
ANNUAL FINANCIAL REPORT TIPTON COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2010



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

***DEPARTMENT OF AUDIT
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Comptroller of the Treasury***

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

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

Scope

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

Results

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

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

Findings and Best Practice

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

TIPTON COUNTY AND TIPTON COUNTY SCHOOL DEPARTMENT

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

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ A cash shortage totaling \$27,357.19 existed in the School-Age Child Care Program at August 13, 2010.

OTHER FINDING

- ◆ Tipton County has a material recurring audit finding.

BEST PRACTICE

Tipton 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 Tipton County.

INTRODUCTORY SECTION

Tipton County Officials
June 30, 2010

Officials

Jeff Huffman, County Executive
Shannon Reed, Director of Public Works
Tim Fite, Director of Schools
Kristie Maxwell, Trustee
Bill Stimpson, Assessor of Property
Pam Deen, County Clerk
Mike Forbess, Circuit, General Sessions, and Juvenile Courts Clerk
Judy Barkelew Billings, Clerk and Master
Claudia Peeler, Register
Jeffrey Chumley, Sheriff
Bruce Petty, Director of Accounts and Budget

Board of County Commissioners

Jeff Huffman, County Executive, Chairman	Dale Smith
William Bibb, Jr.	James Lamont Sneed
Quincy Barlow	Mike Sterling
Steve Bringle	Glenn Alan Turner
Tommy Dunavant	Harold Twisdale
Patsy Fee	Charles Walker
Johnnie Jones	Clifford Wilson
Jeff Mason	Robert Wilson
John McIntyre	Rusty Wooten
Jeff Scott	

Board of Education

Don Clark, Chairman	Marty Haywood
Janet Abel	Patricia Jackson
William Brooks	Jack Strong
Alvis Ferrell	Thomas Taylor
Susan Griffin	

FINANCIAL SECTION



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

January 28, 2011

Tipton County Executive and
Board of County Commissioners
Tipton County, Tennessee

To the County Executive 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 Tipton County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Tipton County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Tipton County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Tipton County Public Library, which include the Public Library Fund (a nonmajor special revenue fund, which represents 2.4 percent and 7.3 percent, respectively, of the assets and revenues of the aggregate remaining fund information) and the Tipton County Emergency Communications District, which represent 2.5 percent and 1.2 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Library Fund and the Tipton County Emergency Communications District, is based on the reports of other auditors.

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

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tipton 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 January 28, 2011, on our consideration of Tipton County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., Tipton 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.

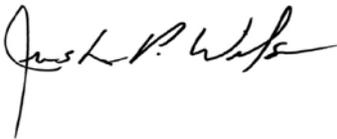
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 70 through 78 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 Tipton 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 Tipton 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 Tipton County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Governmental Activities	Component Units	
		Tipton County School Department	Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 135,912	\$ 0	\$ 1,305,840
Equity in Pooled Cash and Investments	24,765,316	14,804,924	0
Accounts Receivable	164,210	0	34,916
Due from Other Governments	488,245	1,188,742	22,019
Prepaid Items	23,181	0	0
Property Taxes Receivable	12,574,649	11,347,855	0
Allowance for Uncollectible Property Taxes	(454,848)	(410,472)	0
Accrued Interest Receivable	61,308	0	4,587
Cash Shortage	3,993	27,357	0
Deferred Charges - Debt Issuance Costs	146,281	0	0
Capital Assets Not Depreciated:			
Land	2,228,266	3,596,156	0
Construction in Progress	0	28,250	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	2,899,214	38,342,405	0
Infrastructure	4,246,379	0	0
Other Capital Assets	1,483,691	4,127,937	537,066
Total Assets	\$ 48,765,797	\$ 73,053,154	\$ 1,904,428
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,095	\$ 0	\$ 11,025
Payroll Deductions Payable	41,083	2,554,625	23,475
Accrued Interest Payable	72,766	0	0
Compensated Absences Payable	0	0	11,529
Deferred Revenue - Current Property Taxes	11,615,299	10,482,100	0
Noncurrent Liabilities:			
Due Within One Year	4,735,331	186,027	0
Due in More Than One Year	38,149,566	1,974,961	0
Total Liabilities	\$ 54,615,140	\$ 15,197,713	\$ 46,029
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 9,785,871	\$ 0	\$ 0
Invested in Capital Assets	0	46,094,748	537,066
Restricted for:			
Capital Projects	794,137	1,394,750	0
Debt Service	11,832,404	0	0
Public Library	105,674	0	0

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units	
		Tipton County School Department	Emergency Communications District
<u>NET ASSETS (CONT.)</u>			
Restricted for (Cont.):			
Solid Waste/Sanitation	\$ 1,049,357	\$ 0	\$ 0
Drug Control	256,179	0	0
Highway/Public Works	2,092,662	0	0
Probation Officer	305,435	0	0
Drug Court	27,676	0	0
Sexual Offender Registration	17,912	0	0
Computer System - Register	26,512	0	0
Automation Purposes	43,950	0	0
School Federal Projects	0	134,240	0
Central Cafeteria	0	1,775,333	0
After School Program	0	122,534	0
Other Purposes	0	52,224	0
Unrestricted	(32,187,112)	8,281,612	1,321,333
Total Net Assets (Deficit)	<u>\$ (5,849,343)</u>	<u>\$ 57,855,441</u>	<u>\$ 1,858,399</u>

