projects.

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for capital expenditures of the Highway Department.

Exhibit F-1

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

| | Special Revenue Funds | | | | Total | Capital Projects Fund | | Total Nonmajor Governmental Funds |
|----|--------------------------|--------------|-----------------------|--------------------------|----------|--------------------------|-----------------------------|-----------------------------------|
| | Solid Waste / Sanitation | Drug Control | Sports and Recreation | Highway Capital Projects | | Highway Capital Projects | Nonmajor Governmental Funds | |
| \$ | 200 | 0 | 0 | 0 | 200 | 0 | 0 | 200 |
| | 247,988 | 15,413 | 14,282 | 63,283 | 277,683 | 63,283 | 0 | 340,966 |
| | 128,606 | 0 | 0 | 0 | 128,606 | 0 | 0 | 128,606 |
| | (63,433) | 0 | 0 | 0 | (63,433) | 0 | 0 | (63,433) |
| | 0 | 0 | 0 | 0 | 0 | 33,467 | 0 | 33,467 |
| | 0 | 0 | 0 | 0 | 0 | (1,351) | 0 | (1,351) |
| \$ | 313,361 | 15,413 | 14,282 | 95,399 | 343,056 | 95,399 | 0 | 438,455 |

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Allowance for Uncollectibles
 Property Taxes Receivable
 Allowance for Uncollectible Property Taxes

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities
 Payroll Deductions Payable
 Deferred Revenue - Current Property Taxes
 Deferred Revenue - Delinquent Property Taxes
 Other Deferred Revenues
 Total Liabilities

Fund Balances

Unreserved
 Total Fund Balances

Total Liabilities and Fund Balances

| | | | | | | | | |
|----|---------|--------|--------|--------|---------|--------|---|---------|
| \$ | 206 | 0 | 0 | 0 | 206 | 0 | 0 | 206 |
| | 0 | 0 | 0 | 0 | 0 | 30,664 | 0 | 30,664 |
| | 0 | 0 | 0 | 0 | 0 | 988 | 0 | 988 |
| | 57,457 | 0 | 0 | 0 | 57,457 | 0 | 0 | 57,457 |
| \$ | 57,663 | 0 | 0 | 0 | 57,663 | 31,652 | 0 | 89,315 |
| \$ | 255,698 | 15,413 | 14,282 | 63,747 | 285,393 | 63,747 | 0 | 349,140 |
| \$ | 255,698 | 15,413 | 14,282 | 63,747 | 285,393 | 63,747 | 0 | 349,140 |
| \$ | 313,361 | 15,413 | 14,282 | 95,399 | 343,056 | 95,399 | 0 | 438,455 |

Lewis 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 | | | | | Total |
|--|--------------------------|---------------------|-------------------|-----------------------|--------------------------------|---------------------|
| | Solid Waste / Sanitation | Special Purpose | Drug Control | Sports and Recreation | Constitutional Officers - Fees | |
| Revenues | | | | | | |
| Local Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Fines, Forfeitures, and Penalties | 0 | 0 | 8,187 | 50 | 0 | 8,237 |
| Charges for Current Services | 484,019 | 0 | 0 | 15,787 | 10,079 | 509,885 |
| Other Local Revenues | 31,255 | 85,733 | 0 | 0 | 0 | 116,988 |
| State of Tennessee | 6,000 | 0 | 0 | 0 | 0 | 6,000 |
| Other Governments and Citizens Groups | 0 | 0 | 0 | 46,250 | 0 | 46,250 |
| Total Revenues | \$ 521,274 | \$ 85,733 | \$ 8,187 | \$ 62,087 | \$ 10,079 | \$ 687,360 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Administration of Justice | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 10,079 | \$ 10,079 |
| Public Safety | 0 | 0 | 12,637 | 0 | 0 | 12,637 |
| Public Health and Welfare | 414,900 | 0 | 0 | 0 | 0 | 414,900 |
| Social, Cultural, and Recreational Services | 0 | 0 | 0 | 141,278 | 0 | 141,278 |
| Other Operations | 40,062 | 33 | 0 | 10,206 | 0 | 50,301 |
| Highways | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | \$ 454,962 | \$ 33 | \$ 12,637 | \$ 151,484 | \$ 10,079 | \$ 629,195 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 66,312 | \$ 85,700 | \$ (4,450) | \$ (89,397) | \$ 0 | \$ 58,165 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers In | \$ 0 | \$ 0 | \$ 0 | \$ 108,679 | \$ 0 | \$ 108,679 |
| Transfers Out | 0 | (440,136) | 0 | (5,000) | 0 | (445,136) |
| Total Other Financing Sources (Uses) | \$ 0 | \$ (440,136) | \$ 0 | \$ 103,679 | \$ 0 | \$ (336,457) |
| Net Change in Fund Balances | \$ 66,312 | \$ (354,436) | \$ (4,450) | \$ 14,282 | \$ 0 | \$ (278,292) |
| Fund Balance, July 1, 2009 | 189,386 | 354,436 | 19,863 | 0 | 0 | 563,685 |
| Fund Balance, June 30, 2010 | \$ 255,698 | \$ 0 | \$ 15,413 | \$ 14,282 | \$ 0 | \$ 285,393 |

(Continued)

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

| | Capital Projects Funds | | | Total Nonmajor Governmental Funds |
|---|---|--------------------------------|---------------------|--|
| | Community Development/ Industrial Park | Highway Capital Projects | Total | |
| Revenues | | | | |
| Local Taxes | \$ 0 | \$ 33,915 | \$ 33,915 | \$ 33,915 |
| Fines, Forfeitures, and Penalties | 0 | 0 | 0 | 8,237 |
| Charges for Current Services | 0 | 0 | 0 | 509,885 |
| Other Local Revenues | 0 | 0 | 0 | 116,988 |
| State of Tennessee | 0 | 0 | 0 | 6,000 |
| Other Governments and Citizens Groups | 0 | 0 | 0 | 46,250 |
| Total Revenues | \$ 0 | \$ 33,915 | \$ 33,915 | \$ 721,275 |
| Expenditures | | | | |
| Current: | | | | |
| Administration of Justice | 0 | 0 | 0 | 10,079 |
| Public Safety | 140,914 | 0 | 140,914 | 153,551 |
| Public Health and Welfare | 0 | 0 | 0 | 414,900 |
| Social, Cultural, and Recreational Services | 0 | 0 | 0 | 141,278 |
| Other Operations | 0 | 0 | 0 | 50,301 |
| Highways | 0 | 18,782 | 18,782 | 18,782 |
| Total Expenditures | \$ 140,914 | \$ 18,782 | \$ 159,696 | \$ 788,891 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (140,914) | \$ 15,133 | \$ (125,781) | \$ (67,616) |
| Other Financing Sources (Uses) | | | | |
| Transfers In | \$ 140,914 | 0 | \$ 140,914 | \$ 249,593 |
| Transfers Out | 0 | 0 | 0 | (445,136) |
| Total Other Financing Sources (Uses) | \$ 140,914 | \$ 0 | \$ 140,914 | \$ (195,543) |
| Net Change in Fund Balances Fund Balance, July 1, 2009 | \$ 0 | \$ 15,133 | \$ 15,133 | \$ (263,159) |
| Fund Balance, June 30, 2010 | \$ 0 | \$ 63,747 | \$ 63,747 | \$ 349,140 |

Exhibit F-3

Lewis 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 | \$ 484,019 | \$ 489,257 | \$ 489,257 | \$ (5,238) |
| Other Local Revenues | 31,255 | 7,700 | 9,152 | 22,103 |
| State of Tennessee | 6,000 | 8,795 | 8,795 | (2,795) |
| Total Revenues | <u>\$ 521,274</u> | <u>\$ 505,752</u> | <u>\$ 507,204</u> | <u>\$ 14,070</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Health and Welfare</u> | | | | |
| Transfer Stations | \$ 369,765 | \$ 397,478 | \$ 398,930 | \$ 29,165 |
| Landfill Operation and Maintenance | 45,135 | 50,220 | 50,043 | 4,908 |
| <u>Other Operations</u> | | | | |
| Employee Benefits | 30,395 | 30,150 | 30,395 | 0 |
| Miscellaneous | 9,667 | 4,600 | 9,667 | 0 |
| Total Expenditures | <u>\$ 454,962</u> | <u>\$ 482,448</u> | <u>\$ 489,035</u> | <u>\$ 34,073</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 66,312</u> | <u>\$ 23,304</u> | <u>\$ 18,169</u> | <u>\$ 48,143</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers Out | \$ 0 | \$ (19,493) | \$ (19,493) | \$ 19,493 |
| Total Other Financing Sources (Uses) | <u>\$ 0</u> | <u>\$ (19,493)</u> | <u>\$ (19,493)</u> | <u>\$ 19,493</u> |
| Net Change in Fund Balance | \$ 66,312 | \$ 3,811 | \$ (1,324) | \$ 67,636 |
| Fund Balance, July 1, 2009 | <u>189,386</u> | <u>180,245</u> | <u>180,245</u> | <u>9,141</u> |
| Fund Balance, June 30, 2010 | <u>\$ 255,698</u> | <u>\$ 184,056</u> | <u>\$ 178,921</u> | <u>\$ 76,777</u> |

Exhibit F-4

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

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|--------------|------------------|--------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Other Local Revenues | \$ 85,733 | \$ 7,000 | \$ 7,000 | \$ 78,733 |
| Total Revenues | \$ 85,733 | \$ 7,000 | \$ 7,000 | \$ 78,733 |
| <u>Expenditures</u> | | | | |
| <u>Other Operations</u> | | | | |
| Miscellaneous | \$ 33 | \$ 0 | \$ 33 | \$ 0 |
| Total Expenditures | \$ 33 | \$ 0 | \$ 33 | \$ 0 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 85,700 | \$ 7,000 | \$ 6,967 | \$ 78,733 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 0 | \$ 0 | \$ 33 | \$ (33) |
| Transfers Out | (440,136) | (158,000) | (391,853) | (48,283) |
| Total Other Financing Sources (Uses) | \$ (440,136) | \$ (158,000) | \$ (391,820) | \$ (48,316) |
| Net Change in Fund Balance | \$ (354,436) | \$ (151,000) | \$ (384,853) | \$ 30,417 |
| Fund Balance, July 1, 2009 | 354,436 | 409,478 | 409,478 | (55,042) |
| Fund Balance, June 30, 2010 | \$ 0 | \$ 258,478 | \$ 24,625 | \$ (24,625) |

Exhibit F-5

Lewis 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 | \$ 8,187 | \$ 1,665 | \$ 4,635 | \$ 3,552 |
| Total Revenues | \$ 8,187 | \$ 1,665 | \$ 4,635 | \$ 3,552 |
| <u>Expenditures</u> | | | | |
| <u>Public Safety</u> | | | | |
| Drug Enforcement | \$ 12,637 | \$ 1,665 | \$ 13,547 | \$ 910 |
| Total Expenditures | \$ 12,637 | \$ 1,665 | \$ 13,547 | \$ 910 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (4,450) | \$ 0 | \$ (8,912) | \$ 4,462 |
| Net Change in Fund Balance | \$ (4,450) | \$ 0 | \$ (8,912) | \$ 4,462 |
| Fund Balance, July 1, 2009 | 19,863 | 19,863 | 19,863 | 0 |
| Fund Balance, June 30, 2010 | \$ 15,413 | \$ 19,863 | \$ 10,951 | \$ 4,462 |

Exhibit F-6

Lewis County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Sports and Recreation 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 | \$ 50 | \$ 0 | \$ 0 | \$ 50 |
| Charges for Current Services | 15,787 | 0 | 3,535 | 12,252 |
| Other Local Revenues | 0 | 0 | 1,000 | (1,000) |
| Other Governments and Citizens Groups | 46,250 | 45,000 | 45,000 | 1,250 |
| Total Revenues | <u>\$ 62,087</u> | <u>\$ 45,000</u> | <u>\$ 49,535</u> | <u>\$ 12,552</u> |
| <u>Expenditures</u> | | | | |
| <u>Social, Cultural, and Recreational Services</u> | | | | |
| Parks and Fair Boards | \$ 141,278 | \$ 153,679 | \$ 156,628 | \$ 15,350 |
| <u>Other Operations</u> | | | | |
| Employee Benefits | 8,999 | 0 | 8,999 | 0 |
| Miscellaneous | 1,207 | 0 | 1,207 | 0 |
| Total Expenditures | <u>\$ 151,484</u> | <u>\$ 153,679</u> | <u>\$ 166,834</u> | <u>\$ 15,350</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (89,397)</u> | <u>\$ (108,679)</u> | <u>\$ (117,299)</u> | <u>\$ 27,902</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 108,679 | \$ 108,679 | \$ 117,299 | \$ (8,620) |
| Transfers Out | (5,000) | 0 | 0 | (5,000) |
| Total Other Financing Sources (Uses) | <u>\$ 103,679</u> | <u>\$ 108,679</u> | <u>\$ 117,299</u> | <u>\$ (13,620)</u> |
| Net Change in Fund Balance | \$ 14,282 | \$ 0 | \$ 0 | \$ 14,282 |
| Fund Balance, July 1, 2009 | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balance, June 30, 2010 | <u>\$ 14,282</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 14,282</u> |

Exhibit F-7

Lewis County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Community Development/Industrial Park Fund
For the Year Ended June 30, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|--------------|------------------|--------------|--|
| | | Original | Final | |
| Total Revenues | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Expenditures</u> | | | | |
| <u>Public Safety</u> | | | | |
| Jail | \$ 140,914 | \$ 0 | \$ 140,914 | \$ 0 |
| Total Expenditures | \$ 140,914 | \$ 0 | \$ 140,914 | \$ 0 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (140,914) | \$ 0 | \$ (140,914) | \$ 0 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 140,914 | \$ 0 | \$ 140,914 | \$ 0 |
| Total Other Financing Sources (Uses) | \$ 140,914 | \$ 0 | \$ 140,914 | \$ 0 |
| Net Change in Fund Balance | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Fund Balance, July 1, 2009 | 0 | 0 | 0 | 0 |
| Fund Balance, June 30, 2010 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

Exhibit F-8

Lewis County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway Capital Projects Fund
For the Year Ended June 30, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|-----------|------------------|-----------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 33,915 | \$ 29,328 | \$ 29,328 | \$ 4,587 |
| Total Revenues | \$ 33,915 | \$ 29,328 | \$ 29,328 | \$ 4,587 |
| <u>Expenditures</u> | | | | |
| <u>Highways</u> | | | | |
| Other Charges | \$ 659 | \$ 850 | \$ 850 | \$ 191 |
| Capital Outlay | 18,123 | 28,478 | 28,478 | 10,355 |
| Total Expenditures | \$ 18,782 | \$ 29,328 | \$ 29,328 | \$ 10,546 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 15,133 | \$ 0 | \$ 0 | \$ 15,133 |
| Net Change in Fund Balance | \$ 15,133 | \$ 0 | \$ 0 | \$ 15,133 |
| Fund Balance, July 1, 2009 | 48,614 | 48,441 | 48,441 | 173 |
| Fund Balance, June 30, 2010 | \$ 63,747 | \$ 48,441 | \$ 48,441 | \$ 15,306 |

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Lewis 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 | \$ 171,695 | \$ 172,045 | \$ 172,045 | \$ (350) |
| Other Local Revenues | 136,150 | 157,977 | 157,977 | (21,827) |
| Other Governments and Citizens Groups | 196,230 | 0 | 0 | 196,230 |
| Total Revenues | \$ 504,075 | \$ 330,022 | \$ 330,022 | \$ 174,053 |
| <u>Expenditures</u> | | | | |
| <u>Other Operations</u> | | | | |
| Miscellaneous | \$ 5,347 | \$ 10,500 | \$ 10,500 | \$ 5,153 |
| <u>Principal on Debt</u> | | | | |
| General Government | 463,834 | 488,333 | 488,333 | 24,499 |
| Highways and Streets | 47,269 | 0 | 47,269 | 0 |
| Education | 741,471 | 150,000 | 741,471 | 0 |
| <u>Interest on Debt</u> | | | | |
| General Government | 31,636 | 31,920 | 31,920 | 284 |
| Highways and Streets | 1,258 | 0 | 1,258 | 0 |
| Education | 46,230 | 46,230 | 46,230 | 0 |
| <u>Other Debt Service</u> | | | | |
| General Government | 500 | 600 | 600 | 100 |
| Highways and Streets | 55,389 | 0 | 55,389 | 0 |
| Education | 500 | 750 | 750 | 250 |
| Total Expenditures | \$ 1,393,434 | \$ 728,333 | \$ 1,423,720 | \$ 30,286 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (889,359) | \$ (398,311) | \$ (1,093,698) | \$ 204,339 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Notes Issued | \$ 55,389 | \$ 0 | \$ 55,389 | \$ 0 |
| Transfers In | 206,587 | 398,413 | 446,940 | (240,353) |
| Total Other Financing Sources (Uses) | \$ 261,976 | \$ 398,413 | \$ 502,329 | \$ (240,353) |
| Net Change in Fund Balance | \$ (627,383) | \$ 102 | \$ (591,369) | \$ (36,014) |
| Fund Balance, July 1, 2009 | 670,094 | 647,811 | 647,811 | 22,283 |
| Fund Balance, June 30, 2010 | \$ 42,711 | \$ 647,913 | \$ 56,442 | \$ (13,731) |

Fiduciary Funds

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

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

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

Exhibit H-1

Lewis 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 | \$ | \$ 677,416 | \$ 677,416 |
| Due from Other Governments | 159,558 | | 159,558 |
| Total Assets | <u>\$ 159,558</u> | <u>\$ 677,416</u> | <u>\$ 836,974</u> |
| <u>LIABILITIES</u> | | | |
| Due to Other Taxing Units | \$ 159,558 | \$ | \$ 159,558 |
| Due to Litigants, Heirs, and Others | | 677,416 | 677,416 |
| Total Liabilities | <u>\$ 159,558</u> | <u>\$ 677,416</u> | <u>\$ 836,974</u> |