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						
	Program Revenues			Primary Government		Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Tipton County School Department	Emergency Communications District
Primary Government:							
Governmental Activities:							
General Government	\$ 2,524,251	\$ 523,721	\$ 91,179	\$ 0	\$ (1,909,351)	\$ 0	\$ 0
Finance	1,467,439	1,236,697	14,888	0	(215,854)	0	0
Administration of Justice	1,575,660	1,374,661	18,000	0	(182,999)	0	0
Public Safety	7,447,778	584,873	29,729	224,283	(6,608,893)	0	0
Public Health and Welfare	1,958,378	440,724	355,089	595,525	(567,040)	0	0
Social, Cultural, and Recreational Services	364,680	0	81,525	0	(283,155)	0	0
Agriculture and Natural Resources	165,270	0	0	0	(165,270)	0	0
Other Operations	1,397,064	9,355	0	0	(1,387,709)	0	0
Highways/Public Works	6,361,591	0	1,982,414	852,902	(3,526,275)	0	0
Interest on Long-term Debt	478,170	0	0	0	(478,170)	0	0
Other Debt Service	220,480	0	600,000	0	379,520	0	0
Total Primary Government	\$ 23,960,761	\$ 4,170,031	\$ 3,172,824	\$ 1,672,710	\$ (14,945,196)	\$ 0	\$ 0
Component Units:							
Tipton County School Department	\$ 89,835,208	\$ 2,410,545	\$ 11,655,367	\$ 166,322	\$ 0	\$ (75,602,974)	\$ 0
Emergency Communications District	1,051,265	726,566	0	0	0	0	(324,699)
Total Component Units	\$ 90,886,473	\$ 3,137,111	\$ 11,655,367	\$ 166,322	\$ 0	\$ (75,602,974)	\$ (324,699)

(Continued)

Exhibit B

Tipton County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Units		
					Tipton County School Department	Emergency Communications District	
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 7,962,765	\$ 10,817,559	\$	0
Property Taxes Levied for Debt Service				4,028,687	0		0
Local Option Sales Tax				364,275	3,737,838		0
Wheel Tax				3,145,250	0		0
Litigation Tax				257,180	0		0
Wholesale Beer Tax				187,191	0		0
Business Tax				153,151	0		0
Other Local Taxes				58,930	143,807		0
Grants and Contributions Not Restricted to Specific Programs				1,548,607	58,212,304		337,401
Unrestricted Investment Earnings				626,096	0		24,661
Miscellaneous				53,520	238,687		183
Loss on Disposal of Capital Assets				0	0		(6,127)
Total General Revenues				\$ 18,385,652	\$ 73,150,195	\$	356,118
Change in Net Assets				\$ 3,440,456	\$ (2,452,779)	\$	31,419
Net Assets (Deficit), July 1, 2009				(9,289,799)	60,281,084		1,751,980
Prior-period Adjustment				0	27,136		75,000
Net Assets (Deficit), June 30, 2010				\$ (5,849,343)	\$ 57,855,441	\$	1,858,399

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 135,912	\$ 135,912
Equity in Pooled Cash and Investments	9,323,747	2,895,266	10,611,309	1,934,994	24,765,316
Accounts Receivable	0	0	60,284	103,926	164,210
Due from Other Governments	138,513	349,732	0	0	488,245
Due from Other Funds	53,266	0	0	0	53,266
Property Taxes Receivable	7,854,083	715,630	4,004,936	0	12,574,649
Allowance for Uncollectible Property Taxes	(279,195)	(25,886)	(149,767)	0	(454,848)
Prepaid Items	0	18,976	0	4,205	23,181
Accrued Interest Receivable	0	0	61,308	0	61,308
Cash Shortage	3,993	0	0	0	3,993
Advances to Other Funds	0	0	1,000,000	0	1,000,000
Total Assets	\$ 17,094,407	\$ 3,953,718	\$ 15,588,070	\$ 2,179,037	\$ 38,815,232
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 1,095	\$ 1,095
Payroll Deductions Payable	30,821	8,428	0	1,834	41,083
Due to Other Funds	0	0	0	53,266	53,266
Advances Payable to Other Funds	0	1,000,000	0	0	1,000,000
Deferred Revenue - Current Property Taxes	7,271,366	661,033	3,682,900	0	11,615,299
Deferred Revenue - Delinquent Property Taxes	253,538	24,046	144,944	0	422,528
Other Deferred Revenues	24,470	167,549	61,308	0	253,327
Total Liabilities	\$ 7,580,195	\$ 1,861,056	\$ 3,889,152	\$ 56,195	\$ 13,386,598
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 36,967	\$ 220,584	\$ 0	\$ 142,987	\$ 400,538
Reserved for Drug Court	27,676	0	0	0	27,676
Reserved for Sexual Offender Registration	17,912	0	0	0	17,912
Reserved for Computer System - Register	26,512	0	0	0	26,512
Reserved for Automation Purposes - General Sessions Court	35,685	0	0	0	35,685
Reserved for Automation Purposes - Chancery Court	7,717	0	0	0	7,717
Reserved for Automation Purposes - County Clerk	548	0	0	0	548
Reserved for Capital Outlay	0	476,648	0	0	476,648
Reserved for Other General Purposes	305,435	0	1,000,000	0	1,305,435
Unreserved, Reported In:					
General Fund	9,055,760	0	0	0	9,055,760
Special Revenue Funds	0	1,395,430	0	1,210,388	2,605,818
Debt Service Funds	0	0	10,698,918	0	10,698,918
Capital Projects Funds	0	0	0	769,467	769,467
Total Fund Balances	\$ 9,514,212	\$ 2,092,662	\$ 11,698,918	\$ 2,122,842	\$ 25,428,634
Total Liabilities and Fund Balances	\$ 17,094,407	\$ 3,953,718	\$ 15,588,070	\$ 2,179,037	\$ 38,815,232