Exhibit H-2

Lewis 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 | \$ 845,290 | \$ 845,290 | \$ 0 |
| Due from Other Governments | 119,378 | 159,558 | 119,378 | 159,558 |
| Total Assets | \$ 0 | \$ 1,004,848 | \$ 964,668 | \$ 159,558 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 119,378 | \$ 1,004,848 | \$ 964,668 | \$ 159,558 |
| Total Liabilities | \$ 119,378 | \$ 1,004,848 | \$ 964,668 | \$ 159,558 |
| <u>Constitutional Officers - Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 405,980 | \$ 6,305,924 | \$ 6,034,488 | \$ 677,416 |
| Total Assets | \$ 405,980 | \$ 6,305,924 | \$ 6,034,488 | \$ 677,416 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 405,980 | \$ 6,305,924 | \$ 6,034,488 | \$ 677,416 |
| Total Liabilities | \$ 405,980 | \$ 6,305,924 | \$ 6,034,488 | \$ 677,416 |
| <u>Totals - All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 405,980 | \$ 6,305,924 | \$ 6,034,488 | \$ 677,416 |
| Equity in Pooled Cash and Investments | 0 | 845,290 | 845,290 | 0 |
| Due from Other Governments | 119,378 | 159,558 | 119,378 | 159,558 |
| Total Assets | \$ 525,358 | \$ 7,310,772 | \$ 6,999,156 | \$ 836,974 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 119,378 | \$ 1,004,848 | \$ 964,668 | \$ 159,558 |
| Due to Litigants, Heirs, and Others | 405,980 | 6,305,924 | 6,034,488 | 677,416 |
| Total Liabilities | \$ 525,358 | \$ 7,310,772 | \$ 6,999,156 | \$ 836,974 |

Lewis County School Department

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

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

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

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

Exhibit I-1

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

| Functions/Programs | Program Revenues | | Expenses | Net (Expense) Revenue and Changes in Net Assets | |
|--|----------------------|------------------------------------|--------------|---|-------------------------|
| | Charges for Services | Operating Grants and Contributions | | Total | Governmental Activities |
| Governmental Activities: | | | | | |
| Instruction | \$ 8,112,056 | \$ 1,000 | \$ 1,688,628 | \$ | (6,422,428) |
| Support Services | 4,372,928 | 3,739 | 43,126 | | (4,326,063) |
| Operation of Non-Instructional Services | 1,787,780 | 336,498 | 785,270 | | (666,012) |
| Total Governmental Activities | \$ 14,272,764 | \$ 341,237 | \$ 2,517,024 | \$ | (11,414,503) |
| General Revenues: | | | | | |
| Taxes: | | | | \$ | 1,062,484 |
| Property Taxes Levied for General Purposes | | | | | 1,149,442 |
| Local Option Sales Taxes | | | | | 24,037 |
| Other Local Taxes | | | | | 10,679,746 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 34,794 |
| Unrestricted Investment Earnings | | | | | 34,858 |
| Miscellaneous | | | | | 17,577 |
| E-rate money | | | | | 6,766 |
| Insurance Recovery | | | | | |
| Total General Revenues | | | | \$ | 13,009,704 |
| Change in Net Assets | | | | \$ | 1,595,201 |
| Net Assets, July 1, 2009 | | | | | 10,156,158 |
| Net Assets, June 30, 2010 | | | | \$ | 11,751,359 |

Exhibit I-2

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

| | <u>Major Funds</u> | | <u>Nonmajor</u> | <u>Total</u> |
|--|---------------------|------------------|-------------------|---------------------|
| | <u>General</u> | <u>School</u> | <u>Fund</u> | |
| | <u>Purpose</u> | <u>Federal</u> | <u>Central</u> | <u>Govern-</u> |
| | <u>School</u> | <u>Projects</u> | <u>Cafeteria</u> | <u>mental</u> |
| | | | | <u>Funds</u> |
| <u>ASSETS</u> | | | | |
| Cash | \$ 510 | \$ 0 | \$ 13,765 | \$ 14,275 |
| Equity in Pooled Cash and Investments | 3,435,291 | 28,410 | 447,429 | 3,911,130 |
| Inventories | 0 | 0 | 30,566 | 30,566 |
| Accounts Receivable | 606,076 | 0 | 0 | 606,076 |
| Due from Other Governments | 695,251 | 21,731 | 28,389 | 745,371 |
| Property Taxes Receivable | 1,216,869 | 0 | 0 | 1,216,869 |
| Allowance for Uncollectible Property Taxes | (64,636) | 0 | 0 | (64,636) |
| Total Assets | \$ 5,889,361 | \$ 50,141 | \$ 520,149 | \$ 6,459,651 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 190 | \$ 0 | \$ 13,781 | \$ 13,971 |
| Deferred Revenue - Current Property Taxes | 1,114,963 | 0 | 0 | 1,114,963 |
| Deferred Revenue - Delinquent Property Taxes | 24,768 | 0 | 0 | 24,768 |
| Other Deferred Revenues | 95,000 | 0 | 0 | 95,000 |
| Total Liabilities | \$ 1,234,921 | \$ 0 | \$ 13,781 | \$ 1,248,702 |
| <u>Fund Balances</u> | | | | |
| Reserved for Encumbrances | \$ 315,483 | \$ 9,710 | \$ 0 | \$ 325,193 |
| Reserved for Driver Education | 13,652 | 0 | 0 | 13,652 |
| Reserved for Career Ladder Program | 1,573 | 0 | 0 | 1,573 |
| Reserved for Basic Education Program | 151,652 | 0 | 0 | 151,652 |
| Other Federal Reserves | 0 | 40,431 | 0 | 40,431 |
| Reserved for Other General Purposes | 18,535 | 0 | 0 | 18,535 |
| Unreserved, Reported In: | | | | |
| General Fund | 4,153,545 | 0 | 0 | 4,153,545 |
| Special Revenue Funds | 0 | 0 | 506,368 | 506,368 |
| Total Fund Balances | \$ 4,654,440 | \$ 50,141 | \$ 506,368 | \$ 5,210,949 |
| Total Liabilities and Fund Balances | \$ 5,889,361 | \$ 50,141 | \$ 520,149 | \$ 6,459,651 |

Exhibit I-3

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

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

| | | | |
|---|----|------------------|----------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit I-2) | | \$ | 5,210,949 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | | |
| Add: land | \$ | 461,601 | |
| Add: buildings and improvements net of accumulated depreciation | | 4,937,687 | |
| Add: other capital assets net of accumulated depreciation | | <u>1,151,552</u> | 6,550,840 |
| (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 | \$ | (125,743) | |
| Less: compensated absences payable | | <u>(4,455)</u> | (130,198) |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | | <u>119,768</u> |
| Net assets of governmental activities (Exhibit A) | | | <u>\$ 11,751,359</u> |

Exhibit I-4

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

| | Major Funds | | Nonmajor | Total Governmental Funds |
|--|------------------------------|-------------------------------|------------------------------|--------------------------------|
| | General Purpose School | School Federal Projects | Fund Central Cafeteria | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 2,326,879 | \$ 0 | \$ 0 | \$ 2,326,879 |
| Licenses and Permits | 499 | 0 | 0 | 499 |
| Charges for Current Services | 28,961 | 0 | 338,322 | 367,283 |
| Other Local Revenues | 669,639 | 0 | 10,960 | 680,599 |
| State of Tennessee | 9,991,748 | 0 | 11,415 | 10,003,163 |
| Federal Government | 1,350 | 1,693,713 | 720,276 | 2,415,339 |
| Total Revenues | <u>\$ 13,019,076</u> | <u>\$ 1,693,713</u> | <u>\$ 1,080,973</u> | <u>\$ 15,793,762</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Instruction | \$ 6,687,600 | \$ 1,347,774 | \$ 0 | \$ 8,035,374 |
| Support Services | 3,487,958 | 371,341 | 0 | 3,859,299 |
| Operation of Non-Instructional Services | 686,004 | 0 | 1,046,188 | 1,732,192 |
| Capital Outlay | 62,476 | 0 | 0 | 62,476 |
| Debt Service: | | | | |
| Other Debt Service | 196,230 | 0 | 0 | 196,230 |
| Total Expenditures | <u>\$ 11,120,268</u> | <u>\$ 1,719,115</u> | <u>\$ 1,046,188</u> | <u>\$ 13,885,571</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 1,898,808</u> | <u>\$ (25,402)</u> | <u>\$ 34,785</u> | <u>\$ 1,908,191</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 6,766 | \$ 0 | \$ 0 | \$ 6,766 |
| Transfers In | 16,627 | 50,000 | 0 | 66,627 |
| Transfers Out | (50,000) | (16,627) | 0 | (66,627) |
| Total Other Financing Sources (Uses) | <u>\$ (26,607)</u> | <u>\$ 33,373</u> | <u>\$ 0</u> | <u>\$ 6,766</u> |
| Net Change in Fund Balances | \$ 1,872,201 | \$ 7,971 | \$ 34,785 | \$ 1,914,957 |
| Fund Balance, July 1, 2009 | 2,782,239 | 42,170 | 471,583 | 3,295,992 |
| Fund Balance, June 30, 2010 | <u>\$ 4,654,440</u> | <u>\$ 50,141</u> | <u>\$ 506,368</u> | <u>\$ 5,210,949</u> |

Exhibit I-5

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

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

| | | |
|---|------------------|---------------------|
| Net change in fund balances - total governmental funds (Exhibit I-4) | | \$ 1,914,957 |
| (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 | \$ 228,360 | |
| Less: current year depreciation expense | <u>(509,883)</u> | (281,523) |
| (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 | \$ 119,768 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2009 | <u>(105,911)</u> | 13,857 |
| (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 compensated absences payable | \$ (416) | |
| Change in other postemployment benefits liability | <u>(51,674)</u> | <u>(52,090)</u> |
| Change in net assets of governmental activities (Exhibit B) | | <u>\$ 1,595,201</u> |

Exhibit I-6

Lewis County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lewis 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 | |
| Revenues | | | | | | | |
| Local Taxes | \$ 2,326,879 | \$ 0 | \$ 0 | \$ 2,326,879 | \$ 1,791,605 | \$ 1,825,640 | \$ 501,239 |
| Licenses and Permits | 499 | 0 | 0 | 499 | 300 | 500 | (1) |
| Charges for Current Services | 28,961 | 0 | 0 | 28,961 | 21,500 | 28,331 | 630 |
| Other Local Revenues | 669,639 | 0 | 0 | 669,639 | 37,300 | 654,339 | 15,300 |
| State of Tennessee | 9,991,748 | 0 | 0 | 9,991,748 | 9,306,450 | 10,025,103 | (33,355) |
| Federal Government | 1,350 | 0 | 0 | 1,350 | 0 | 1,350 | 0 |
| Total Revenues | \$ 13,019,076 | \$ 0 | \$ 0 | \$ 13,019,076 | \$ 11,157,155 | \$ 12,535,263 | \$ 483,813 |
| Expenditures | | | | | | | |
| Instruction | | | | | | | |
| Regular Instruction Program | \$ 5,613,260 | \$ (20,213) | \$ 40,870 | \$ 5,633,917 | \$ 5,865,667 | \$ 5,882,689 | \$ 248,772 |
| Alternative Instruction Program | 66,841 | 0 | 0 | 66,841 | 68,510 | 68,510 | 1,669 |
| Special Education Program | 768,907 | 0 | 63 | 768,970 | 838,976 | 840,940 | 71,970 |
| Vocational Education Program | 232,314 | 0 | 352 | 232,666 | 236,815 | 238,567 | 5,901 |
| Student Body Education Program | 6,278 | 0 | 0 | 6,278 | 8,205 | 8,205 | 1,927 |
| Support Services | | | | | | | |
| Attendance | 11,595 | 0 | 0 | 11,595 | 13,185 | 13,185 | 1,590 |
| Health Services | 61,146 | 0 | 0 | 61,146 | 63,422 | 66,322 | 5,176 |
| Other Student Support | 305,370 | (2,639) | 1,762 | 304,493 | 327,962 | 345,792 | 41,299 |
| Regular Instruction Program | 482,230 | 0 | 0 | 482,230 | 479,714 | 492,821 | 10,591 |
| Special Education Program | 143,536 | 0 | 0 | 143,536 | 149,623 | 149,623 | 6,087 |
| Other Programs | 42,232 | 0 | 0 | 42,232 | 0 | 42,232 | 0 |
| Board of Education | 158,398 | 0 | 0 | 158,398 | 169,895 | 169,895 | 11,497 |
| Director of Schools | 181,179 | 0 | 0 | 181,179 | 188,342 | 188,342 | 7,163 |

(Continued)

Exhibit I-6

Lewis County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lewis 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 | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|----------------------|----------------------|--|
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>Support Services (Cont.)</u> | | | | | | | |
| Office of the Principal | \$ 578,953 | \$ 0 | \$ 0 | \$ 578,953 | \$ 582,780 | \$ 583,780 | \$ 4,827 |
| Fiscal Services | 88,230 | 0 | 500 | 88,730 | 89,579 | 94,479 | 5,749 |
| Operation of Plant | 780,974 | 0 | 0 | 780,974 | 899,310 | 882,597 | 101,623 |
| Maintenance of Plant | 126,603 | (2,587) | 0 | 124,016 | 127,275 | 131,970 | 7,954 |
| Transportation | 505,272 | (24,628) | 185,513 | 666,157 | 754,400 | 754,400 | 88,243 |
| Central and Other | 22,240 | 0 | 0 | 22,240 | 23,380 | 23,380 | 1,140 |
| <u>Operation of Non-Instructional Services</u> | | | | | | | |
| Food Service | 72 | 0 | 0 | 72 | 500 | 500 | 428 |
| Community Services | 294,932 | (15,980) | 6,833 | 285,785 | 8,385 | 286,284 | 499 |
| Early Childhood Education | 391,000 | (549) | 8,068 | 398,519 | 0 | 398,521 | 2 |
| <u>Capital Outlay</u> | | | | | | | |
| Regular Capital Outlay | 62,476 | 0 | 71,522 | 133,998 | 75,000 | 135,571 | 1,573 |
| <u>Principal on Debt</u> | | | | | | | |
| Education | 0 | 0 | 0 | 0 | 150,000 | 0 | 0 |
| Interest on Debt | 0 | 0 | 0 | 0 | 46,230 | 0 | 0 |
| Education | 0 | 0 | 0 | 0 | 46,230 | 0 | 0 |
| <u>Other Debt Service</u> | | | | | | | |
| Education | 196,230 | 0 | 0 | 196,230 | 0 | 196,230 | 0 |
| <u>Total Expenditures</u> | <u>\$ 1,120,268</u> | <u>\$ (66,596)</u> | <u>\$ 315,483</u> | <u>\$ 1,369,155</u> | <u>\$ 11,167,155</u> | <u>\$ 11,994,835</u> | <u>\$ 625,680</u> |
| <u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u> | <u>\$ 1,898,808</u> | <u>\$ 66,596</u> | <u>\$ (315,483)</u> | <u>\$ 1,649,921</u> | <u>\$ (10,000)</u> | <u>\$ 540,428</u> | <u>\$ 1,109,493</u> |

(Continued)

Exhibit I-6

Lewis County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lewis 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 | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | | Original | Final | |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Insurance Recovery | \$ 6,766 | \$ 0 | \$ 0 | \$ 6,766 | \$ 0 | \$ 6,765 | \$ 1 |
| Transfers In | 16,627 | 0 | 0 | 16,627 | 10,000 | 16,627 | 0 |
| Transfers Out | (50,000) | 0 | 0 | (50,000) | 0 | (50,000) | 0 |
| Total Other Financing Sources (Uses) | \$ (26,607) | \$ 0 | \$ 0 | (26,607) | 10,000 | (26,608) | \$ 1 |
| Net Change in Fund Balance | \$ 1,872,201 | \$ 66,596 | (315,483) | \$ 1,623,314 | \$ 0 | \$ 513,820 | \$ 1,109,494 |
| Fund Balance, July 1, 2009 | 2,782,239 | (66,596) | 0 | 2,715,643 | 1,168,730 | 1,168,730 | 1,546,913 |
| Fund Balance, June 30, 2010 | \$ 4,654,440 | \$ 0 | (315,483) | \$ 4,338,957 | \$ 1,168,730 | \$ 1,682,550 | \$ 2,656,407 |

Exhibit I-7

Lewis County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lewis 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 | |
| Revenues | | | | | | | |
| Federal Government | \$ 1,693,713 | 0 | 0 | \$ 1,693,713 | \$ 2,221,586 | \$ 2,222,473 | \$ (528,760) |
| Total Revenues | \$ 1,693,713 | 0 | 0 | \$ 1,693,713 | \$ 2,221,586 | \$ 2,222,473 | \$ (528,760) |
| Expenditures | | | | | | | |
| <u>Instruction</u> | | | | | | | |
| Regular Instruction Program | \$ 815,821 | 0 | 0 | \$ 815,821 | \$ 946,039 | \$ 946,879 | \$ 131,058 |
| Special Education Program | 506,973 | (127) | 0 | 506,846 | 726,070 | 725,471 | 218,625 |
| Vocational Education Program | 24,980 | (6,500) | 9,540 | 28,020 | 19,566 | 28,026 | 6 |
| <u>Support Services</u> | | | | | | | |
| Other Student Support | 15,838 | 0 | 0 | 15,838 | 25,006 | 26,438 | 10,600 |
| Regular Instruction Program | 135,996 | (6,723) | 0 | 129,273 | 191,997 | 179,657 | 50,384 |
| Special Education Program | 192,000 | 0 | 170 | 192,170 | 296,784 | 300,740 | 108,570 |
| Vocational Education Program | 519 | 0 | 0 | 519 | 1,000 | 519 | 0 |
| Transportation | 26,988 | 0 | 0 | 26,988 | 29,366 | 27,592 | 604 |
| Total Expenditures | \$ 1,719,115 | \$ (13,350) | \$ 9,710 | \$ 1,715,475 | \$ 2,235,828 | \$ 2,235,322 | \$ 519,847 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (25,402) | \$ 13,350 | \$ (9,710) | \$ (21,762) | \$ (14,242) | \$ (12,849) | \$ (8,913) |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Transfers In | \$ 50,000 | 0 | 0 | \$ 50,000 | \$ 15,486 | \$ 15,486 | \$ 34,514 |
| Transfers Out | (16,627) | 0 | 0 | (16,627) | (25,362) | (39,746) | 23,119 |
| Total Other Financing Sources (Uses) | \$ 33,373 | 0 | 0 | \$ 33,373 | \$ (9,876) | \$ (24,260) | \$ 57,633 |
| Net Change in Fund Balance Fund Balance, July 1, 2009 | \$ 7,971 | \$ 13,350 | \$ (9,710) | \$ 11,611 | \$ (24,118) | \$ (37,109) | \$ 48,720 |
| Fund Balance, July 1, 2009 | 42,170 | (13,350) | 0 | 28,820 | 42,170 | 42,170 | (13,350) |
| Fund Balance, June 30, 2010 | \$ 50,141 | 0 | \$ (9,710) | \$ 40,431 | \$ 18,052 | \$ 5,061 | \$ 35,370 |

Exhibit I-8

Lewis County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lewis 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 | \$ 338,322 | \$ 367,500 | \$ 367,500 | \$ (29,178) |
| Other Local Revenues | 10,960 | 11,000 | 11,000 | (40) |
| State of Tennessee | 11,415 | 11,500 | 11,500 | (85) |
| Federal Government | 720,276 | 676,500 | 679,800 | 40,476 |
| Total Revenues | <u>\$ 1,080,973</u> | <u>\$ 1,066,500</u> | <u>\$ 1,069,800</u> | <u>\$ 11,173</u> |
| <u>Expenditures</u> | | | | |
| <u>Operation of Non-Instructional Services</u> | | | | |
| Food Service | \$ 1,046,188 | \$ 1,152,000 | \$ 1,155,300 | \$ 109,112 |
| Total Expenditures | <u>\$ 1,046,188</u> | <u>\$ 1,152,000</u> | <u>\$ 1,155,300</u> | <u>\$ 109,112</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 34,785</u> | <u>\$ (85,500)</u> | <u>\$ (85,500)</u> | <u>\$ 120,285</u> |
| Net Change in Fund Balance | \$ 34,785 | \$ (85,500) | \$ (85,500) | \$ 120,285 |
| Fund Balance, July 1, 2009 | <u>471,583</u> | <u>471,583</u> | <u>471,583</u> | <u>0</u> |
| Fund Balance, June 30, 2010 | <u>\$ 506,368</u> | <u>\$ 386,083</u> | <u>\$ 386,083</u> | <u>\$ 120,285</u> |

MISCELLANEOUS SCHEDULES

Exhibit J-1

Lewis County, Tennessee
Schedule of Changes in Long-term Notes 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 |
|--|--------------------------------|------------------|---------------------|--------------------------|-----------------------|----------------------------|--|------------------------|
| | | | | | | | | |
| <u>NOTES PAYABLE</u> | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| County Buildings Renovations | \$ 850,000 | 3.5 to 4.9 % | 7-1-01 | 6-1-13 | \$ 330,000 | \$ 0 | \$ 75,000 | \$ 255,000 |
| Public Works Projects and Refunding | 980,000 | 2.26 | 6-11-04 | 6-4-10 | 163,334 | 0 | 163,334 | 0 |
| Health and Human Services Building | 750,000 | 4.88 | 11-1-06 | 10-29-09 | 250,000 | 0 | 250,000 | 0 |
| Highway Department Tractor | 55,389 | 3 | 1-22-10 | 1-22-11 | 0 | 55,389 | 22,769 | 32,620 |
| Total Notes Payable | | | | | \$ 743,334 | \$ 55,389 | \$ 511,103 | \$ 287,620 |
| <u>BONDS PAYABLE</u> | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| School Refunding | 1,970,000 | 3.35 | 5-1-03 | 5-1-17 | \$ 1,380,000 | \$ 0 | \$ 150,000 | \$ 1,230,000 |
| Total Bonds Payable | | | | | \$ 1,380,000 | \$ 0 | \$ 150,000 | \$ 1,230,000 |

Exhibit J-2

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

| Year Ending June 30 | Notes | | Total |
|---------------------------|------------|-----------|------------|
| | Principal | Interest | |
| 2011 | \$ 112,620 | \$ 13,292 | \$ 125,912 |
| 2012 | 85,000 | 8,575 | 93,575 |
| 2013 | 90,000 | 4,410 | 94,410 |
| Total | \$ 287,620 | \$ 26,277 | \$ 313,897 |

| Year Ending June 30 | Bonds | | Total |
|---------------------------|--------------|------------|--------------|
| | Principal | Interest | |
| 2011 | \$ 155,000 | \$ 41,205 | \$ 196,205 |
| 2012 | 160,000 | 36,013 | 196,013 |
| 2013 | 170,000 | 30,652 | 200,652 |
| 2014 | 175,000 | 24,958 | 199,958 |
| 2015 | 185,000 | 19,095 | 204,095 |
| 2016 | 190,000 | 12,897 | 202,897 |
| 2017 | 195,000 | 6,533 | 201,533 |
| Total | \$ 1,230,000 | \$ 171,353 | \$ 1,401,353 |

Exhibit J-3

Lewis County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Lewis 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> | | | |
| Special Purpose | Highway/Public Works | Operations | \$ 48,283 |
| Special Purpose | General Debt Service | Debt retirement | 158,000 |
| Special Purpose | General | Operations | 233,853 |
| General | Sports and Recreation | " | 108,679 |
| Sports and Recreation | General | " | 5,000 |
| General | Community Development/Industrial Park | " | 140,914 |
| Highway/Public Works | General Debt Service | Debt retirement | 48,587 |
| Total Transfers Primary Government | | | <u>\$ 743,316</u> |
| <u>DISCRETELY PRESENTED LEWIS COUNTY SCHOOL DEPARTMENT</u> | | | |
| General Purpose School | School Federal Projects | Operations | \$ 50,000 |
| School Federal Projects | General Purpose School | Indirect costs | 16,627 |
| Total Transfers Discretely Presented Lewis County School Department | | | <u>\$ 66,627</u> |

Exhibit J-4

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

| Official | Authorization for Salary | Salary Paid During Period | Bond | Surety |
|---|--|---------------------------|---------|---|
| County Mayor | | | | |
| Kenneth Turnbow (7-1-09 through 10-27-09) | Section 8-24-102, <u>TCA</u> | \$ 20,117 (1) | 25,000 | RLI Insurance Company |
| Jonah Keltner (10-28-09 through 6-30-10) | Section 8-24-102, <u>TCA</u> | 40,233 (2) | 25,000 | " |
| Road Superintendent | Section 8-24-102, <u>TCA</u> | 57,477 | 100,000 | " |
| Director of Schools | State Board of Education and County Board of Education | 91,177 (3) | 50,000 | " |
| Trustee | Section 8-24-102, <u>TCA</u> | 52,251 | 462,000 | " |
| Assessor of Property | Section 8-24-102, <u>TCA</u> | 52,251 | 10,000 | " |
| County Clerk | Section 8-24-102, <u>TCA</u> | 52,251 | 25,000 | " |
| Circuit and General Sessions Courts Clerk | Section 8-24-102, <u>TCA</u> | 52,251 | 25,000 | " |
| Clerk and Master | Section 8-24-102, <u>TCA</u> | 52,251 (4) | 35,000 | " |
| Register | Section 8-24-102, <u>TCA</u> | 52,251 | 15,000 | " |
| Sheriff | Section 8-24-102, <u>TCA</u> , and County Commission | 57,477 (5) | 25,000 | " |
| Employee Blanket Bonds | | | | |
| Public Employee Dishonesty - County Departments | | | 150,000 | Local Government Property and Casualty Fund |
| Public Employee Dishonesty - School Department | | | 10,000 | RLI Insurance Company |

- (1) Does not include \$1,200 for serving as chairman of the Highway Commission.
- (2) Does not include \$2,100 for serving as chairman of the Highway Commission and \$6,000 for serving as chairman of the County Commission.
- (3) Includes \$1,000 chief executive officer training supplement. Does not include 100 percent of the director's medical (\$14,501) and dental (\$1,238) benefits paid by the board.
- (4) Does not include special commissioner fees of \$10,021.
- (5) Does not include a law enforcement training supplement of \$600.

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

| | Special Revenue Funds | | | | |
|---|-----------------------|----------------------------|-----------------|--------------|-----------------------|
| | General | Solid Waste/ Sanitation | Special Purpose | Drug Control | Sports and Recreation |
| <u>Local Taxes</u> | | | | | |
| <u>County Property Taxes</u> | | | | | |
| Current Property Tax | \$ 1,468,806 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Trustee's Collections - Prior Year | 36,231 | 0 | 0 | 0 | 0 |
| Trustee's Collections - Bankruptcy | 197 | 0 | 0 | 0 | 0 |
| Circuit/Clerk & Master Collections - Prior Years | 26,164 | 0 | 0 | 0 | 0 |
| Interest and Penalty | 10,110 | 0 | 0 | 0 | 0 |
| Payments in-Lieu-of Taxes - T.V.A. | 5,123 | 0 | 0 | 0 | 0 |
| Payments in-Lieu-of Taxes - Local Utilities | 137,228 | 0 | 0 | 0 | 0 |
| Payments in-Lieu-of Taxes - Other | 9,933 | 0 | 0 | 0 | 0 |
| <u>County Local Option Taxes</u> | | | | | |
| Local Option Sales Tax | 153,377 | 0 | 0 | 0 | 0 |
| Hotel/Motel Tax | 12,851 | 0 | 0 | 0 | 0 |
| Wheel Tax | 217,366 | 0 | 0 | 0 | 0 |
| Litigation Tax - General | 29,902 | 0 | 0 | 0 | 0 |
| Litigation Tax - Special Purpose | 3,114 | 0 | 0 | 0 | 0 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 15,052 | 0 | 0 | 0 | 0 |
| Litigation Tax - Victim/Offender Mediation Center | 843 | 0 | 0 | 0 | 0 |
| Business Tax | 29,523 | 0 | 0 | 0 | 0 |
| <u>Statutory Local Taxes</u> | | | | | |
| Bank Excise Tax | 8,425 | 0 | 0 | 0 | 0 |
| Wholesale Beer Tax | 31,197 | 0 | 0 | 0 | 0 |
| Interstate Telecommunications Tax | 578 | 0 | 0 | 0 | 0 |
| Total Local Taxes | \$ 2,196,020 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Licenses and Permits</u> | | | | | |
| <u>Licenses</u> | | | | | |
| Cable TV Franchise | \$ 1,697 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Permits | 618 | 0 | 0 | 0 | 0 |
| Beer Permits | 2,315 | 0 | 0 | 0 | 0 |
| Total Licenses and Permits | \$ 4,630 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

(Continued)

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

| | Special Revenue Funds | | | | |
|---|-----------------------|-------------------------|-----------------|--------------|-----------------------|
| | General | Solid Waste/ Sanitation | Special Purpose | Drug Control | Sports and Recreation |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | |
| <u>Circuit Court</u> | | | | | |
| Fines | \$ 9,408 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Officers Costs | 3,220 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 0 | 2,975 | 0 |
| DUI Treatment Fines | 285 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Circuit Court | 190 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 57 | 0 | 0 | 0 | 0 |
| <u>Criminal Court</u> | | | | | |
| Drug Court Fees | 646 | 0 | 0 | 0 | 0 |
| <u>General Sessions Court</u> | | | | | |
| Fines | 16,082 | 0 | 0 | 0 | 0 |
| Officers Costs | 13,278 | 0 | 0 | 0 | 0 |
| Game and Fish Fines | 612 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 0 | 5,212 | 0 |
| Drug Court Fees | 2,541 | 0 | 0 | 0 | 0 |
| Jail Fees | 9,277 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 2,945 | 0 | 0 | 0 | 0 |
| Data Entry Fee - General Sessions Court | 1,914 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 277 | 0 | 0 | 0 | 0 |
| <u>Juvenile Court</u> | | | | | |
| Fines | 736 | 0 | 0 | 0 | 50 |
| <u>Chancery Court</u> | | | | | |
| Officers Costs | 3,847 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Chancery Court | 1,110 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 32 | 0 | 0 | 0 | 0 |
| Total Fines, Forfeitures, and Penalties | \$ 66,457 | \$ 0 | \$ 0 | \$ 8,187 | \$ 50 |
| <u>Charges for Current Services</u> | | | | | |
| <u>General Service Charges</u> | | | | | |
| Transfer Waste Stations Collection Charge | \$ 0 | \$ 6,807 | \$ 0 | \$ 0 | \$ 0 |
| Tipping Fees | 0 | 8,533 | 0 | 0 | 0 |

(Continued)

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

| | Special Revenue Funds | | | | |
|---|-----------------------|-------------------------|-----------------|--------------|-----------------------|
| | General | Solid Waste/ Sanitation | Special Purpose | Drug Control | Sports and Recreation |
| <u>Charges for Current Services (Cont.)</u> | | | | | |
| <u>General Service Charges (Cont.)</u> | | | | | |
| Surcharge - General | \$ 0 | \$ 1,873 | \$ 0 | \$ 0 | \$ 0 |
| Solid Waste Disposal Fees | 0 | 465,753 | 0 | 0 | 0 |
| Work Release Charges for Board Fees | 400 | 0 | 0 | 0 | 0 |
| Airport Fees | 4,669 | 1,053 | 0 | 0 | 0 |
| Recreation Fees | 0 | 0 | 0 | 0 | 15,787 |
| Copy Fees | 2,298 | 0 | 0 | 0 | 0 |
| Library Fees | 3,976 | 0 | 0 | 0 | 0 |
| Telephone Commissions | 14,091 | 0 | 0 | 0 | 0 |
| Vending Machine Collections | 3 | 0 | 0 | 0 | 0 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Register | 3,670 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Sheriff | 1,650 | 0 | 0 | 0 | 0 |
| Sexual Offender Registration Fees - Sheriff | 880 | 0 | 0 | 0 | 0 |
| Data Processing Fee - County Clerk | 494 | 0 | 0 | 0 | 0 |
| Other Charges for Services | 4,196 | 0 | 0 | 0 | 0 |
| Total Charges for Current Services | \$ 36,327 | \$ 484,019 | \$ 0 | \$ 0 | \$ 15,787 |
| <u>Other Local Revenues</u> | | | | | |
| <u>Recurring Items</u> | | | | | |
| Investment Income | \$ 42,790 | \$ 0 | \$ 85,700 | \$ 0 | \$ 0 |
| Lease/Rentals | 42,367 | 1,625 | 33 | 0 | 0 |
| Commissary Sales | 7,439 | 0 | 0 | 0 | 0 |
| Sale of Gasoline | 31,855 | 0 | 0 | 0 | 0 |
| Sale of Recycled Materials | 521 | 3,490 | 0 | 0 | 0 |
| Miscellaneous Refunds | 43,116 | 348 | 0 | 0 | 0 |
| <u>Nonrecurring Items</u> | | | | | |
| Sale of Equipment | 8,630 | 25,792 | 0 | 0 | 0 |
| Damages Recovered from Individuals | 5,234 | 0 | 0 | 0 | 0 |

(Continued)

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

| | Special Revenue Funds | | | | |
|--|-----------------------|-------------------------|-----------------|--------------|-----------------------|
| | General | Solid Waste/ Sanitation | Special Purpose | Drug Control | Sports and Recreation |
| <u>Other Local Revenues (Cont.)</u> | | | | | |
| Other Local Revenues | \$ 16,036 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Other Local Revenues | \$ 197,988 | \$ 31,255 | \$ 85,733 | \$ 0 | \$ 0 |
| <u>Fees Received from County Officials</u> | | | | | |
| <u>Fees in-Lieu-of Salary</u> | | | | | |
| County Clerk | \$ 66,626 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Circuit Court Clerk | 26,268 | 0 | 0 | 0 | 0 |
| General Sessions Court Clerk | 61,628 | 0 | 0 | 0 | 0 |
| Clerk and Master | 83,766 | 0 | 0 | 0 | 0 |
| Register | 42,258 | 0 | 0 | 0 | 0 |
| Sheriff | 10,895 | 0 | 0 | 0 | 0 |
| Trustee | 135,039 | 0 | 0 | 0 | 0 |
| Total Fees Received from County Officials | \$ 426,480 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>State of Tennessee</u> | | | | | |
| <u>General Government Grants</u> | | | | | |
| Juvenile Services Program | \$ 9,300 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Airport Maintenance Program | 2,563 | 0 | 0 | 0 | 0 |
| State Reappraisal Grant | 3,740 | 0 | 0 | 0 | 0 |
| Other General Government Grants | 600 | 0 | 0 | 0 | 0 |
| <u>Public Safety Grants</u> | | | | | |
| Law Enforcement Training Programs | 7,200 | 0 | 0 | 0 | 0 |
| Health and Welfare Grants | | | | | |
| Health Department Programs | 29,370 | 0 | 0 | 0 | 0 |
| Public Works Grants | | | | | |
| State Aid Program | 0 | 0 | 0 | 0 | 0 |
| Litter Program | 46,152 | 0 | 0 | 0 | 0 |
| <u>Other State Revenues</u> | | | | | |
| Income Tax | 9,487 | 0 | 0 | 0 | 0 |
| Beer Tax | 36,021 | 0 | 0 | 0 | 0 |

(Continued)