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

Exhibit C-2

Tipton 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)		\$	25,428,634
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,228,266	
Add: infrastructure net of accumulated depreciation		4,246,379	
Add: buildings and improvements net of accumulated depreciation		2,899,214	
Add: other capital assets net of accumulated depreciation		<u>1,483,691</u>	10,857,550
(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	\$	(37,350)	
Less: capital leases payable		(21,308)	
Less: other loans payable		(32,236,194)	
Less: bonds payable		(7,275,000)	
Add: deferred charges - debt issuance costs		146,281	
Less: compensated absences payable		(599,023)	
Less: landfill closure/postclosure care costs		(407,093)	
Less: other postemployment benefits liability		(2,308,929)	
Less: accrued interest on bonds		<u>(72,766)</u>	(42,811,382)
(3) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>675,855</u>
Net assets (deficit) of governmental activities (Exhibit A)		\$	<u><u>(5,849,343)</u></u>

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

Exhibit C-3

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 10,047,238	\$ 2,291,300	\$ 4,360,219	\$ 8	\$ 16,698,765
Licenses and Permits	120,986	0	0	0	120,986
Fines, Forfeitures, and Penalties	438,490	0	0	119,210	557,700
Charges for Current Services	160,567	3,397	0	273,361	437,325
Other Local Revenues	79,756	17,143	656,673	136,645	890,217
Fees Received from County Officials	2,319,240	0	0	0	2,319,240
State of Tennessee	1,095,978	2,801,198	0	779,759	4,676,935
Federal Government	483,126	0	0	0	483,126
Other Governments and Citizens Groups	513,794	4,800	600,000	81,525	1,200,119
Total Revenues	\$ 15,259,175	\$ 5,117,838	\$ 5,616,892	\$ 1,390,508	\$ 27,384,413
<u>Expenditures</u>					
Current:					
General Government	\$ 1,560,799	\$ 0	\$ 0	\$ 0	\$ 1,560,799
Finance	1,464,533	0	0	0	1,464,533
Administration of Justice	1,529,294	0	0	0	1,529,294
Public Safety	7,261,196	0	0	79,513	7,340,709
Public Health and Welfare	939,692	0	0	4,604	944,296
Social, Cultural, and Recreational Services	96,300	0	0	179,552	275,852
Agriculture and Natural Resources	185,259	0	0	0	185,259
Other Operations	1,399,678	0	0	0	1,399,678
Highways	0	5,741,173	0	1,021,124	6,762,297
Debt Service:					
Principal on Debt	15,687	0	5,361,650	0	5,377,337
Interest on Debt	897	0	488,241	0	489,138
Other Debt Service	0	0	207,089	0	207,089
Capital Projects	0	0	0	88,656	88,656
Total Expenditures	\$ 14,453,335	\$ 5,741,173	\$ 6,056,980	\$ 1,373,449	\$ 27,624,937
Excess (Deficiency) of Revenues Over Expenditures	\$ 805,840	\$ (623,335)	\$ (440,088)	\$ 17,059	\$ (240,524)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 750,000	\$ 750,000
Insurance Recovery	21,484	12,420	0	0	33,904
Transfers In	31,000	0	0	82,000	113,000
Transfers Out	(82,000)	0	0	(31,000)	(113,000)
Total Other Financing Sources (Uses)	\$ (29,516)	\$ 12,420	\$ 0	\$ 801,000	\$ 783,904
Net Change in Fund Balances	\$ 776,324	\$ (610,915)	\$ (440,088)	\$ 818,059	\$ 543,380
Fund Balance, July 1, 2009	8,737,888	2,703,577	12,139,006	1,304,783	24,885,254
Fund Balance, June 30, 2010	\$ 9,514,212	\$ 2,092,662	\$ 11,698,918	\$ 2,122,842	\$ 25,428,634

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

Exhibit C-4

Tipton 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)		\$	543,380
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>			
Add: capital assets purchased in the current period	\$	411,746	
Less: current year depreciation expense		<u>(1,248,921)</u>	(837,175)
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.</p>			
Less: loss on disposal of capital assets	\$	(151)	
Less: proceeds from the disposal of capital assets		<u>(397)</u>	(548)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>			
Add: deferred delinquent property taxes and other deferred June 30, 2010	\$	675,855	
Less: deferred delinquent property taxes and other deferred June 30, 2009		<u>(659,051)</u>	16,804
<p>(4) The issuance of long-term debt (e.g., bonds, notes, other loans, capital leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>			
Less: note proceeds	\$	(750,000)	
Less: change in deferred debt issuance costs		(13,391)	
Add: principal payments on bonds		1,350,000	
Add: principal payments on notes		762,450	
Add: principal payments on other loans		3,249,200	
Add: principal payments on capital leases		<u>15,687</u>	4,613,946
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>			
Change in accrued interest payable	\$	10,968	
Change in compensated absences payable		(23,811)	
Change in landfill closure/postclosure care costs		(223)	
Change in other postemployment benefits liability		<u>(882,885)</u>	(895,951)
Change in net assets of governmental activities (Exhibit B)			<u>\$ 3,440,456</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,637,656
Due from Other Governments	<u>606,201</u>
Total Assets	<u>\$ 2,243,857</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 606,201
Due to Litigants, Heirs, and Others	<u>1,637,656</u>
Total Liabilities	<u>\$ 2,243,857</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Tipton 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 Tipton County:

A. Reporting Entity

Tipton County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Tipton 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 Tipton County School Department operates the public school system in the county, and the voters of Tipton 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 Tipton County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Tipton County, and the Tipton 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 Tipton County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Tipton County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Tipton County Emergency Communications District
220 Highway 51 North, Suite 4
Covington, TN 38019

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 Tipton 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 Tipton 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.