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

| | Special Revenue Funds | | | | |
|--|-----------------------|-------------------------|-----------------|--------------|-----------------------|
| | General | Solid Waste/ Sanitation | Special Purpose | Drug Control | Sports and Recreation |
| <u>State of Tennessee (Cont.)</u> | | | | | |
| <u>Other State Revenues (Cont.)</u> | | | | | |
| Alcoholic Beverage Tax | \$ 6,112 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| State Revenue Sharing - T.V.A. | 302,896 | 0 | 0 | 0 | 0 |
| Contracted Prisoner Boarding | 198,128 | 0 | 0 | 0 | 0 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 0 |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 0 |
| Registrar's Salary Supplement | 16,380 | 0 | 0 | 0 | 0 |
| Other State Grants | 8,357 | 6,000 | 0 | 0 | 0 |
| Other State Revenues | 1,250 | 0 | 0 | 0 | 0 |
| Total State of Tennessee | \$ 677,556 | \$ 6,000 | \$ 0 | \$ 0 | \$ 0 |
| <u>Federal Government</u> | | | | | |
| <u>Federal Through State</u> | | | | | |
| Community Development | \$ 335,282 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Homeland Security Grants | 29,384 | 0 | 0 | 0 | 0 |
| Other Federal through State | 53,700 | 0 | 0 | 0 | 0 |
| Direct Federal Revenue | | | | | |
| Other Direct Federal Revenue | 6,386 | 0 | 0 | 0 | 0 |
| Total Federal Government | \$ 424,752 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Other Governments and Citizens Groups</u> | | | | | |
| <u>Other Governments</u> | | | | | |
| Paving and Maintenance | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Contributions | 0 | 0 | 0 | 0 | 45,250 |
| Citizens Groups | | | | | |
| Donations | 0 | 0 | 0 | 0 | 1,000 |
| <u>Other</u> | 41,565 | 0 | 0 | 0 | 0 |
| Other | | | | | |
| Total Other Governments and Citizens Groups | \$ 41,565 | \$ 0 | \$ 0 | \$ 0 | \$ 46,250 |
| Total | \$ 4,069,460 | \$ 521,274 | \$ 85,733 | \$ 8,187 | \$ 62,087 |

(Continued)

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

| | Special Revenue Funds | | | Debt Service Fund | | Capital Projects Fund | | Total |
|---|--------------------------------|------------------------|----------------------|--------------------------|---------------------|-----------------------|--|-------|
| | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | Highway Capital Projects | | | | |
| <u>Local Taxes</u> | | | | | | | | |
| <u>County Property Taxes</u> | | | | | | | | |
| Current Property Tax | \$ 0 | \$ 63,379 | \$ 146,110 | \$ 28,155 | \$ 1,706,450 | | | |
| Trustee's Collections - Prior Year | 0 | 1,405 | 3,851 | 766 | 42,253 | | | |
| Trustee's Collections - Bankruptcy Circuit/Clerk & Master Collections - Prior Years | 0 | 7 | 16 | 0 | 220 | | | |
| Interest and Penalty | 0 | 1,612 | 2,910 | 1,150 | 31,836 | | | |
| Payments in-Lieu-of Taxes - T.V.A. | 0 | 431 | 1,115 | 261 | 11,917 | | | |
| Payments in-Lieu-of Taxes - Local Utilities | 0 | 231 | 509 | 113 | 5,976 | | | |
| Payments in-Lieu-of Taxes - Other | 0 | 5,911 | 13,220 | 2,581 | 158,940 | | | |
| <u>County Local Option Taxes</u> | 0 | 83 | 191 | 36 | 10,243 | | | |
| Local Option Sales Tax | 0 | 0 | 0 | 0 | 153,377 | | | |
| Hotel/Motel Tax | 0 | 0 | 0 | 0 | 12,851 | | | |
| Wheel Tax | 0 | 0 | 0 | 0 | 217,366 | | | |
| Litigation Tax - General | 0 | 0 | 0 | 0 | 29,902 | | | |
| Litigation Tax - Special Purpose | 0 | 0 | 0 | 0 | 3,114 | | | |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 0 | 0 | 0 | 15,052 | | | |
| Litigation Tax - Victim/Offender Mediation Center | 0 | 0 | 0 | 0 | 843 | | | |
| Business Tax | 0 | 1,405 | 2,933 | 694 | 34,555 | | | |
| <u>Statutory Local Taxes</u> | | | | | | | | |
| Bank Excise Tax | 0 | 363 | 840 | 159 | 9,787 | | | |
| Wholesale Beer Tax | 0 | 0 | 0 | 0 | 31,197 | | | |
| Interstate Telecommunications Tax | 0 | 0 | 0 | 0 | 578 | | | |
| Total Local Taxes | \$ 0 | \$ 74,827 | \$ 171,695 | \$ 33,915 | \$ 2,476,457 | | | |
| <u>Licenses and Permits</u> | | | | | | | | |
| <u>Licenses</u> | | | | | | | | |
| Cable TV Franchise | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,697 | | | |
| <u>Permits</u> | | | | | | | | |
| Beer Permits | 0 | 0 | 0 | 0 | 618 | | | |
| Total Licenses and Permits | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 2,315 | | | |

(Continued)

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

| | Special Revenue Funds | | Debt Service Fund | | Capital Projects Fund | | Total |
|---|------------------------------|------------------------|----------------------|--------------------------|-----------------------|---|--------|
| | Constitutional Officers Fees | Highway / Public Works | General Debt Service | Highway Capital Projects | | | |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | | |
| <u>Circuit Court</u> | | | | | | | |
| Fines | \$ 0 | 0 | 0 | 0 | 0 | 0 | 9,408 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 0 | 3,220 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 0 | 2,975 |
| DUI Treatment Fines | 0 | 0 | 0 | 0 | 0 | 0 | 285 |
| Data Entry Fee - Circuit Court | 0 | 0 | 0 | 0 | 0 | 0 | 190 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 0 | 57 |
| <u>Criminal Court</u> | | | | | | | |
| Drug Court Fees | 0 | 0 | 0 | 0 | 0 | 0 | 646 |
| <u>General Sessions Court</u> | | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 0 | 16,082 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 0 | 13,278 |
| Game and Fish Fines | 0 | 0 | 0 | 0 | 0 | 0 | 612 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 0 | 5,212 |
| Drug Court Fees | 0 | 0 | 0 | 0 | 0 | 0 | 2,541 |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 0 | 9,277 |
| DUI Treatment Fines | 0 | 0 | 0 | 0 | 0 | 0 | 2,945 |
| Data Entry Fee - General Sessions Court | 0 | 0 | 0 | 0 | 0 | 0 | 1,914 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 0 | 277 |
| <u>Juvenile Court</u> | | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 0 | 786 |
| <u>Chancery Court</u> | | | | | | | |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 0 | 3,847 |
| Data Entry Fee - Chancery Court | 0 | 0 | 0 | 0 | 0 | 0 | 1,110 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 0 | 32 |
| Total Fines, Forfeitures, and Penalties | \$ 0 | 0 | 0 | 0 | 0 | 0 | 74,694 |
| <u>Charges for Current Services</u> | | | | | | | |
| General Service Charges | \$ 0 | 0 | 0 | 0 | 0 | 0 | 6,807 |
| Transfer Waste Stations Collection Charge | 0 | 0 | 0 | 0 | 0 | 0 | 8,533 |
| Tipping Fees | | | | | | | |

(Continued)

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

| | Special Revenue Funds | | | Debt Service Fund | | Capital Projects Fund | | Total |
|---|--------------------------------|------------------------|----------------------|--------------------------|------|-----------------------|------|---------|
| | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | Highway Capital Projects | | | | |
| <u>Charges for Current Services (Cont.)</u> | | | | | | | | |
| <u>General Service Charges (Cont.)</u> | | | | | | | | |
| Surcharge - General | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 1,873 |
| Solid Waste Disposal Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 465,753 |
| Work Release Charges for Board Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 400 |
| Airport Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,722 |
| Recreation Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,787 |
| Copy Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,298 |
| Library Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,976 |
| Telephone Commissions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,091 |
| Vending Machine Collections | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Constitutional Officers' Fees and Commissions | 10,079 | 0 | 0 | 0 | 0 | 0 | 0 | 10,079 |
| Data Processing Fee - Register | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,670 |
| Data Processing Fee - Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,650 |
| Sexual Offender Registration Fees - Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 880 |
| Data Processing Fee - County Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 494 |
| Other Charges for Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,196 |
| Other Charges for Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,196 |
| Total Charges for Current Services | \$ 10,079 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 546,212 |
| <u>Other Local Revenues</u> | | | | | | | | |
| <u>Recurring Items</u> | | | | | | | | |
| Investment Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 144,490 |
| Lease/Rentals | 0 | 0 | 16,000 | 0 | 0 | 0 | 0 | 164,175 |
| Commissary Sales | 0 | 0 | 120,150 | 0 | 0 | 0 | 0 | 7,439 |
| Sale of Gasoline | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 31,855 |
| Sale of Recycled Materials | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,011 |
| Miscellaneous Refunds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 43,464 |
| <u>Nonrecurring Items</u> | | | | | | | | |
| Sale of Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 34,422 |
| Damages Recovered from Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,234 |

(Continued)

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

| | Special Revenue Funds | | Debt Service Fund | | Capital Projects Fund | | Total |
|--|--------------------------------|------------------------|----------------------|--------------------------|-----------------------|------|---------|
| | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | Highway Capital Projects | | | |
| <u>Other Local Revenues (Cont.)</u> | | | | | | | |
| Other Local Revenues | \$ 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 16,036 |
| Total Other Local Revenues | \$ 0 \$ | 0 \$ | 136,150 \$ | 0 \$ | 0 \$ | 0 \$ | 451,126 |
| <u>Fees Received from County Officials</u> | | | | | | | |
| Fees in-Lieu-of Salary | | | | | | | |
| County Clerk | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 66,626 |
| Circuit Court Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 26,268 |
| General Sessions Court Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 61,628 |
| Clerk and Master | 0 | 0 | 0 | 0 | 0 | 0 | 83,766 |
| Register | 0 | 0 | 0 | 0 | 0 | 0 | 42,258 |
| Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 10,895 |
| Trustee | 0 | 0 | 0 | 0 | 0 | 0 | 135,039 |
| Total Fees Received from County Officials | \$ 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 426,480 |
| <u>State of Tennessee</u> | | | | | | | |
| General Government Grants | | | | | | | |
| Juvenile Services Program | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 9,300 |
| Airport Maintenance Program | 0 | 0 | 0 | 0 | 0 | 0 | 2,563 |
| State Reappraisal Grant | 0 | 0 | 0 | 0 | 0 | 0 | 3,740 |
| Other General Government Grants | 0 | 0 | 0 | 0 | 0 | 0 | 600 |
| Public Safety Grants | | | | | | | |
| Law Enforcement Training Programs | 0 | 0 | 0 | 0 | 0 | 0 | 7,200 |
| Health and Welfare Grants | | | | | | | |
| Health Department Programs | 0 | 0 | 0 | 0 | 0 | 0 | 29,370 |
| Public Works Grants | | | | | | | |
| State Aid Program | 0 | 436,677 | 0 | 0 | 0 | 0 | 436,677 |
| Litter Program | 0 | 0 | 0 | 0 | 0 | 0 | 46,152 |
| Other State Revenues | | | | | | | |
| Income Tax | 0 | 0 | 0 | 0 | 0 | 0 | 9,487 |
| Beer Tax | 0 | 0 | 0 | 0 | 0 | 0 | 36,021 |

(Continued)

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

| | Special Revenue Funds | | Debt Service Fund | | Capital Projects Fund | | Total |
|--|--------------------------------|------------------------|----------------------|--------------------------|-----------------------|------|--------------|
| | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | Highway Capital Projects | | | |
| <u>State of Tennessee (Cont.)</u> | | | | | | | |
| <u>Other State Revenues (Cont.)</u> | | | | | | | |
| Alcoholic Beverage Tax | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 6,112 |
| State Revenue Sharing - T.V.A. | 0 | 32,000 | 0 | 0 | 0 | 0 | 334,896 |
| Contracted Prisoner Boarding | 0 | 0 | 0 | 0 | 0 | 0 | 198,128 |
| Gasoline and Motor Fuel Tax | 0 | 1,353,901 | 0 | 0 | 0 | 0 | 1,353,901 |
| Petroleum Special Tax | 0 | 9,890 | 0 | 0 | 0 | 0 | 9,890 |
| Registrar's Salary Supplement | 0 | 0 | 0 | 0 | 0 | 0 | 16,380 |
| Other State Grants | 0 | 0 | 0 | 0 | 0 | 0 | 14,357 |
| Other State Revenues | 0 | 0 | 0 | 0 | 0 | 0 | 1,250 |
| Total State of Tennessee | \$ 0 | \$ 1,832,468 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 2,516,024 |
| <u>Federal Government</u> | | | | | | | |
| <u>Federal Through State</u> | | | | | | | |
| Community Development | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 335,282 |
| Homeland Security Grants | 0 | 0 | 0 | 0 | 0 | 0 | 29,384 |
| Other Federal through State | 0 | 171,255 | 0 | 0 | 0 | 0 | 224,955 |
| <u>Direct Federal Revenue</u> | | | | | | | |
| Other Direct Federal Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 6,386 |
| Total Federal Government | \$ 0 | \$ 171,255 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 596,007 |
| <u>Other Governments and Citizens Groups</u> | | | | | | | |
| <u>Other Governments</u> | | | | | | | |
| Paving and Maintenance | \$ 0 | \$ 12,281 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 12,281 |
| Contributions | 0 | 0 | 196,230 | 0 | 0 | 0 | 241,480 |
| <u>Citizens Groups</u> | | | | | | | |
| Donations | 0 | 0 | 0 | 0 | 0 | 0 | 1,000 |
| <u>Other</u> | | | | | | | |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 41,565 |
| Total Other Governments and Citizens Groups | \$ 0 | \$ 12,281 | \$ 196,230 | \$ 0 | \$ 0 | \$ 0 | \$ 296,326 |
| Total | \$ 10,079 | \$ 2,090,831 | \$ 504,075 | \$ 33,915 | \$ 7,385,641 | | |

Exhibit J-6

Lewis County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Lewis 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 | \$ 1,009,946 | \$ 0 | \$ 0 | \$ 1,009,946 |
| Trustee's Collections - Prior Year | 25,434 | 0 | 0 | 25,434 |
| Trustee's Collections - Bankruptcy | 136 | 0 | 0 | 136 |
| Circuit/Clerk & Master Collections - Prior Years | 29,319 | 0 | 0 | 29,319 |
| Interest and Penalty | 7,548 | 0 | 0 | 7,548 |
| Payments in-Lieu-of Taxes - T.V.A. | 3,779 | 0 | 0 | 3,779 |
| Payments in-Lieu-of Taxes - Local Utilities | 93,915 | 0 | 0 | 93,915 |
| Payments in-Lieu-of Taxes - Other | 1,313 | 0 | 0 | 1,313 |
| <u>County Local Option Taxes</u> | | | | |
| Local Option Sales Tax | 1,125,686 | 0 | 0 | 1,125,686 |
| Business Tax | 23,101 | 0 | 0 | 23,101 |
| <u>Statutory Local Taxes</u> | | | | |
| Bank Excise Tax | 5,766 | 0 | 0 | 5,766 |
| Interstate Telecommunications Tax | 936 | 0 | 0 | 936 |
| Total Local Taxes | \$ 2,326,879 | \$ 0 | \$ 0 | \$ 2,326,879 |
| <u>Licenses and Permits</u> | | | | |
| <u>Licenses</u> | | | | |
| Marriage Licenses | \$ 499 | \$ 0 | \$ 0 | \$ 499 |
| Total Licenses and Permits | \$ 499 | \$ 0 | \$ 0 | \$ 499 |
| <u>Charges for Current Services</u> | | | | |
| <u>Education Charges</u> | | | | |
| Tuition - Regular Day Students | \$ 1,000 | \$ 0 | \$ 0 | \$ 1,000 |
| Lunch Payments - Children | 0 | 0 | 132,025 | 132,025 |
| Lunch Payments - Adults | 0 | 0 | 27,492 | 27,492 |
| Income from Breakfast | 0 | 0 | 29,627 | 29,627 |
| A la carte Sales | 0 | 0 | 147,263 | 147,263 |
| Receipts from Individual Schools | 26,046 | 0 | 0 | 26,046 |
| Community Service Fees - Children | 91 | 0 | 0 | 91 |
| TBI Criminal Background Fees | 1,824 | 0 | 216 | 2,040 |
| <u>Other Charges for Services</u> | | | | |
| Other Charges for Services | 0 | 0 | 1,699 | 1,699 |
| Total Charges for Current Services | \$ 28,961 | \$ 0 | \$ 338,322 | \$ 367,283 |
| <u>Other Local Revenues</u> | | | | |
| <u>Recurring Items</u> | | | | |
| Investment Income | \$ 23,870 | \$ 0 | \$ 10,924 | \$ 34,794 |
| Lease/Rentals | 10,168 | 0 | 0 | 10,168 |
| Refund of Telecommunication & Internet Fees (E-Rate) | 17,577 | 0 | 0 | 17,577 |
| Miscellaneous Refunds | 21,142 | 0 | 0 | 21,142 |
| <u>Nonrecurring Items</u> | | | | |
| Damages Recovered from Individuals | 1,708 | 0 | 0 | 1,708 |
| Contributions and Gifts | 1,900 | 0 | 0 | 1,900 |
| <u>Other Local Revenues</u> | | | | |
| Other Local Revenues | 593,274 | 0 | 36 | 593,310 |
| Total Other Local Revenues | \$ 669,639 | \$ 0 | \$ 10,960 | \$ 680,599 |

(Continued)