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

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

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

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

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

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

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

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

Tipton 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, Tipton County reports the following fund types:

Capital Projects Fund – The General Capital Projects Fund accounts for general capital projects of the county.

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 Tipton 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 Tipton County School Department reports the following major governmental fund:

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

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

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide 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 Tipton County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Tipton County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the

state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities are reported in the government-wide financial statements as internal balances.

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

All property taxes receivables are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.92 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. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

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 \$15,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5, 10, or 12
Infrastructure:	
Roads	10 or 20
Bridges	5, 15, or 30

5. Compensated Absences

It is the county's and the discretely presented School Department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Tipton County and the School Department do not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county and 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, landfill postclosure care costs, 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, Tipton County had \$38,498,173 in outstanding debt for capital purposes for the discretely presented Tipton County School Department. The debt is a liability of Tipton County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Tipton 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.

8. Prior-period Adjustment

Net assets of the Tipton County School Department were restated \$27,136 from the prior-year due to a cash shortage incurred during prior years.

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 Tipton 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 Tipton County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

B. Cash Shortages – Prior and Current Years

The audit of Tipton County for the 2007-08 year reported a cash shortage of \$4,324.95 in the county's General Fund. An investigation by the Tennessee Bureau of Investigation and the Tipton County Sheriff's Department revealed that a litter control officer used a county fuel card to purchase gasoline for his personal vehicles. On May 4, 2009, the defendant pled guilty to theft charges and received judicial diversion and was ordered to pay restitution of \$4,324.95 within 20 months. As of June 30, 2010, the former employee had paid restitution of \$332, leaving an outstanding cash shortage of \$3,992.95.

On September 22, 2010, our office issued a special report on the Tipton County School Department for the period September 13, 2002, through August 13, 2010. This report disclosed a cash shortage from improper payroll disbursements initiated by a School Department supervisor totaling \$27,357. This report is available at www.tn.gov/comptroller. The supervisor retired from the School Department on June 30, 2010. In October 2010, the former supervisor liquidated the cash shortage. In November 2010, the former supervisor was indicted by the Tipton County Grand Jury.

C. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations approved by the County Commission in the Public Library Fund by \$9,552. Expenditures that exceed appropriations are a violation of state statute. These expenditures in excess of appropriations were funded by available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Tipton County and the Tipton 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.

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

Investment	Maturities	Cost
State Treasurer's Investment Pool	Daily	\$ 10,579

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

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

B. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 2,228,266	\$ 0	\$ 0	\$ 2,228,266
Total Capital Assets Not Depreciated	\$ 2,228,266	\$ 0	\$ 0	\$ 2,228,266
Capital Assets Depreciated:				
Buildings and Improvements	\$ 5,692,168	\$ 24,600	\$ 0	\$ 5,716,768
Infrastructure	21,576,278	0	0	21,576,278
Other Capital Assets	7,400,884	387,146	(340,422)	7,447,608
Total Capital Assets Depreciated	\$ 34,669,330	\$ 411,746	\$ (340,422)	\$ 34,740,654

Governmental Activities (Cont.):

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Less Accumulated Depreciation For: Buildings and Improvements	\$ 2,625,588	\$ 191,966	\$ 0	\$ 2,817,554
Infrastructure	16,785,837	544,062	0	17,329,899
Other Capital Assets	5,790,898	512,893	(339,874)	5,963,917
Total Accumulated Depreciation	<u>\$ 25,202,323</u>	<u>\$ 1,248,921</u>	<u>\$ (339,874)</u>	<u>\$ 26,111,370</u>
Total Capital Assets Depreciated, Net	<u>\$ 9,467,007</u>	<u>\$ (837,175)</u>	<u>\$ (548)</u>	<u>\$ 8,629,284</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,695,273</u>	<u>\$ (837,175)</u>	<u>\$ (548)</u>	<u>\$ 10,857,550</u>

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

Governmental Activities:

General Government	\$ 125,967
Finance	4,156
Administration of Justice	52,587
Public Safety	337,655
Public Health and Welfare	10,717
Social, Cultural, and Recreational Services	31,972
Other Operations	740
Highways/Public Works	<u>685,127</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,248,921</u></u>

Discretely Presented Tipton County School Department

Governmental Activities:

	Balance				Balance
	7-1-09	Increases	Decreases		6-30-10
	<hr/>				
Capital Assets Not Depreciated:					
Land	\$ 3,563,156	\$ 33,000	\$ 0	\$	\$ 3,596,156
Construction in Progress	69,828	28,250	(69,828)		28,250
Total Capital Assets Not Depreciated	<hr/> \$ 3,632,984	\$ 61,250	\$ (69,828)	\$	<hr/> \$ 3,624,406
Capital Assets Depreciated:					
Buildings and Improvements	\$ 113,153,748	\$ 673,046	\$ 0	\$	\$ 113,826,794
Other Capital Assets	9,253,800	513,291	0		9,767,091
Total Capital Assets Depreciated	<hr/> \$ 122,407,548	\$ 1,186,337	\$ 0	\$	<hr/> \$ 123,593,885
Less Accumulated Depreciated For:					
Buildings and Improvements	\$ 72,634,881	\$ 2,849,508	\$ 0	\$	\$ 75,484,389
Other Capital Assets	5,003,777	635,377	0		5,639,154
Total Accumulated Depreciation	<hr/> \$ 77,638,658	\$ 3,484,885	\$ 0	\$	<hr/> \$ 81,123,543
Total Capital Assets Depreciated, Net	<hr/> \$ 44,768,890	\$ (2,298,548)	\$ 0	\$	<hr/> \$ 42,470,342
Governmental Activities Capital Assets, Net	<hr/> \$ 48,401,874	\$ (2,237,298)	\$ (69,828)	\$	<hr/> \$ 46,094,748

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

Governmental Activities:

Instruction	\$ 2,463,167
Support Services	772,637
Operation of Non-Instructional Services	<u>249,081</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,484,885</u>

C. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 53,266

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

Interfund Loans to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Debt Service	Highway/Public Works	\$ 1,000,000

The balance of \$1,000,000 due to the General Debt Service Fund from the Highway/Public Works Fund resulted from an advance to the Highway/Public Works Fund for emergency restoration of flood-damaged county infrastructure.

Interfund Transfers:

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

Primary Government

	<u>Transfers In</u>	
	General Fund	Nonmajor Governmental Funds
<u>Transfers Out</u>		
General Fund	\$ 0	\$ 82,000
Nonmajor governmental funds	31,000	0

Discretely Presented Tipton County School Department

	<u>Transfer In</u>
<u>Transfer Out</u>	General Purpose School Fund
Nonmajor governmental fund	\$ 63,764

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

D. Capital Leases

On March 5, 2009, Tipton County entered into a five-year lease-purchase agreement for a copy machine. The terms of the agreement require total lease payments of \$8,450 plus interest of 1.43 percent. Title to the copy machine transfers to Tipton County at the end of the lease period. The lease payments are made by the General Fund.

On June 23, 2007, Tipton County entered into a five-year lease-purchase agreement for two copy machines. The terms of the agreement require total lease payments of \$16,456 plus interest of 3.83 percent. Title to the copy machines transfers to Tipton County at the end of the lease period. The lease payments are made by the General Fund.

On December 19, 2006, Tipton County entered into a five-year lease-purchase agreement for a copy machine. The terms of the agreement require total lease payments of \$11,245 plus interest of 3.39 percent. Title to the copy machine transfers to Tipton County at the end of the lease period. The lease payments are made by the General Fund.

On June 12, 2006, Tipton County entered into a five-year lease-purchase agreement for two copy machines. The terms of the agreement require total

lease payments of \$21,808 plus interest of 3.32 percent. Title to the copy machines transfers to Tipton County at the end of the lease period. The lease payments are made by the General Fund.

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

Year Ending June 30	Governmental Funds
2011	\$ 12,561
2012	6,296
2013	1,752
2014	1,314
Total Minimum Lease Payments	\$ 21,923
Less: Amount Representing Interest	(615)
Present Value of Minimum Lease Payments	<u>\$ 21,308</u>

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 20 years for bonds, up to seven years for notes, and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2010, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, capital outlay notes, and capital leases 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	2.5 to 4.625 %	\$ 9,000,000	\$ 6,750,000
General Obligation Bonds - Refunding	2.5 to 3.35	8,960,000	525,000
Other Loans	Variable	42,959,594	32,236,194
Capital Outlay Notes	0	87,150	37,350
Capital Leases	1.43 to 3.83	57,959	21,308

During the 1998-99 year, Tipton County entered into two loan agreements with the Montgomery County Public Building Authority. Under these two loan agreements, the authority loaned Tipton County a total of \$10,897,089. These loans are repayable at a variable interest rate based on the weekly Bank of America Thursday National Non-AMT Index (BOA). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with these loans. At June 30, 2010, the variable interest rate was .42 percent based on the BOA rate and other fees totaled approximately .48 percent of the outstanding loan principal.

During the 2002-03 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$5,100,000 available for loan to Tipton County on an as-needed basis for various capital projects. As of June 30, 2010, Tipton County had borrowed \$4,733,905. This loan is repayable at a variable interest rate based on the daily London Interbank Offer Rate (LIBOR). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2010, the variable interest rate was .2 percent based on the LIBOR rate and other fees totaled approximately .58 percent of the outstanding loan principal.

During the 2004-05 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$5,100,000 to Tipton County for various capital projects. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2010, the variable interest rate was .2 percent based on the LIBOR rate and other fees totaled approximately .58 percent of the outstanding loan principal.

During the 2006-07 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$16,000,000 to Tipton County for various capital projects. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees

(administration, debt remarketing, etc.) in connection with this loan. At June 30, 2010, the variable interest rate was .2 percent based on the LIBOR rate and other fees totaled approximately .53 percent of the outstanding loan principal.