Exhibit J-6

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

| | General Purpose School | School Federal Projects | Central Cafeteria | Total |
|---|------------------------------|-------------------------------|----------------------|---------------|
| <u>State of Tennessee</u> | | | | |
| <u>General Government Grants</u> | | | | |
| On-Behalf Contributions for OPEB | \$ 42,232 | \$ 0 | \$ 0 | \$ 42,232 |
| <u>State Education Funds</u> | | | | |
| Basic Education Program | 8,836,470 | 0 | 0 | 8,836,470 |
| Basic Education Program - ARRA | 347,500 | 0 | 0 | 347,500 |
| Early Childhood Education | 398,521 | 0 | 0 | 398,521 |
| School Food Service | 0 | 0 | 11,415 | 11,415 |
| Driver Education | 8,457 | 0 | 0 | 8,457 |
| Other State Education Funds | 135,001 | 0 | 0 | 135,001 |
| Coordinated School Health - ARRA | 90,000 | 0 | 0 | 90,000 |
| Family Resource Centers - ARRA | 33,300 | 0 | 0 | 33,300 |
| Statewide Student Management System (SSMS) - ARRA | 4,880 | 0 | 0 | 4,880 |
| Career Ladder Program | 76,058 | 0 | 0 | 76,058 |
| Career Ladder - Extended Contract - ARRA | 7,129 | 0 | 0 | 7,129 |
| <u>Other State Revenues</u> | | | | |
| Safe Schools - ARRA | 12,200 | 0 | 0 | 12,200 |
| Total State of Tennessee | \$ 9,991,748 | \$ 0 | \$ 11,415 | \$ 10,003,163 |
| <u>Federal Government</u> | | | | |
| <u>Federal through State</u> | | | | |
| USDA School Lunch Program | \$ 0 | \$ 0 | \$ 496,718 | \$ 496,718 |
| Breakfast | 0 | 0 | 193,199 | 193,199 |
| USDA - Other | 0 | 0 | 11,359 | 11,359 |
| USDA Food Service Equipment Grant - ARRA | 0 | 0 | 19,000 | 19,000 |
| Vocational Education - Basic Grants to States | 0 | 33,931 | 0 | 33,931 |
| Title I Grants to Local Education Agencies | 0 | 754,901 | 0 | 754,901 |
| Special Education - Grants to States | 0 | 690,561 | 0 | 690,561 |
| Special Education Preschool Grants | 0 | 26,774 | 0 | 26,774 |
| Safe and Drug-free Schools - State Grants | 0 | 7,732 | 0 | 7,732 |
| Rural Education | 0 | 42,400 | 0 | 42,400 |
| Eisenhower Professional Development State Grants | 0 | 118,911 | 0 | 118,911 |
| Other Federal through State | 1,350 | 18,503 | 0 | 19,853 |
| Total Federal Government | \$ 1,350 | \$ 1,693,713 | \$ 720,276 | \$ 2,415,339 |
| Total | \$ 13,019,076 | \$ 1,693,713 | \$ 1,080,973 | \$ 15,793,762 |

Exhibit J-7

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

General Fund

General Government

County Commission

| | | |
|---|----------|-----------|
| County Official/Administrative Officer | \$ 6,000 | |
| Secretary to Board | 3,924 | |
| Board and Committee Members Fees | 25,860 | |
| Audit Services | 3,410 | |
| Communication | 519 | |
| Dues and Memberships | 2,331 | |
| Legal Notices, Recording, and Court Costs | 1,261 | |
| Travel | 3,985 | |
| Office Supplies | 497 | |
| Total County Commission | | \$ 47,787 |

Board of Equalization

| | | |
|----------------------------------|----------|-------|
| Board and Committee Members Fees | \$ 1,150 | |
| Total Board of Equalization | | 1,150 |

County Mayor/Executive

| | | |
|---|-----------|---------|
| County Official/Administrative Officer | \$ 60,350 | |
| Assistant(s) | 24,193 | |
| Part-time Personnel | 12,810 | |
| Overtime Pay | 4,132 | |
| Other Salaries and Wages | 3,300 | |
| Data Processing Services | 6,421 | |
| Dues and Memberships | 1,250 | |
| Legal Notices, Recording, and Court Costs | 346 | |
| Printing, Stationery, and Forms | 1,503 | |
| Travel | 3,366 | |
| Office Supplies | 1,900 | |
| Premiums on Corporate Surety Bonds | 75 | |
| Total County Mayor/Executive | | 119,646 |

County Attorney

| | | |
|---------------------------------|----------|--------|
| Contracts with Private Agencies | \$ 6,525 | |
| Legal Services | 9,046 | |
| Total County Attorney | | 15,571 |

Election Commission

| | | |
|--|-----------|--|
| County Official/Administrative Officer | \$ 47,032 | |
| Part-time Personnel | 7,062 | |
| Election Commission | 1,907 | |
| In-Service Training | 2,314 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

| | | |
|---|--------------|-----------|
| Data Processing Services | \$ 5,491 | |
| Legal Notices, Recording, and Court Costs | 126 | |
| Printing, Stationery, and Forms | 823 | |
| Other Contracted Services | 1,988 | |
| Office Supplies | <u>1,642</u> | |
| Total Election Commission | | \$ 68,385 |

Register of Deeds

| | | |
|--|-----------|--------|
| County Official/Administrative Officer | \$ 52,251 | |
| Secretary(ies) | 23,386 | |
| Data Processing Services | 4,598 | |
| Dues and Memberships | 422 | |
| Maintenance and Repair Services - Office Equipment | 394 | |
| Printing, Stationery, and Forms | 790 | |
| Office Supplies | 204 | |
| Premiums on Corporate Surety Bonds | <u>75</u> | |
| Total Register of Deeds | | 82,120 |

Geographical Information Systems

| | | |
|--|------------|--------|
| Data Processing Personnel | \$ 27,464 | |
| Salary Supplements | 1,000 | |
| Dues and Memberships | 370 | |
| Travel | 101 | |
| Office Supplies | 101 | |
| Office Equipment | <u>352</u> | |
| Total Geographical Information Systems | | 29,388 |

County Buildings

| | | |
|---|-----------|--|
| Supervisor/Director | \$ 34,687 | |
| Custodial Personnel | 14,483 | |
| Maintenance Personnel | 23,828 | |
| Temporary Personnel | 5,858 | |
| Part-time Personnel | 9,744 | |
| Communication | 23,201 | |
| Contracts with Private Agencies | 2,575 | |
| Engineering Services | 350 | |
| Operating Lease Payments | 2,445 | |
| Maintenance and Repair Services - Buildings | 26,813 | |
| Maintenance and Repair Services - Equipment | 4,105 | |
| Postal Charges | 16,919 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

| | | | |
|---------------------------------|----|--------|------------|
| Printing, Stationery, and Forms | \$ | 112 | |
| Other Contracted Services | | 1,158 | |
| Custodial Supplies | | 5,578 | |
| Diesel Fuel | | 418 | |
| Food Supplies | | 627 | |
| Gasoline | | 1,700 | |
| Ice | | 1,361 | |
| Office Supplies | | 1,550 | |
| Periodicals | | 149 | |
| Tires and Tubes | | 133 | |
| Uniforms | | 176 | |
| Utilities | | 34,095 | |
| Furniture and Fixtures | | 1,000 | |
| Maintenance Equipment | | 1,407 | |
| Office Equipment | | 359 | |
| Total County Buildings | | | \$ 214,831 |

Finance

Property Assessor's Office

| | | | |
|---|----|--------|--------|
| County Official/Administrative Officer | \$ | 52,251 | |
| Assistant(s) | | 18,942 | |
| Salary Supplements | | 250 | |
| Audit Services | | 2,405 | |
| Data Processing Services | | 1,893 | |
| Legal Notices, Recording, and Court Costs | | 50 | |
| Maintenance Agreements | | 503 | |
| Travel | | 2,180 | |
| Office Supplies | | 1,243 | |
| Premiums on Corporate Surety Bonds | | 75 | |
| Office Equipment | | 142 | |
| Total Property Assessor's Office | | | 79,934 |

Reappraisal Program

| | | | |
|---------------------------|----|--------|--------|
| Assistant(s) | \$ | 16,264 | |
| Data Processing Services | | 3,868 | |
| Travel | | 1,675 | |
| Office Supplies | | 351 | |
| Total Reappraisal Program | | | 22,158 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)Finance (Cont.)County Trustee's Office

| | | |
|---|-----------|------------|
| County Official/Administrative Officer | \$ 52,251 | |
| Data Processing Personnel | 23,500 | |
| Secretary(ies) | 21,518 | |
| Data Processing Services | 5,592 | |
| Dues and Memberships | 590 | |
| Operating Lease Payments | 113 | |
| Legal Notices, Recording, and Court Costs | 126 | |
| Printing, Stationery, and Forms | 518 | |
| Travel | 22 | |
| Other Contracted Services | 1,958 | |
| Office Supplies | 778 | |
| Premiums on Corporate Surety Bonds | 1,134 | |
| Total County Trustee's Office | | \$ 108,100 |

County Clerk's Office

| | | |
|---|-----------|---------|
| County Official/Administrative Officer | \$ 52,251 | |
| Data Processing Personnel | 24,192 | |
| Secretary(ies) | 23,386 | |
| Part-time Personnel | 906 | |
| Board and Committee Members Fees | 120 | |
| Data Processing Services | 5,255 | |
| Dues and Memberships | 437 | |
| Legal Notices, Recording, and Court Costs | 28 | |
| Printing, Stationery, and Forms | 1,688 | |
| Travel | 355 | |
| Office Supplies | 328 | |
| Premiums on Corporate Surety Bonds | 75 | |
| Total County Clerk's Office | | 109,021 |

Administration of JusticeCircuit Court

| | | |
|--|-----------|--------|
| County Official/Administrative Officer | \$ 52,251 | |
| Other Salaries and Wages | 3,595 | |
| Jury and Witness Fees | 3,789 | |
| Data Processing Services | 4,988 | |
| Dues and Memberships | 662 | |
| Printing, Stationery, and Forms | 1,986 | |
| Office Supplies | 325 | |
| Total Circuit Court | | 67,596 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)Administration of Justice (Cont.)General Sessions Judge

| | | |
|---------------------------------|-----------|-----------|
| Judge(s) | \$ 82,405 | |
| Secretary(ies) | 6,000 | |
| Dues and Memberships | 30 | |
| Printing, Stationery, and Forms | 68 | |
| Travel | 1,932 | |
| Office Supplies | 242 | |
| Periodicals | 434 | |
| Total General Sessions Judge | | \$ 91,111 |

General Sessions Court Clerk

| | | |
|--|-----------|--------|
| Data Processing Personnel | \$ 22,542 | |
| Secretary(ies) | 23,992 | |
| Part-time Personnel | 8,912 | |
| Data Processing Services | 2,796 | |
| Operating Lease Payments | 2,395 | |
| Maintenance and Repair Services - Office Equipment | 1,199 | |
| Printing, Stationery, and Forms | 669 | |
| Office Supplies | 1,982 | |
| Total General Sessions Court Clerk | | 64,487 |

Chancery Court

| | | |
|--|-----------|--------|
| County Official/Administrative Officer | \$ 52,251 | |
| Secretary(ies) | 24,192 | |
| Part-time Personnel | 263 | |
| In-Service Training | 300 | |
| Data Processing Services | 3,542 | |
| Dues and Memberships | 600 | |
| Operating Lease Payments | 1,666 | |
| Legal Notices, Recording, and Court Costs | 292 | |
| Maintenance and Repair Services - Office Equipment | 250 | |
| Printing, Stationery, and Forms | 800 | |
| Travel | 805 | |
| Data Processing Supplies | 992 | |
| Office Supplies | 956 | |
| Periodicals | 247 | |
| Premiums on Corporate Surety Bonds | 179 | |
| Total Chancery Court | | 87,335 |

Judicial Commissioners

| | | |
|---------------------|-----------|--|
| Supervisor/Director | \$ 17,917 | |
|---------------------|-----------|--|

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners (Cont.)

| | | |
|---------------------------------|----------|-----------|
| Part-time Personnel | \$ 6,109 | |
| Communication | 1,021 | |
| Dues and Memberships | 50 | |
| Printing, Stationery, and Forms | 52 | |
| Travel | 1,608 | |
| Office Supplies | 55 | |
| Total Judicial Commissioners | | \$ 26,812 |

Courtroom Security

| | | |
|---|--------|-----|
| Maintenance and Repair Services - Equipment | \$ 101 | |
| Other Supplies and Materials | 136 | |
| Total Courtroom Security | | 237 |

Public Safety

Sheriff's Department

| | | |
|---|-----------|--|
| County Official/Administrative Officer | \$ 57,477 | |
| Deputy(ies) | 190,311 | |
| Investigator(s) | 32,136 | |
| Lieutenant(s) | 35,984 | |
| Sergeant(s) | 33,738 | |
| Guidance Personnel | 10,592 | |
| Salary Supplements | 7,200 | |
| Guards | 42,156 | |
| Secretary(ies) | 17,681 | |
| Part-time Personnel | 9,761 | |
| School Resource Officer | 27,851 | |
| Other Salaries and Wages | 13,666 | |
| In-Service Training | 2,067 | |
| Communication | 3,132 | |
| Contracts with Other School Systems | 1,252 | |
| Dues and Memberships | 2,249 | |
| Maintenance Agreements | 157 | |
| Maintenance and Repair Services - Equipment | 261 | |
| Maintenance and Repair Services - Vehicles | 6,499 | |
| Printing, Stationery, and Forms | 1,998 | |
| Travel | 1,035 | |
| Other Contracted Services | 929 | |
| Gasoline | 38,420 | |
| Ice | 308 | |
| Instructional Supplies and Materials | 218 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

| | | |
|------------------------------------|----------|------------|
| Office Supplies | \$ 1,146 | |
| Periodicals | 320 | |
| Tires and Tubes | 3,557 | |
| Uniforms | 1,419 | |
| Premiums on Corporate Surety Bonds | 969 | |
| Law Enforcement Equipment | 3,415 | |
| Motor Vehicles | 748 | |
| Total Sheriff's Department | | \$ 548,652 |

Administration of the Sexual Offender Registry

| | | |
|--|--------|-----|
| Maintenance and Repair Services - Office Equipment | \$ 242 | |
| Total Administration of the Sexual Offender Registry | | 242 |

Jail

| | | |
|---|-----------|--|
| Supervisor/Director | \$ 32,709 | |
| Data Processing Personnel | 18,720 | |
| Medical Personnel | 5,755 | |
| Guards | 214,399 | |
| Secretary(ies) | 23,046 | |
| Cafeteria Personnel | 22,714 | |
| Part-time Personnel | 37,168 | |
| Other Salaries and Wages | 7,303 | |
| In-Service Training | 1,250 | |
| Communication | 12 | |
| Contracts with Private Agencies | 1,502 | |
| Maintenance and Repair Services - Buildings | 6,075 | |
| Maintenance and Repair Services - Equipment | 4,853 | |
| Maintenance and Repair Services - Vehicles | 1,221 | |
| Medical and Dental Services | 98,262 | |
| Pest Control | 900 | |
| Printing, Stationery, and Forms | 1,015 | |
| Travel | 1,141 | |
| Custodial Supplies | 7,734 | |
| Drugs and Medical Supplies | 21,382 | |
| Food Supplies | 58,000 | |
| Gasoline | 7,589 | |
| Ice | 432 | |
| Office Supplies | 718 | |
| Tires and Tubes | 614 | |
| Uniforms | 211 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

| | | |
|---------------------------|-----------|------------|
| Utilities | \$ 45,654 | |
| Other Charges | 3,825 | |
| Law Enforcement Equipment | 33 | |
| Maintenance Equipment | 891 | |
| Total Jail | | \$ 625,128 |

Juvenile Services

| | | |
|------------------------------------|-----------|--------|
| Youth Service Officer(s) | \$ 10,840 | |
| Contracts with Government Agencies | 1,226 | |
| Total Juvenile Services | | 12,066 |

Fire Prevention and Control

| | | |
|-----------------------------------|-----------|--------|
| Contracts with Private Agencies | \$ 20,692 | |
| Workers' Compensation Insurance | 468 | |
| Total Fire Prevention and Control | | 21,160 |

Civil Defense

| | | |
|---|----------|--------|
| Supervisor/Director | \$ 9,069 | |
| Dispatchers/Radio Operators | 75,842 | |
| Maintenance Agreements | 1,727 | |
| Maintenance and Repair Services - Equipment | 86 | |
| Travel | 681 | |
| Office Supplies | 628 | |
| Total Civil Defense | | 88,033 |

Other Emergency Management

| | | |
|----------------------------------|----------|-------|
| Other Charges | \$ 1,690 | |
| Total Other Emergency Management | | 1,690 |

County Coroner/Medical Examiner

| | | |
|--|----------|--------|
| County Official/Administrative Officer | \$ 2,052 | |
| Medical and Dental Services | 11,087 | |
| Premiums on Corporate Surety Bonds | 100 | |
| Total County Coroner/Medical Examiner | | 13,239 |

Public Health and Welfare

Local Health Center

| | | |
|---------------------|----------|--|
| Custodial Personnel | \$ 2,885 | |
| Communication | 2,368 | |
| Contributions | 11,532 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

| | | |
|---|--------------|-----------|
| Maintenance and Repair Services - Buildings | \$ 62 | |
| Other Contracted Services | 560 | |
| Custodial Supplies | 669 | |
| Office Supplies | 1,090 | |
| Periodicals | 14 | |
| Utilities | 10,028 | |
| Building Construction | 486 | |
| Health Equipment | <u>1,377</u> | |
| Total Local Health Center | | \$ 31,071 |

Ambulance/Emergency Medical Services

| | | |
|--|-------------------|---------|
| Contracts with Private Agencies | <u>\$ 136,000</u> | |
| Total Ambulance/Emergency Medical Services | | 136,000 |

Other Local Health Services

| | | |
|-----------------------------------|--------------|-------|
| Drugs and Medical Supplies | \$ 126 | |
| Office Supplies | 79 | |
| Other Supplies and Materials | 2,004 | |
| Other Charges | <u>4,512</u> | |
| Total Other Local Health Services | | 6,721 |