During the 2008-09 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$6,228,600 to Tipton County for refinancing debt. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2010, the variable interest rate was .19 percent based on the LIBOR rate and other fees totaled approximately .38 percent of the outstanding loan principal.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 1,025,000	\$ 291,063	\$ 1,316,063
2012	500,000	256,725	756,725
2013	500,000	239,475	739,475
2014	500,000	221,475	721,475
2015	500,000	202,975	702,975
2016-2020	2,900,000	692,875	3,592,875
2021-2022	1,350,000	94,000	1,444,000
Total	\$ 7,275,000	\$ 1,998,588	\$ 9,273,588

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 12,450	\$ 0	\$ 12,450
2012	12,450	0	12,450
2013	12,450	0	12,450
Total	\$ 37,350	\$ 0	\$ 37,350

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2011	\$ 3,312,200	\$ 80,925	\$ 179,273	\$ 3,572,398
2012	3,560,205	72,837	160,762	3,793,804
2013	3,047,300	64,196	140,863	3,252,359
2014	3,169,300	56,244	124,089	3,349,633
2015	1,762,100	47,941	106,657	1,916,698
2016-2020	9,517,089	153,565	374,577	10,045,231
2021-2025	5,558,000	55,405	154,056	5,767,461
2026-2027	2,310,000	6,980	18,496	2,335,476
Total	\$ 32,236,194	\$ 538,093	\$ 1,258,773	\$ 34,033,060

There is \$10,698,918 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$142, based on the 2000 federal census. Debt per capita, including bonds, notes, other loans, and capital leases, totaled \$772, based on the 2000 federal census.

Changes in Long-term Liabilities

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

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2009	\$ 8,625,000	\$ 49,800	\$ 35,485,394
Additions	0	750,000	0
Deductions	(1,350,000)	(762,450)	(3,249,200)
Balance, June 30, 2010	<u>\$ 7,275,000</u>	<u>\$ 37,350</u>	<u>\$ 32,236,194</u>
Balance Due Within One Year	<u>\$ 1,025,000</u>	<u>\$ 12,450</u>	<u>\$ 3,312,200</u>

	Capital Leases	Compensated Absences
Balance, July 1, 2009	\$ 36,995	\$ 575,212
Additions	0	396,801
Deductions	(15,687)	(372,990)
Balance, June 30, 2010	<u>\$ 21,308</u>	<u>\$ 599,023</u>
Balance Due Within One Year	<u>\$ 12,116</u>	<u>\$ 368,961</u>

	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2009	\$ 406,870	\$ 1,426,044
Additions	4,827	917,388
Deductions	(4,604)	(34,503)
	<hr/>	<hr/>
Balance, June 30, 2010	\$ 407,093	\$ 2,308,929
	<hr/>	<hr/>
Balance Due Within One Year	\$ 4,604	\$ 0
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 42,884,897
Less: Balance Due Within One Year	<u>(4,735,331)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 38,149,566</u>

Compensated absences will be paid from the employing funds, primarily the General and the Highway/Public Works funds. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund. Other postemployment benefits will be paid from the employing funds, primarily the General Fund.

Discretely Presented Tipton County School Department

Changes in Long-term Liabilities

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

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2009	\$ 504,877	\$ 1,251,000
Additions	217,231	1,128,972
Deductions	(186,026)	(755,066)
	<hr/>	<hr/>
Balance, June 30, 2010	\$ 536,082	\$ 1,624,906
	<hr/>	<hr/>
Balance Due Within One Year	\$ 186,027	\$ 0
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 2,160,988
Less: Balance Due Within One Year	<u>(186,027)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,974,961</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Tipton 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 \$118,103 and \$28,055, 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

Liability, Property, and Casualty

Tipton County participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays annual premiums 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 in excess of \$100,000 for each insured event.

Workers' Compensation Insurance

Tipton County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of

Section 29-20-401, Tennessee Code Annotated (TCA), by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays annual premiums to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

Employee Health Insurance

Tipton County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, 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 Tipton County School Department

Liability, Property, and Casualty

The Tipton County School Department participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The School Department pays annual premiums 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 in excess of \$100,000 for each insured event.

Workers' Compensation Insurance

The School Department does not provide workers' compensation insurance coverage for its employees.

Employee Health Insurance

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

B. Risk Financing Activities

Tipton County and several other counties, cities, and local government entities were members of the Local Government Insurance Cooperative (LOGIC) for workers' compensation insurance for one or more policy years in 1996-97, 1997-98, and 1999-2000. LOGIC obtained excess coverage insurance from Reliance Insurance Company for claims that exceeded specific amounts. Reliance Insurance Company is now insolvent and is being liquidated in the State of Pennsylvania. The insolvency of Reliance Insurance Company has left the LOGIC members exposed to significant claim liabilities for their policy years. In 2003, the LOGIC board of directors assessed its members certain amounts for each member's share of outstanding claims unpaid by Reliance Insurance Company. In 2009, the LOGIC board of directors made a second assessment of its members. Tipton County's share of this second assessment totaled \$24,290.

C. 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. Tipton County had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably expected that Tipton County may acquire intangible assets in subsequent years.

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

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

D. Subsequent Event

On August 31, 2010, Pam Deen left the Office of County Clerk and was succeeded by Mary Gaither.

E. Contingent Liabilities

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

F. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Tipton County closed its sanitary landfill in 1998. The \$407,093 reported as postclosure care liability at June 30, 2010, represents amounts based on what it would cost to perform all postclosure care in 2010. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Joint Ventures

The Twenty-fifth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of

the Twenty-fifth Judicial District, Fayette, Hardeman, Lauderdale, McNairy and Tipton 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. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Twenty-fifth Judicial District Drug Task Force
121 North Main
Ripley, TN 38063

H. Retirement Commitments

Employees

Plan Description

Employees of Tipton 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 Tipton County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That

report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/PS.

Funding Policy

Tipton 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 9.74 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Tipton County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2010, Tipton County’s annual pension cost of \$1,738,124 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. Tipton 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	\$1,738,124	100%	\$0
6-30-09	1,663,591	100	0
6-30-08	1,590,467	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 79.52 percent funded. The actuarial accrued liability for benefits was \$41.06 million, and the actuarial value of assets was \$32.65 million, resulting

in an unfunded actuarial accrued liability (UAAL) of \$8.41 million. The covered payroll (annual payroll of active employees covered by the plan) was \$17.15 million, and the ratio of the UAAL to the covered payroll was 49.01 percent.

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

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

School Teachers

Plan Description

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/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 Tipton County 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 Tipton County 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 \$2,659,253, \$2,649,400, and \$2,444,708, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Plan Description

Tipton County and the School Department participate in the state-administered Local Education Group Insurance Plan and the Local Government Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefits 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 plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution for retired county employees is currently \$60 a month, and these benefits are provided to retirees for a maximum of two years. The required contribution rate for retired teachers is \$78 for single coverage and \$130 for family coverage for certified teachers. This contribution continues until

retirees reach age 65 and are Medicare eligible. During the year, expenditures totaling \$34,503 (Tipton County) and \$755,066 (School Department) were recognized for postemployment health care.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 1,126,000	\$ 914,000
Interest on the NPO	56,295	64,172
Adjustment to the ARC	(53,323)	(60,784)
Annual OPEB cost	\$ 1,128,972	\$ 917,388
Less: Amount of contribution	(755,066)	(34,503)
Increase/decrease in NPO	\$ 373,906	\$ 882,885
Net OPEB obligation, 7-1-09	1,251,000	1,426,044
Net OPEB obligation, 6-30-10	\$ 1,624,906	\$ 2,308,929

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group	\$ 1,216,000	58%	\$ 510,061
6-30-09	"	1,228,613	40	1,251,000
6-30-10	"	1,128,972	67	1,624,906
6-30-08	Local Government Group	754,000	6	709,148
6-30-09	"	761,853	6	1,426,044
6-30-10	"	917,388	4	2,308,929

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)	\$ 9,252,000	\$ 6,586,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 9,252,000	\$ 6,586,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 52,433,105	\$ 7,964,525
UAAL as a % of covered payroll	18%	83%

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

Actuarial Methods and Assumptions

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

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

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

J. Purchasing Laws

Office of County Executive

Purchasing procedures for the County Executive's Office are governed by provisions of Chapter 518, Private Acts of 1941, as amended. This act provides for the Purchasing Committee to make all purchases estimated to exceed \$10,000. Purchases estimated to be \$10,000 or less may be made by the county executive or other county officials. This act also requires that competitive bids be solicited by the Purchasing Committee through advertisement in a local newspaper on all purchases estimated to exceed \$10,000.

Office of Director of Public Works

Purchasing procedures for the Public Works Department are governed by provisions of Chapter 114, Private Acts of 1973, as amended, and the Uniform Road Law, Section 54-7-113, Tennessee Code Annotated (TCA). These statutes provide for the Public Works Committee to make all purchases, and all purchases exceeding \$10,000 are to be made on a competitive basis solicited through public advertisement.

Office of Director of Schools

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

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

A. Summary of Significant Accounting Policies

1. Financial Reporting Entity

The Tipton County Public Library is governed by a board of directors appointed by the county executive of Tipton County, Tennessee. Based on criteria set forth in Statement No. 14 of the Governmental Accounting Standards Board (GASB), there are no organizations requiring consideration for inclusion in the library's financial reporting entity.

Under criteria in GASB Statement No. 14, the library is determined to be a fund of Tipton County, Tennessee, and is included in the financial statements of Tipton County as a special revenue fund. The library has elected to present its financial statements as a department of Tipton County.

The library's operating budget is funded by contributions from the City of Covington, Tennessee, and operating transfers from Tipton County. In addition, the library is located in a building owned by the City of Covington. The library is not charged any rent for use of the building. Capital improvements are funded from federal and state grants, contributions from the City of Covington, and operating transfers from Tipton County.

2. Basis of Presentation

The accounting and reporting policies of the library conform to accounting principles generally accepted in the United States applicable to governmental units. Generally accepted accounting principles are defined as those principles prescribed by GASB.

The library also presents fund financial statements for all funds relevant to operations of the library.

The library's accounts are organized and operated on the basis of fund types. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The library's financial activities reported in the accompanying financial statements are classified into one fund type (governmental): General Fund - used to account for all resources.

3. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available.

Measurable means the amount of the transaction can be determined, and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The library considers revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred.

Deferred revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the library before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the library has a legal claim to the resources, the liability for deferred revenue is removed from the statement of net assets/balance sheet and revenue is recognized.

4. **Budgets, Budgetary Accounting, and Encumbrances**

The budget of the library is approved by the Tipton County Commission. The budget is adopted on a basis consistent with generally accepted accounting principles. Appropriations lapse at the end of the year. Encumbrance accounting is not used since it is not legally required.

5. **Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the library's deposits may not be returned to it. Although the library has not formally adopted a policy regarding collateralization of deposits, the library follows collateralization requirements of state statutes.