Sanitation Education/Information

| | | |
|---|--------------|--------|
| Other Salaries and Wages | \$ 15,767 | |
| Maintenance and Repair Services - Equipment | 130 | |
| Travel | 838 | |
| Custodial Supplies | 448 | |
| Food Supplies | 543 | |
| Gasoline | 2,809 | |
| Instructional Supplies and Materials | 5,558 | |
| Tires and Tubes | 124 | |
| Other Supplies and Materials | 16 | |
| Other Charges | 1,802 | |
| Maintenance Equipment | <u>1,440</u> | |
| Total Sanitation Education/Information | | 29,475 |

Other Public Health and Welfare

| | | |
|------------------------|-----------|--|
| Secretary(ies) | \$ 22,954 | |
| Clerical Personnel | 1,277 | |
| Educational Assistants | 1,814 | |
| Social Security | 2,660 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Public Health and Welfare (Cont.)

| | | |
|---------------------------------------|--------|-----------|
| Food Supplies | \$ 94 | |
| Office Supplies | 1,272 | |
| Utilities | 425 | |
| Other Charges | 985 | |
| Other Construction | 21,600 | |
| Total Other Public Health and Welfare | | \$ 53,081 |

Social, Cultural, and Recreational Services

Senior Citizens Assistance

| | | |
|----------------------------------|----------|--------|
| Contributions | \$ 6,000 | |
| Gasoline | 37,871 | |
| Workers' Compensation Insurance | 2,818 | |
| Total Senior Citizens Assistance | | 46,689 |

Libraries

| | | |
|---|-----------|--------|
| Assistant(s) | \$ 18,720 | |
| Supervisor/Director | 25,559 | |
| Part-time Personnel | 6,037 | |
| Communication | 1,104 | |
| Dues and Memberships | 164 | |
| Maintenance Agreements | 1,623 | |
| Maintenance and Repair Services - Buildings | 334 | |
| Maintenance and Repair Services - Equipment | 20 | |
| Travel | 128 | |
| Other Contracted Services | 600 | |
| Ice | 258 | |
| Library Books/Media | 13,089 | |
| Office Supplies | 1,628 | |
| Periodicals | 1,155 | |
| Utilities | 7,861 | |
| Office Equipment | 8,777 | |
| Total Libraries | | 87,057 |

Agriculture and Natural Resources

Agriculture Extension Service

| | | |
|----------------------------------|-----------|--|
| Salary Supplements | \$ 38,202 | |
| Board and Committee Members Fees | 840 | |
| Communication | 1,806 | |
| Dues and Memberships | 320 | |
| Travel | 2,000 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

| | | |
|-------------------------------------|--------|-----------|
| Office Supplies | \$ 841 | |
| Total Agriculture Extension Service | | \$ 44,009 |

Soil Conservation

| | | |
|-------------------------|-----------|--------|
| Contributions | \$ 18,000 | |
| Total Soil Conservation | | 18,000 |

Storm Water Management

| | | |
|---|--------|--------|
| Legal Notices, Recording, and Court Costs | \$ 56 | |
| Other Contracted Services | 18,297 | |
| Total Storm Water Management | | 18,353 |

Other Operations

Tourism

| | | |
|---------------|--------|-----|
| Other Charges | \$ 470 | |
| Total Tourism | | 470 |

Other Economic and Community Development

| | | |
|--|----------|---------|
| Contracts with Private Agencies | \$ 5,350 | |
| Dues and Memberships | 3,231 | |
| Engineering Services | 124,980 | |
| Total Other Economic and Community Development | | 133,561 |

Airport

| | | |
|---|--------|--------|
| Advertising | \$ 25 | |
| Communication | 1,977 | |
| Contracts with Private Agencies | 330 | |
| Evaluation and Testing | 85 | |
| Maintenance and Repair Services - Buildings | 235 | |
| Maintenance and Repair Services - Equipment | 8,423 | |
| Travel | 200 | |
| Other Contracted Services | 806 | |
| Crushed Stone | 213 | |
| Custodial Supplies | 147 | |
| Gasoline | 27,932 | |
| Office Supplies | 23 | |
| Utilities | 6,731 | |
| Excess Risk Insurance | 2,137 | |
| Maintenance Equipment | 2,539 | |
| Total Airport | | 51,803 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

| | | |
|---|----------|----------|
| County Official/Administrative Officer | \$ 3,654 | |
| Advertising | 368 | |
| Dues and Memberships | 90 | |
| Legal Notices, Recording, and Court Costs | 49 | |
| Travel | 1,036 | |
| Office Supplies | 56 | |
| Office Equipment | 268 | |
| Total Veterans' Services | | \$ 5,521 |

Contributions to Other Agencies

| | | |
|---------------------------------------|--------|-----|
| Other Charges | \$ 829 | |
| Total Contributions to Other Agencies | | 829 |

Employee Benefits

| | | |
|---|------------|---------|
| Social Security | \$ 140,076 | |
| Handling Charges and Administrative Costs | 3,672 | |
| State Retirement | 73,654 | |
| Employee and Dependent Insurance | 156,264 | |
| Unemployment Compensation | 8,835 | |
| Bank Charges | 16 | |
| Medical Claims | 13,822 | |
| Workers' Compensation Insurance | 34,539 | |
| Total Employee Benefits | | 430,878 |

Miscellaneous

| | | |
|------------------------------------|--------|---------|
| Bank Charges | \$ 120 | |
| Contributions | 3,750 | |
| Dues and Memberships | 1,350 | |
| Animal Food and Supplies | 504 | |
| Liability Insurance | 49,675 | |
| Premiums on Corporate Surety Bonds | 100 | |
| Refunds | 1,000 | |
| Trustee's Commission | 45,468 | |
| Other Charges | 4,064 | |
| Office Equipment | 589 | |
| Total Miscellaneous | | 106,620 |

Instruction

Adult Education Program

| | | |
|-------------------------------|----------|-------|
| Contributions | \$ 4,800 | |
| Total Adult Education Program | | 4,800 |

Total General Fund \$ 3,750,817

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Transfer Stations

| | | |
|---|-----------|------------|
| Supervisor/Director | \$ 34,687 | |
| Clerical Personnel | 26,919 | |
| Attendants | 38,214 | |
| Part-time Personnel | 11,477 | |
| Other Salaries and Wages | 1,667 | |
| Contracts with Private Agencies | 218,520 | |
| Data Processing Services | 1,600 | |
| Legal Notices, Recording, and Court Costs | 3,550 | |
| Maintenance and Repair Services - Buildings | 3,121 | |
| Maintenance and Repair Services - Equipment | 10,518 | |
| Postal Charges | 2,500 | |
| Printing, Stationery, and Forms | 800 | |
| Permits | 1,000 | |
| Crushed Stone | 263 | |
| Custodial Supplies | 177 | |
| Gasoline | 4,017 | |
| Ice | 254 | |
| Office Supplies | 672 | |
| Propane Gas | 1,021 | |
| Tires and Tubes | 1,137 | |
| Uniforms | 2,182 | |
| Utilities | 2,252 | |
| Refunds | 1,190 | |
| Maintenance Equipment | 2,027 | |
| Total Transfer Stations | | \$ 369,765 |

Landfill Operation and Maintenance

| | | |
|---|-----------|--------|
| Equipment Operators | \$ 19,148 | |
| Part-time Personnel | 616 | |
| Maintenance and Repair Services - Equipment | 17,012 | |
| Permits | 2,000 | |
| Diesel Fuel | 6,359 | |
| Total Landfill Operation and Maintenance | | 45,135 |

Other Operations

Employee Benefits

| | | |
|----------------------------------|----------|--|
| Social Security | \$ 9,702 | |
| State Retirement | 5,500 | |
| Employee and Dependent Insurance | 13,308 | |
| Unemployment Compensation | 660 | |

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Other Operations (Cont.)

Employee Benefits (Cont.)

| | | |
|---------------------------------|----------|-----------|
| Workers' Compensation Insurance | \$ 1,225 | |
| Total Employee Benefits | | \$ 30,395 |

Miscellaneous

| | | |
|----------------------|----------|--------------|
| Liability Insurance | \$ 4,834 | |
| Trustee's Commission | 4,833 | |
| Total Miscellaneous | | <u>9,667</u> |

| | | |
|-----------------------------------|--|------------|
| Total Solid Waste/Sanitation Fund | | \$ 454,962 |
|-----------------------------------|--|------------|

Special Purpose Fund

Other Operations

Miscellaneous

| | | |
|----------------------|-------|--------------|
| Trustee's Commission | \$ 33 | |
| Total Miscellaneous | | <u>\$ 33</u> |

| | | |
|----------------------------|--|----|
| Total Special Purpose Fund | | 33 |
|----------------------------|--|----|

Drug Control Fund

Public Safety

Drug Enforcement

| | | |
|--------------------------------------|--------|------------------|
| Advertising | \$ 100 | |
| Instructional Supplies and Materials | 337 | |
| Other Charges | 2,282 | |
| Motor Vehicles | 9,918 | |
| Total Drug Enforcement | | <u>\$ 12,637</u> |

| | | |
|-------------------------|--|--------|
| Total Drug Control Fund | | 12,637 |
|-------------------------|--|--------|

Sports and Recreation Fund

Social, Cultural, and Recreational Services

Parks and Fair Boards

| | | |
|---|-----------|--|
| Supervisor/Director | \$ 25,559 | |
| Nightwatchmen | 3,611 | |
| Custodial Personnel | 21,120 | |
| Temporary Personnel | 15,807 | |
| Part-time Personnel | 4,480 | |
| Communication | 1,605 | |
| Legal Notices, Recording, and Court Costs | 205 | |
| Maintenance and Repair Services - Buildings | 11,959 | |

(Continued)

Exhibit J-7

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

Sports and Recreation Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

| | | | |
|---|----|--------|------------|
| Maintenance and Repair Services - Equipment | \$ | 5,865 | |
| Printing, Stationery, and Forms | | 108 | |
| Custodial Supplies | | 3,243 | |
| Diesel Fuel | | 268 | |
| Fertilizer, Lime, and Seed | | 352 | |
| Food Supplies | | 1,369 | |
| Gasoline | | 519 | |
| Instructional Supplies and Materials | | 3,574 | |
| Office Supplies | | 282 | |
| Sand | | 100 | |
| Tires and Tubes | | 44 | |
| Utilities | | 33,620 | |
| Fencing | | 1,107 | |
| Chemicals | | 1,011 | |
| Maintenance Equipment | | 4,517 | |
| Office Equipment | | 953 | |
| Total Parks and Fair Boards | | | \$ 141,278 |

Other Operations

Employee Benefits

| | | | |
|----------------------------------|----|-------|-------|
| Social Security | \$ | 5,253 | |
| Employee and Dependent Insurance | | 2,746 | |
| Unemployment Compensation | | 417 | |
| Workers' Compensation Insurance | | 583 | |
| Total Employee Benefits | | | 8,999 |

Miscellaneous

| | | | |
|----------------------|----|-----|-------|
| Liability Insurance | \$ | 934 | |
| Trustee's Commission | | 273 | |
| Total Miscellaneous | | | 1,207 |

Total Sports and Recreation Fund \$ 151,484

Constitutional Officers - Fees Fund

Administration of Justice

Circuit Court

| | | | |
|---|----|----|-------|
| Constitutional Officers' Operating Expenses | \$ | 58 | |
| Total Circuit Court | | | \$ 58 |

(Continued)

Exhibit J-7

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

| | | |
|---|-----------|-----------|
| Constitutional Officers' Operating Expenses | \$ 10,021 | |
| Total Chancery Court | | \$ 10,021 |

Total Constitutional Officers - Fees Fund \$ 10,079

Highway/Public Works Fund

Highways

Administration

| | | |
|--|--------------|------------|
| County Official/Administrative Officer | \$ 57,477 | |
| Assistant(s) | 38,610 | |
| Accountants/Bookkeepers | 38,610 | |
| Salary Supplements | 925 | |
| Board and Committee Members Fees | 960 | |
| Advertising | 404 | |
| Communication | 5,106 | |
| Contributions | 5,000 | |
| Confidential Drug Enforcement Payments | 85 | |
| Dues and Memberships | 2,143 | |
| Legal Services | 375 | |
| Licenses | 35 | |
| Maintenance and Repair Services - Buildings | 1,859 | |
| Maintenance and Repair Services - Office Equipment | 798 | |
| Postal Charges | 372 | |
| Printing, Stationery, and Forms | 190 | |
| Rentals | 90 | |
| Travel | 990 | |
| Other Contracted Services | 10,790 | |
| Custodial Supplies | 1,336 | |
| Data Processing Supplies | 236 | |
| Electricity | 5,307 | |
| Natural Gas | 996 | |
| Office Supplies | 770 | |
| Water and Sewer | 1,811 | |
| Other Supplies and Materials | 1,462 | |
| Office Equipment | <u>2,257</u> | |
| Total Administration | | \$ 178,994 |

Highway and Bridge Maintenance

| | |
|---------------------|-----------|
| Foremen | \$ 44,294 |
| Equipment Operators | 53,645 |

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

| | | |
|--------------------------------------|--------------|------------|
| Equipment Operators - Light | \$ 56,024 | |
| Truck Drivers | 86,163 | |
| Laborers | 40,937 | |
| Freight Expenses | 56 | |
| Rentals | 10,416 | |
| Other Contracted Services | 153,551 | |
| Asphalt - Cold Mix | 10,546 | |
| Asphalt - Liquid | 79,743 | |
| Concrete | 405 | |
| Crushed Stone | 38,666 | |
| Riprap | 75,120 | |
| Other Road Supplies | 986 | |
| Pipe - Metal | 3,309 | |
| Road Signs | 2,786 | |
| Wood Products | 440 | |
| Gravel and Chert | 1,192 | |
| Geotextile Materials | <u>2,625</u> | |
| Total Highway and Bridge Maintenance | | \$ 660,904 |

Operation and Maintenance of Equipment

| | | |
|--|------------|---------|
| Foremen | \$ 30,542 | |
| Mechanic(s) | 44,779 | |
| Freight Expenses | 276 | |
| Rentals | 95 | |
| Other Contracted Services | 7,169 | |
| Diesel Fuel | 33,545 | |
| Equipment and Machinery Parts | 40,758 | |
| Garage Supplies | 1,398 | |
| Gasoline | 18,639 | |
| Lubricants | 1,733 | |
| Small Tools | 649 | |
| Tires and Tubes | 8,839 | |
| Uniforms | 1,733 | |
| Other Supplies and Materials | <u>849</u> | |
| Total Operation and Maintenance of Equipment | | 191,004 |

Other Charges

| | | |
|---------------------------------|---------------|--------|
| Liability Insurance | \$ 12,535 | |
| Trustee's Commission | 15,365 | |
| Workers' Compensation Insurance | <u>13,679</u> | |
| Total Other Charges | | 41,579 |

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

| | | |
|---------------------------|-----------|------------|
| Social Security | \$ 36,727 | |
| State Retirement | 47,575 | |
| Life Insurance | 4,589 | |
| Medical Insurance | 96,757 | |
| Unemployment Compensation | 3,276 | |
| Other Fringe Benefits | 1,156 | |
| Total Employee Benefits | | \$ 190,080 |

Capital Outlay

| | | |
|----------------------|-----------|----------------|
| Matching Share | \$ 84,269 | |
| Bridge Construction | 23,411 | |
| Highway Construction | 308,824 | |
| Motor Vehicles | 14,500 | |
| Other Construction | 60,106 | |
| Other Capital Outlay | 201 | |
| Total Capital Outlay | | <u>491,311</u> |

Total Highway/Public Works Fund \$ 1,753,872

General Debt Service Fund

Other Operations

Miscellaneous

| | | |
|----------------------|----------|----------|
| Trustee's Commission | \$ 5,347 | |
| Total Miscellaneous | | \$ 5,347 |

Principal on Debt

General Government

| | | |
|--------------------------|------------|---------|
| Principal on Notes | \$ 463,834 | |
| Total General Government | | 463,834 |

Highways and Streets

| | | |
|----------------------------|-----------|--------|
| Principal on Notes | \$ 47,269 | |
| Total Highways and Streets | | 47,269 |

Education

| | | |
|--------------------|------------|---------|
| Refunds | \$ 591,471 | |
| Principal on Bonds | 150,000 | |
| Total Education | | 741,471 |

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

| | | |
|--------------------------|-----------|-----------|
| Interest on Notes | \$ 31,636 | |
| Total General Government | | \$ 31,636 |

Highways and Streets

| | | |
|----------------------------|----------|-------|
| Interest on Notes | \$ 1,258 | |
| Total Highways and Streets | | 1,258 |

Education

| | | |
|-------------------|-----------|--------|
| Interest on Bonds | \$ 46,230 | |
| Total Education | | 46,230 |

Other Debt Service

General Government

| | | |
|-----------------------------|--------|-----|
| Other Debt Issuance Charges | \$ 500 | |
| Total General Government | | 500 |

Highways and Streets

| | | |
|----------------------------|-----------|--------|
| Maintenance Equipment | \$ 55,389 | |
| Total Highways and Streets | | 55,389 |

Education

| | | |
|-----------------------------|--------|------------|
| Other Debt Issuance Charges | \$ 500 | |
| Total Education | | <u>500</u> |

| | | |
|---------------------------------|--|--------------|
| Total General Debt Service Fund | | \$ 1,393,434 |
|---------------------------------|--|--------------|

Community Development/Industrial Park Fund

Public Safety

Jail

| | | |
|---|----------------|-------------------|
| Legal Notices, Recording, and Court Costs | \$ 47 | |
| Maintenance and Repair Services - Buildings | <u>140,867</u> | |
| Total Jail | | <u>\$ 140,914</u> |

| | | |
|--|--|---------|
| Total Community Development/Industrial Park Fund | | 140,914 |
|--|--|---------|

Highway Capital Projects Fund

Highways

Other Charges

| | | |
|----------------------|--------|--------|
| Trustee's Commission | \$ 659 | |
| Total Other Charges | | \$ 659 |

(Continued)

Exhibit J-7

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

| | | |
|---|------------------|--------------------------------|
| <u>Highway Capital Projects Fund (Cont.)</u> | | |
| <u>Highways (Cont.)</u> | | |
| <u>Capital Outlay</u> | | |
| Engineering Services | <u>\$ 18,123</u> | |
| Total Capital Outlay | | <u>\$ 18,123</u> |
| Total Highway Capital Projects Fund | | <u>\$ 18,782</u> |
| Total Governmental Funds - Primary Government | | <u><u>\$ 7,687,014</u></u> |

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

| | | |
|--------------------------------------|--------------|--------------|
| Teachers | \$ 4,168,720 | |
| Career Ladder Program | 50,998 | |
| Career Ladder Extended Contracts | 30,371 | |
| Homebound Teachers | 1,337 | |
| Educational Assistants | 59,953 | |
| Certified Substitute Teachers | 8,550 | |
| Non-certified Substitute Teachers | 66,675 | |
| Social Security | 245,973 | |
| State Retirement | 275,109 | |
| Medical Insurance | 340,260 | |
| Dental Insurance | 3,032 | |
| Unemployment Compensation | 2,138 | |
| Employer Medicare | 58,538 | |
| Other Contracted Services | 885 | |
| Instructional Supplies and Materials | 79,728 | |
| Textbooks | 159,528 | |
| Fee Waivers | 1,368 | |
| Regular Instruction Equipment | 60,097 | |
| Total Regular Instruction Program | | \$ 5,613,260 |

Alternative Instruction Program

| | | |
|---------------------------------------|-----------|--------|
| Teachers | \$ 37,445 | |
| Other Salaries and Wages | 11,807 | |
| Non-certified Substitute Teachers | 800 | |
| Social Security | 2,833 | |
| State Retirement | 3,680 | |
| Medical Insurance | 8,776 | |
| Employer Medicare | 663 | |
| Other Contracted Services | 730 | |
| Instructional Supplies and Materials | 107 | |
| Total Alternative Instruction Program | | 66,841 |

Special Education Program

| | |
|-------------------------------|------------|
| Teachers | \$ 559,465 |
| Career Ladder Program | 3,825 |
| Homebound Teachers | 5,624 |
| Speech Pathologist | 42,290 |
| Other Salaries and Wages | 33 |
| Certified Substitute Teachers | 300 |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

| | | | |
|--------------------------------------|----|--------|------------|
| Non-certified Substitute Teachers | \$ | 21,550 | |
| Social Security | | 33,556 | |
| State Retirement | | 37,584 | |
| Medical Insurance | | 52,302 | |
| Dental Insurance | | 804 | |
| Unemployment Compensation | | 822 | |
| Employer Medicare | | 8,354 | |
| Instructional Supplies and Materials | | 1,898 | |
| Other Charges | | 500 | |
| Total Special Education Program | | | \$ 768,907 |

Vocational Education Program

| | | | |
|--------------------------------------|----|---------|---------|
| Teachers | \$ | 173,633 | |
| Career Ladder Program | | 1,000 | |
| Certified Substitute Teachers | | 350 | |
| Non-certified Substitute Teachers | | 4,400 | |
| Social Security | | 9,881 | |
| State Retirement | | 11,252 | |
| Medical Insurance | | 20,092 | |
| Employer Medicare | | 2,311 | |
| Contracts with Other School Systems | | 5,000 | |
| Instructional Supplies and Materials | | 3,622 | |
| Other Charges | | 773 | |
| Total Vocational Education Program | | | 232,314 |

Student Body Education Program

| | | | |
|--------------------------------------|----|-------|-------|
| Other Salaries and Wages | \$ | 4,045 | |
| Social Security | | 189 | |
| Employer Medicare | | 44 | |
| Other Contracted Services | | 2,000 | |
| Total Student Body Education Program | | | 6,278 |

Support Services

Attendance

| | | | |
|---------------------|----|-------|--|
| Supervisor/Director | \$ | 6,070 | |
| Social Security | | 326 | |
| State Retirement | | 390 | |
| Medical Insurance | | 797 | |
| Employer Medicare | | 76 | |

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

| | | | |
|------------------------------|----|-------|-----------|
| Travel | \$ | 2,161 | |
| In Service/Staff Development | | 1,007 | |
| Attendance Equipment | | 768 | |
| Total Attendance | | | \$ 11,595 |

Health Services

| | | | |
|------------------------------|----|--------|--------|
| Medical Personnel | \$ | 32,545 | |
| Other Salaries and Wages | | 11,923 | |
| Social Security | | 2,738 | |
| State Retirement | | 4,807 | |
| Dental Insurance | | 387 | |
| Employer Medicare | | 640 | |
| Other Contracted Services | | 5,690 | |
| Drugs and Medical Supplies | | 311 | |
| In Service/Staff Development | | 75 | |
| Other Charges | | 1,977 | |
| Health Equipment | | 53 | |
| Total Health Services | | | 61,146 |

Other Student Support

| | | | |
|------------------------------------|----|---------|---------|
| Career Ladder Program | \$ | 1,000 | |
| Guidance Personnel | | 197,469 | |
| Career Ladder Extended Contracts | | 4,500 | |
| Clerical Personnel | | 11,296 | |
| Social Security | | 11,872 | |
| State Retirement | | 14,252 | |
| Medical Insurance | | 21,905 | |
| Employer Medicare | | 2,777 | |
| Contracts with Government Agencies | | 7,456 | |
| Evaluation and Testing | | 16,463 | |
| Other Contracted Services | | 15,683 | |
| Other Supplies and Materials | | 415 | |
| In Service/Staff Development | | 102 | |
| Other Equipment | | 180 | |
| Total Other Student Support | | | 305,370 |

Regular Instruction Program

| | | | |
|-----------------------|----|---------|--|
| Supervisor/Director | \$ | 111,531 | |
| Career Ladder Program | | 8,980 | |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

| | | | |
|-----------------------------------|----|---------|------------|
| Career Ladder Extended Contracts | \$ | 5,000 | |
| Librarians | | 168,177 | |
| Instructional Computer Personnel | | 46,379 | |
| Secretary(ies) | | 14,552 | |
| Other Salaries and Wages | | 1,200 | |
| Non-certified Substitute Teachers | | 2,725 | |
| Social Security | | 20,516 | |
| State Retirement | | 25,502 | |
| Medical Insurance | | 27,898 | |
| Dental Insurance | | 423 | |
| Employer Medicare | | 4,798 | |
| Communication | | 1,498 | |
| Travel | | 283 | |
| Other Contracted Services | | 5,320 | |
| Library Books/Media | | 24,689 | |
| In Service/Staff Development | | 338 | |
| Other Charges | | 154 | |
| Other Equipment | | 12,267 | |
| Total Regular Instruction Program | | | \$ 482,230 |

Special Education Program

| | | | |
|---------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 53,850 | |
| Career Ladder Program | | 1,000 | |
| Psychological Personnel | | 62,877 | |
| Social Security | | 6,694 | |
| State Retirement | | 7,558 | |
| Medical Insurance | | 9,463 | |
| Dental Insurance | | 402 | |
| Employer Medicare | | 1,565 | |
| In Service/Staff Development | | 127 | |
| Total Special Education Program | | | 143,536 |

Other Programs

| | | | |
|----------------------------|----|--------|--------|
| On-Behalf Payments to OPEB | \$ | 42,232 | |
| Total Other Programs | | | 42,232 |

Board of Education

| | | | |
|----------------------------------|----|--------|--|
| Secretary to Board | \$ | 1,400 | |
| Board and Committee Members Fees | | 12,600 | |

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

| | | | |
|--|----|--------|------------|
| Social Security | \$ | 868 | |
| State Retirement | | 151 | |
| Medical Insurance | | 17 | |
| Employer Medicare | | 203 | |
| Audit Services | | 6,800 | |
| Dues and Memberships | | 5,561 | |
| Legal Services | | 475 | |
| Postal Charges | | 172 | |
| Travel | | 688 | |
| Maintenance and Repair Services - Records | | 1,500 | |
| Other Contracted Services | | 4,500 | |
| Liability Insurance | | 15,202 | |
| Premiums on Corporate Surety Bonds | | 617 | |
| Trustee's Commission | | 55,548 | |
| Workers' Compensation Insurance | | 41,680 | |
| In Service/Staff Development | | 3,375 | |
| Criminal Investigation of Applicants - TBI | | 2,912 | |
| Refund to Applicant for Criminal Investigation | | 1,056 | |
| Other Charges | | 3,073 | |
| Total Board of Education | | | \$ 158,398 |

Director of Schools

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 91,177 | |
| Secretary(ies) | | 32,497 | |
| Other Salaries and Wages | | 75 | |
| Social Security | | 7,673 | |
| State Retirement | | 9,367 | |
| Medical Insurance | | 14,501 | |
| Dental Insurance | | 1,238 | |
| Employer Medicare | | 1,794 | |
| Communication | | 6,998 | |
| Dues and Memberships | | 1,693 | |
| Postal Charges | | 1,557 | |
| Travel | | 923 | |
| Other Contracted Services | | 2,664 | |
| Office Supplies | | 3,331 | |
| In Service/Staff Development | | 710 | |
| Other Charges | | 1,577 | |
| Administration Equipment | | 3,404 | |
| Total Director of Schools | | | 181,179 |

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

| | | | |
|----------------------------------|----|---------|------------|
| Principals | \$ | 244,718 | |
| Career Ladder Program | | 3,000 | |
| Accountants/Bookkeepers | | 84,796 | |
| Career Ladder Extended Contracts | | 2,500 | |
| Assistant Principals | | 73,277 | |
| Secretary(ies) | | 55,288 | |
| Other Salaries and Wages | | 5,408 | |
| Social Security | | 26,895 | |
| State Retirement | | 35,833 | |
| Medical Insurance | | 33,754 | |
| Employer Medicare | | 6,290 | |
| Communication | | 3,683 | |
| Dues and Memberships | | 30 | |
| Travel | | 469 | |
| Other Contracted Services | | 944 | |
| In Service/Staff Development | | 2,068 | |
| Total Office of the Principal | | | \$ 578,953 |

Fiscal Services

| | | | |
|---|----|--------|--------|
| Accountants/Bookkeepers | \$ | 52,562 | |
| Social Security | | 2,932 | |
| State Retirement | | 5,682 | |
| Medical Insurance | | 4,507 | |
| Dental Insurance | | 302 | |
| Employer Medicare | | 686 | |
| Dues and Memberships | | 70 | |
| Maintenance and Repair Services - Equipment | | 65 | |
| Travel | | 891 | |
| Other Contracted Services | | 14,844 | |
| Data Processing Supplies | | 1,612 | |
| Office Supplies | | 601 | |
| In Service/Staff Development | | 2,414 | |
| Other Charges | | 100 | |
| Administration Equipment | | 962 | |
| Total Fiscal Services | | | 88,230 |

Operation of Plant

| | | | |
|---------------------|----|---------|--|
| Supervisor/Director | \$ | 52,113 | |
| Custodial Personnel | | 176,954 | |

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

| | | | |
|---------------------------------|----|---------|------------|
| Other Salaries and Wages | \$ | 13,201 | |
| Social Security | | 14,592 | |
| State Retirement | | 11,016 | |
| Medical Insurance | | 6,533 | |
| Employer Medicare | | 3,413 | |
| Other Contracted Services | | 7,896 | |
| Custodial Supplies | | 30,440 | |
| Electricity | | 297,396 | |
| Natural Gas | | 76,172 | |
| Water and Sewer | | 36,081 | |
| Boiler Insurance | | 1,977 | |
| Building and Contents Insurance | | 36,017 | |
| In Service/Staff Development | | 1,044 | |
| Plant Operation Equipment | | 16,129 | |
| Total Operation of Plant | | | \$ 780,974 |

Maintenance of Plant

| | | | |
|------------------------------|----|--------|---------|
| Maintenance Personnel | \$ | 59,901 | |
| Other Salaries and Wages | | 11,255 | |
| Social Security | | 4,129 | |
| State Retirement | | 6,798 | |
| Medical Insurance | | 2,858 | |
| Employer Medicare | | 966 | |
| Communication | | 2,329 | |
| Laundry Service | | 1,047 | |
| Other Contracted Services | | 7,212 | |
| Other Supplies and Materials | | 20,829 | |
| In Service/Staff Development | | 316 | |
| Other Charges | | 65 | |
| Maintenance Equipment | | 8,898 | |
| Total Maintenance of Plant | | | 126,603 |

Transportation

| | | | |
|--------------------------|----|---------|--|
| Supervisor/Director | \$ | 28,860 | |
| Mechanic(s) | | 44,135 | |
| Bus Drivers | | 220,393 | |
| Other Salaries and Wages | | 7,340 | |
| In-Service Training | | 1,200 | |
| Social Security | | 17,864 | |

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

| | | | |
|---------------------------------|----|--------|------------|
| State Retirement | \$ | 27,046 | |
| Medical Insurance | | 12,805 | |
| Employer Medicare | | 4,178 | |
| Communication | | 4,122 | |
| Laundry Service | | 871 | |
| Medical and Dental Services | | 1,260 | |
| Travel | | 261 | |
| Other Contracted Services | | 2,124 | |
| Diesel Fuel | | 55,119 | |
| Garage Supplies | | 1,965 | |
| Gasoline | | 3,471 | |
| Lubricants | | 3,942 | |
| Tires and Tubes | | 10,031 | |
| Vehicle Parts | | 22,693 | |
| Vehicle and Equipment Insurance | | 8,253 | |
| In Service/Staff Development | | 1,393 | |
| Other Charges | | 1,023 | |
| Transportation Equipment | | 24,923 | |
| Total Transportation | | | \$ 505,272 |

Central and Other

| | | | |
|---------------------------|----|--------|--------|
| Data Processing Personnel | \$ | 17,521 | |
| Social Security | | 977 | |
| State Retirement | | 1,894 | |
| Medical Insurance | | 1,502 | |
| Dental Insurance | | 100 | |
| Employer Medicare | | 229 | |
| Travel | | 17 | |
| Total Central and Other | | | 22,240 |

Operation of Non-Instructional Services

Food Service

| | | | |
|--------------------|----|----|----|
| Other Charges | \$ | 72 | |
| Total Food Service | | | 72 |

Community Services

| | | | |
|--------------------------|----|--------|--|
| Supervisor/Director | \$ | 97,571 | |
| Clerical Personnel | | 15,295 | |
| Other Salaries and Wages | | 83,519 | |

(Continued)

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

| | | | |
|------------------------------|----|--------|------------|
| Social Security | \$ | 11,534 | |
| State Retirement | | 14,906 | |
| Medical Insurance | | 7,092 | |
| Dental Insurance | | 402 | |
| Employer Medicare | | 2,697 | |
| Other Fringe Benefits | | 265 | |
| Communication | | 2,310 | |
| Postal Charges | | 368 | |
| Other Contracted Services | | 1,225 | |
| Other Supplies and Materials | | 42,687 | |
| In Service/Staff Development | | 12,402 | |
| Other Charges | | 1,509 | |
| Other Equipment | | 1,150 | |
| Total Community Services | | | \$ 294,932 |

Early Childhood Education

| | | | |
|--------------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 53,166 | |
| Teachers | | 141,491 | |
| Career Ladder Program | | 2,000 | |
| Educational Assistants | | 50,861 | |
| Certified Substitute Teachers | | 100 | |
| Non-certified Substitute Teachers | | 13,325 | |
| Social Security | | 14,821 | |
| State Retirement | | 18,130 | |
| Medical Insurance | | 20,144 | |
| Employer Medicare | | 3,466 | |
| Communication | | 1,274 | |
| Postal Charges | | 283 | |
| Instructional Supplies and Materials | | 48,477 | |
| In Service/Staff Development | | 12,848 | |
| Other Charges | | 771 | |
| Other Equipment | | 9,843 | |
| Total Early Childhood Education | | | 391,000 |

Capital Outlay

Regular Capital Outlay

| | | | |
|------------------------------|----|--------|--------|
| Building Improvements | \$ | 62,476 | |
| Total Regular Capital Outlay | | | 62,476 |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

| | | |
|---|------------|------------|
| Debt Service Contribution to Primary Government | \$ 196,230 | |
| Total Education | | \$ 196,230 |

Total General Purpose School Fund \$ 11,120,268

School Federal Projects Fund

Instruction

Regular Instruction Program

| | | |
|--------------------------------------|----------------|------------|
| Teachers | \$ 345,135 | |
| Educational Assistants | 65,611 | |
| Other Salaries and Wages | 12,498 | |
| Non-certified Substitute Teachers | 2,850 | |
| Social Security | 23,883 | |
| State Retirement | 30,604 | |
| Medical Insurance | 36,859 | |
| Dental Insurance | 804 | |
| Employer Medicare | 5,585 | |
| Instructional Supplies and Materials | 57,481 | |
| Regular Instruction Equipment | <u>234,511</u> | |
| Total Regular Instruction Program | | \$ 815,821 |

Special Education Program

| | | |
|--------------------------------------|------------|---------|
| Teachers | \$ 40,770 | |
| Educational Assistants | 163,668 | |
| Speech Pathologist | 18,432 | |
| Other Salaries and Wages | 1,267 | |
| Non-certified Substitute Teachers | 50 | |
| Social Security | 13,446 | |
| State Retirement | 21,631 | |
| Medical Insurance | 2,887 | |
| Employer Medicare | 3,145 | |
| Other Fringe Benefits | 414 | |
| Instructional Supplies and Materials | 241,071 | |
| Special Education Equipment | <u>192</u> | |
| Total Special Education Program | | 506,973 |

Vocational Education Program

| | | |
|--------------------------|--------|--|
| Other Salaries and Wages | \$ 659 | |
| Social Security | 41 | |

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

| | | | |
|--------------------------------------|----|--------|-----------|
| State Retirement | \$ | 42 | |
| Employer Medicare | | 10 | |
| Instructional Supplies and Materials | | 6,817 | |
| Vocational Instruction Equipment | | 17,411 | |
| Total Vocational Education Program | | | \$ 24,980 |

Support Services

Other Student Support

| | | | |
|------------------------------------|----|-------|--------|
| Bus Drivers | \$ | 245 | |
| Contracts with Government Agencies | | 3,124 | |
| Travel | | 8,399 | |
| Other Supplies and Materials | | 579 | |
| Other Charges | | 3,491 | |
| Total Other Student Support | | | 15,838 |

Regular Instruction Program

| | | | |
|-----------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 7,500 | |
| Secretary(ies) | | 4,500 | |
| Other Salaries and Wages | | 20,832 | |
| Social Security | | 1,831 | |
| State Retirement | | 2,318 | |
| Medical Insurance | | 3,683 | |
| Employer Medicare | | 428 | |
| Other Supplies and Materials | | 746 | |
| In Service/Staff Development | | 94,158 | |
| Total Regular Instruction Program | | | 135,996 |

Special Education Program

| | | | |
|-------------------------|----|--------|--|
| Supervisor/Director | \$ | 6,365 | |
| Psychological Personnel | | 17,330 | |
| Assessment Personnel | | 20,874 | |
| Secretary(ies) | | 32,831 | |
| Social Security | | 4,472 | |
| State Retirement | | 7,327 | |
| Medical Insurance | | 5,716 | |
| Employer Medicare | | 1,046 | |
| Other Fringe Benefits | | 183 | |
| Communication | | 2,496 | |
| Postal Charges | | 3,187 | |

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

| | | | |
|---------------------------------|----|--------|------------|
| Travel | \$ | 8,963 | |
| Other Contracted Services | | 53,517 | |
| Other Supplies and Materials | | 13,575 | |
| In Service/Staff Development | | 14,118 | |
| Total Special Education Program | | | \$ 192,000 |

Vocational Education Program

| | | | |
|------------------------------------|----|-----|-----|
| Travel | \$ | 519 | |
| Total Vocational Education Program | | | 519 |

Transportation

| | | | |
|--------------------------|----|--------|--------|
| Bus Drivers | \$ | 11,497 | |
| Other Salaries and Wages | | 5,829 | |
| Social Security | | 944 | |
| State Retirement | | 1,686 | |
| Employer Medicare | | 221 | |
| Other Fringe Benefits | | 698 | |
| Contracts with Parents | | 6,113 | |
| Total Transportation | | | 26,988 |

Total School Federal Projects Fund \$ 1,719,115

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

| | | | |
|---|----|---------|--|
| Supervisor/Director | \$ | 42,060 | |
| Clerical Personnel | | 26,052 | |
| Cafeteria Personnel | | 307,175 | |
| Other Salaries and Wages | | 660 | |
| In-Service Training | | 1,877 | |
| Social Security | | 22,281 | |
| State Retirement | | 33,235 | |
| Unemployment Compensation | | 1,337 | |
| Employer Medicare | | 5,376 | |
| Other Fringe Benefits | | 6,500 | |
| Communication | | 3,707 | |
| Maintenance and Repair Services - Equipment | | 9,165 | |
| Transportation - Other than Students | | 3,711 | |
| Travel | | 129 | |

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

| | | | |
|--|----|---------------|---------------------|
| Other Contracted Services | \$ | 12,571 | |
| Food Preparation Supplies | | 30,334 | |
| Food Supplies | | 434,074 | |
| Office Supplies | | 4,799 | |
| Utilities | | 31,351 | |
| Other Supplies and Materials | | 922 | |
| In Service/Staff Development | | 724 | |
| Criminal Investigation of Applicants - TBI | | 240 | |
| Refund to Applicant for Criminal Investigation | | 336 | |
| Food Service Equipment | | <u>67,572</u> | |
| Total Food Service | | | <u>\$ 1,046,188</u> |

Total Central Cafeteria Fund \$ 1,046,188

Total Governmental Funds - Lewis County School Department \$ 13,885,571

Exhibit J-9

Lewis 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 | \$ 845,290 |
| Total Cash Receipts | <u>\$ 845,290</u> |
| <u>Cash Disbursements</u> | |
| Remittance of Revenues Collected | \$ 836,837 |
| Trustee's Commission | 8,453 |
| Total Cash Disbursements | <u>\$ 845,290</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

September 16, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lewis County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Lewis County's basic financial statements and have issued our report thereon dated September 16, 2010. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Lewis County Emergency Communications District, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lewis 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 Lewis County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Lewis 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 and 10.09.

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: 10.02, 10.05, 10.06, and 10.10.

Compliance and Other Matters

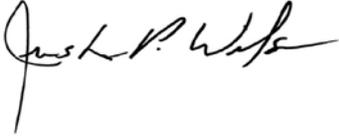
As part of obtaining reasonable assurance about whether Lewis County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 10.03, 10.04, 10.07, and 10.08.

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

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

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

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu



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

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

September 16, 2010

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

To the County Mayor and Board of County Commissioners:

Compliance

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

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

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

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

Schedule of Expenditures of Federal Awards

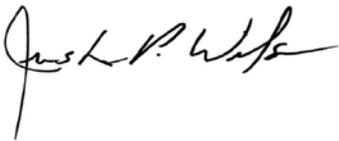
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lewis County as of and for the year ended June 30, 2010, and have issued our report thereon dated September 16, 2010. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Lewis County Emergency Communications District, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Lewis 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.

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

This report is intended solely for the information and use of management, the county mayor, director of schools, road superintendent, County Commission, Board of Education, others within Lewis County, and 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 written in a cursive style with a prominent vertical line extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Lewis 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: | | | |
| Emergency Watershed Protection Prevention | 10.923 | N/A | \$ 171,255 |
| Passed-through State Department of Education: | | | |
| Child Nutrition Cluster: | | | |
| School Breakfast Program | 10.553 | N/A | 193,199 |
| National School Lunch Program | 10.555 | N/A | 496,718 (3) |
| Summer Food Service Program for Children | 10.559 | N/A | 11,359 |
| ARRA - Child Nutrition Discretionary Grants Limited Availability | 10.579 | N/A | 19,000 |
| Passed-through State Department of Agriculture: | | | |
| National School Lunch Program (Commodities - Noncash Assistance) | 10.555 | N/A | <u>53,579 (3)</u> |
| Total U.S. Department of Agriculture | | | <u>\$ 945,110</u> |
| U.S. Department of Housing and Urban Development: | | | |
| Passed-through State Department of Economic and Community Development: | | | |
| Community Development Block Grant/State's Program | 14.228 | GG-09-27542-00 | \$ 335,282 |
| Total U.S. Department of Housing and Urban Development | | | <u>\$ 335,282</u> |
| U.S. Department of Education: | | | |
| Passed-through State Department of Education: | | | |
| Title I Cluster: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | N/A | \$ 537,103 |
| Title I Grants to Local Educational Agencies - Recovery Act | 84.389 | N/A | 222,713 |
| Special Education Cluster: | | | |
| Special Education - Grants to States | 84.027 | N/A | 429,692 |
| Special Education - Preschool Grants | 84.173 | N/A | 17,326 |
| Special Education - Grants to States - Recovery Act | 84.391 | N/A | 279,774 |
| Special Education - Preschool Grants - Recovery Act | 84.392 | N/A | 5,495 |
| Career and Technical Education - Basic Grants to States | 84.048 | N/A | 34,803 |
| Safe and Drug-free Schools and Communities - State Grants | 84.186 | (2) | 7,732 |
| Education Technology Cluster: | | | |
| Education Technology State Grants | 84.318 | (2) | 5,349 |
| Education Technology State Grants - Recovery Act | 84.386 | (2) | 13,154 |
| Rural Education | 84.358 | N/A | 63,247 |
| Improving Teacher Quality State Grants | 84.367 | N/A | 119,354 |
| State Fiscal Stabilization Funds - Education State Grants - Recovery Act | 84.394 | (2) | 347,500 |
| State Fiscal Stabilization Funds - Government Services - Recovery Act | 84.397 | (2) | <u>147,509</u> |
| Total U.S. Department of Education | | | <u>\$ 2,230,751</u> |
| U.S. Department of Health and Human Services: | | | |
| Passed-through State Department of Health: | | | |
| Centers for Disease Control and Prevention - Investigations and Technical Assistance | 93.283 | (2) | \$ 53,700 |
| Cooperative Agreements to Support Comprehensive School Health Programs to | | | |
| Prevent the Spread of HIV and Other Important Health Problems | 93.938 | (2) | <u>1,350</u> |
| Total U.S. Department of Health and Human Services | | | <u>\$ 55,050</u> |

(Continued)

Lewis 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: | | | |
| Direct Program: | | | |
| Emergency Food and Shelter National Board Program | 97.024 | N/A | \$ 6,386 |
| Passed-through State Department of Military: | | | |
| Homeland Security Grant Program | 97.067 | GG-08-24130-00 | <u>29,384</u> |
| Total U.S. Department of Homeland Security | | | <u>\$ 35,770</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 3,601,963</u> |
| Contract | | | |
| <u>Number</u> | | | |
| <u>State Grants</u> | | | |
| State Reappraisal Program - Comptroller of the Treasury | N/A | (2) | \$ 3,740 |
| Library Technology Grant - Tennessee Secretary of State | N/A | Z-07-020492-00 | 600 |
| Juvenile Services Program - State Children's Services Commission | N/A | GG-10-30058-00 | 9,300 |
| Waste Tire Grant - State Department of Environment and Conservation | N/A | Z-08-212961-00 | 6,000 |
| Litter Program - State Department of Transportation | N/A | Z-09-212769-00 | 46,152 |
| Diabetes Planning - State Department of Health | N/A | GG-10-31030-00 | 29,370 |
| Airport Maintenance Grant - State Department of Transportation | N/A | Z-09-213383-00 | 2,563 |
| Geographic Information System Mapping Maintenance Assistance Program - State Department of Finance and Administration | N/A | (2) | 8,357 |
| Lottery for Education Afterschool Program - State Department of Education | N/A | (2) | 135,001 |
| Early Childhood Education - State Department of Education | N/A | (2) | <u>398,521</u> |
| Total State Grants | | | <u>\$ 639,604</u> |

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$550,297.

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

LEWIS COUNTY AND LEWIS COUNTY SCHOOL DEPARTMENT

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|-----------------------|--------------------|---|
| 09.01 | 170 | Lewis County and the Lewis County School Department do not have the resources to produce financial statements and the notes to financial statements |

OFFICE OF COUNTY MAYOR

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|-----------------------|--------------------|---|
| 09.02 | 171 | Deficiencies were noted in the maintenance of capital asset records |
| 09.03 | 171 | Expenditures exceeded appropriations |
| 09.05 | 174 | The office had not established a formal purchase order system |

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|-----------------------|--------------------|---|
| 09.08 | 176 | The office did not deposit some funds within three days of collection |

OTHER FINDING

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|-----------------------|--------------------|---|
| 09.10 | 176 | Duties were not segregated adequately in the Offices of County Mayor, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, and Register |

LEWIS COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Lewis County disclosed significant deficiencies in internal control. Two 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 Lewis County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The 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 – Grants to States Recovery Act, Special Education – Preschool Grants, and Special Education – Preschool Grants Recovery Act (CFDA Nos. 84.027, 84.391, 84.173, and 84.392); and the State Fiscal Stabilization Funds Cluster: State Fiscal Stabilization Funds – Education State Grants Recovery Act and State Fiscal Stabilization Funds – 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. Lewis County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

LEWIS COUNTY AND LEWIS COUNTY SCHOOL DEPARTMENT

FINDING 10.01 LEWIS COUNTY AND THE LEWIS COUNTY SCHOOL DEPARTMENT DO NOT HAVE THE RESOURCES TO PRODUCE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS
(Internal Control – Material Weakness Under Government Auditing Standards)

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

RECOMMENDATION

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

OFFICE OF COUNTY MAYOR

FINDING 10.02 DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF CAPITAL ASSET RECORDS
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Our examination of the capital asset records revealed the following deficiencies. These deficiencies can be attributed in part to ineffective management oversight, a lack of technical skills to maintain accounting records in accordance with generally accepted accounting principles, and 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.

- A. Various capital asset reports did not agree. The Highway Department had six assets totaling \$452,711 recorded on the Governmental Activities Report that did not appear on the Function and Activities Report.
- B. Files were not maintained for newly acquired assets during the year. Auditors identified three new assets that the bookkeeper had not included in the capital asset reports totaling \$123,358.
- C. It was difficult to determine which reports were the most current because capital asset reports were reprinted several times due to the errors noted above and depreciation not being properly calculated.

RECOMMENDATION

Management should provide the necessary oversight to ensure that its capital asset records are accurately maintained in compliance with generally accepted accounting principles.

FINDING 10.03 EXPENDITURES EXCEEDED APPROPRIATIONS
(Noncompliance Under Government Auditing Standards)

Expenditures exceeded appropriations approved by the County Commission in the following funds’ major appropriation categories (the legal level of control):

| <u>Fund/Major Category</u> | <u>Amount Overspent</u> |
|----------------------------------|-----------------------------|
| General: | |
| County Mayor | \$ 2,301 |
| County Attorney | 3,060 |
| Jail | 91,588 |
| Juvenile Services | 226 |
| County Coroner/Medical Examiner | 1,252 |
| Sanitation Education/Information | 238 |
| Miscellaneous | 1,158 |
| Special Purpose: | |
| Operating Transfer | 48,283 |

Section 5-9-401, Tennessee Code Annotated states that “All funds from whatever source derived, including, but not limited to taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs 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 stay within the spending limits authorized by the County Commissions, which resulted in unauthorized expenditures, and they failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

FINDING 10.04 **A CAPITAL OUTLAY NOTE WAS NOT ISSUED IN COMPLIANCE WITH STATE STATUTES** (Noncompliance Under Government Auditing Standards)

On January 22, 2010, county officials issued a \$55,439 capital outlay note to purchase a tractor for the Highway Department without the approval of the state Comptroller’s Office as required by Section 9-21-601, Tennessee Code Annotated (TCA). Also, county officials did not file a Report on Debt Obligation with the state Comptroller’s Office for the capital outlay note. Section 9-21-151, TCA, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller’s Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance. A Report on Debt Obligation was filed on August 23, 2010. Management stated they were not aware of the statutory requirements.

RECOMMENDATION

Capital outlay notes should be issued in compliance with state statutes.

FINDING 10.05 THE OFFICE HAD NOT ESTABLISHED A FORMAL PURCHASE ORDER SYSTEM
(Internal Control – Significant Deficiency Under Government Auditing Standards)

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – CURRENT COUNTY MAYOR VAN WARD

Beginning September 1, 2010, this office has hired an individual to assume the duties of purchasing officer for Lewis County. It is our plan to have a formal purchasing policy in place by January 1, 2011.

OFFICE OF COUNTY CLERK

FINDING 10.06 THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated a daily log that displayed changes made by users. This log provides the only audit trail of these changes and should be reviewed daily for inappropriate activity. Since management was not aware of its importance, officials did not begin reviewing this log until we brought it to their attention several months into the fiscal year. Procedures for reviewing this log are currently in place.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 10.07 THE OFFICE DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION
(Noncompliance Under Government Auditing Standards)

In some instances, the office did not deposit funds to the office bank account within three days of collection. Section 5-8-207, Tennessee Code Annotated, requires county officials to deposit public funds to the office bank account within three days of collection. This deficiency can be attributed to the failure of management to correct the finding noted in the

prior-year audit report. The failure to make timely deposits increases the risk of unauthorized transactions.

RECOMMENDATION

The clerk should ensure that all funds are deposited to the office bank account within three days of collection as required by state statute.

OFFICE OF ASSESSOR OF PROPERTY

FINDING 10.08 **ROLLBACK TAXES WERE NOT CALCULATED**
(Noncompliance Under Government Auditing Standards)

The monitoring reports prepared by the State Division of Property Assessments disclosed that rollback taxes were not calculated by the assessor for changes in use or ownership of greenbelt property, which might result in the assessment of rollback taxes as required by Section 67-5-1008(d)(1), Tennessee Code Annotated. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

Rollback taxes should be calculated for all greenbelt property that had a change of use or ownership as required by state statute.

MANAGEMENT'S RESPONSE – ASSESSOR OF PROPERTY

I don't understand why this appeared as a finding in Lewis County since it never was an issue when I worked in the office under previous administrations.

DIVISION OF PROPERTY ASSESSMENT'S REBUTTAL

The Division of Property Assessments monitors every county for compliance with specific statutory requirements on an annual basis and reports findings to the Division of County Audit. The Lewis County Assessor of Property, Travis Hinson, has been unable to produce documentation supporting his claim of properly making rollback assessments since he took office in September 2008. The previous assessor had provided the Division of Property Assessments with evidence of rollback assessments as recently as the fiscal year 2008 monitoring effort.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 10.09 **LEWIS COUNTY HAS A MATERIAL RECURRING AUDIT FINDING
(Internal Control – Material Weakness Under Government Auditing Standards)**

Lewis County has a material audit finding that has been reported in its Annual Financial Reports for three or more consecutive years. This recurring material finding is listed below:

| <u>Finding Numbers</u> | <u>Description</u> |
|------------------------|---|
| 10.01, 09.01, 08.01 | Lewis County and the Lewis County School Department do not have the resources to produce financial statements and notes to the financial statements |

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiency. 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

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

FINDING 10.10

DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE PARKS AND RECREATION DEPARTMENT, AND THE OFFICES OF COUNTY MAYOR, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, AND REGISTER

(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among officials and employees in the Parks and Recreation Department, and the Offices of County Mayor, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, and Register. Employees who were responsible for maintaining accounting records in these offices were also involved in receipting, depositing, and/or disbursing funds. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

BEST PRACTICE

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

Lewis 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 and would significantly improve accountability and the quality of services provided to the citizens of Lewis 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.

LEWIS 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.