6. **Investments**

Statutes authorize the library to invest in obligations of the U.S. Treasury, agencies, instrumentalities and obligations guaranteed as to principal and interest by the United States or any of its agencies, repurchase agreements, the Tennessee local government investment pool, certificates of deposit at state and federally chartered banks and savings and loan associations, money market funds approved by the state Comptroller's Office, and Tipton County's bonds and notes. The library has not adopted a formal investment policy that limits its interest rate or credit risk.

7. **Capital Assets**

Capital assets, which include equipment, fixtures, and library collections, are reported in the Statement of Net Assets. The library does not have a formal capitalization policy, but generally only assets

with an individual cost of at least \$250 and an estimated useful life in excess of one year are capitalized. All capital assets are valued at historical cost. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Equipment	5-10
Library Collections	5
Leasehold Improvements	10

8. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, consist of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The library elects to use restricted assets before unrestricted assets when a situation arises where either can be used.

B. Deposits

The bank balances of deposits as of June 30, 2010, were entirely insured by federal depository insurance.

C. Capital Assets

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

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Depreciated:				
Library Collection	\$ 137,514	\$ 22,869	\$ (24,033)	\$ 136,350
Equipment and Fixtures	82,806	5,629	(3,687)	84,748
Leasehold Improvements	0	3,850	0	3,850
Total Capital Assets				
Depreciated	\$ 220,320	\$ 32,348	\$ (27,720)	\$ 224,948

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Less Accumulated Depreciation For:				
Library Collection	\$ 83,904	\$ 22,474	\$ (24,033)	\$ 82,345
Equipment and Fixtures	47,694	9,273	(3,139)	53,828
Leasehold Improvements	0	225	0	225
Total Accumulated Depreciation	<u>\$ 131,598</u>	<u>\$ 31,972</u>	<u>\$ (27,172)</u>	<u>\$ 136,398</u>
Total Capital Assets Depreciated, Net	<u>\$ 88,722</u>	<u>\$ 376</u>	<u>\$ (548)</u>	<u>\$ 88,550</u>
Governmental Activities Capital Assets, Net	<u>\$ 88,722</u>	<u>\$ 376</u>	<u>\$ (548)</u>	<u>\$ 88,550</u>

The City of Covington allows the library to use the building without the payment of rent. Depreciation expense of \$31,972 was charged to governmental activities – public library.

D. Risk Management

The library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. All insurable risks of loss are covered under commercial insurance policies. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There was no significant reduction in the amount of coverage provided during this year.

E. Retirement Plan

Plan Description

Employees of Tipton 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 member 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 Tipton County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Tipton County requires employees to contribute five percent earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 9.51 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Tipton County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost and Trend Information

For the year ended June 30, 2010, the library's annual pension cost was \$2,188. Further information regarding annual pension cost and trend information of the library is not available since the library information is included in the calculations for Tipton County as a whole and is not separately identifiable.

F. Subsequent Event

Effective July 1, 2010, operations of the library will be accounted for as a department of Tipton County's General Fund. As such, the assets of the library will be transferred to Tipton County's General Fund.

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

A. Organization and Reporting Entity

The Tipton County Emergency Communications District is a component unit of Tipton County, Tennessee, the primary government unit. The district is considered a component unit of Tipton County because Tipton County appoints a majority of the district's board of directors, and there is potential for provision of specific financial benefits to the primary government. The financial statements present only the financial position and changes in financial position of the district and are not intended to present fairly the

financial position of Tipton County, Tennessee, and the changes in its financial position in conformity with U.S. generally accepted accounting principles (GAAP).

The district was formed by the Tipton County Legislature under provisions of Tennessee law on June 30, 1988. As such, it is a public corporation authorized to maintain and operate an emergency communications system providing 911 service within the boundaries of Tipton County, Tennessee. Under law it is a body politic, without powers of taxation, governed by an appointed nine-member board of directors. It is funded by monthly user fees or tariff rates charged on each resident and business telephone within the county and by contributions from participating governments.

B. Summary of Significant Accounting Policies

The district complies with accounting principles generally accepted in the United States of America. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The district applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The district has elected not to apply FASB ASC pronouncements issued after November 30, 1989.

1. Basis of Presentation

The financial statements of the district are organized into a fund, which is considered to be a separate accounting entity. The fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenses. The financial statements include a Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets, and Statement of Cash Flows.

Proprietary Fund

Enterprise Fund - An enterprise fund is used to account for business-like activities that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund accounts for the operations of the emergency communications system. Operating revenues are derived principally from service charges.

2. **Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe which transactions are recorded within the financial statements.

The proprietary fund is accounted for using the economic resources measurement focus. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Assets. The Statement of Revenues, Expenses, and Changes in Net Assets presents increases (revenues) and decreases (expenses) in total net assets.

Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are recorded as nonoperating expenses.

Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. Proprietary funds utilize the accrual basis of accounting, whereby revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

3. **Deposits and Investments**

Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. Although the district has not formally adopted a policy regarding collateralization of deposits, the district follows collateralization requirements of state statutes.

State statutes authorize the district to invest in obligations of the U.S. Treasury, agencies, instrumentalities and obligations guaranteed as to principal and interest of the United States or any of its agencies, repurchase agreements, the Tennessee Local Government Investment Pool, certificates of deposit at state and federally chartered banks and savings and loan associations, and money market funds approved by the state Comptroller's Office.

In accordance with GASB Statement No. 31, investments with a remaining maturity of more than one year at the time of purchase are reported at fair value as determined by quoted market prices. Short-term investments are reported at amortized cost, which approximates fair value.

4. **Accounts Receivable**

Accounts receivable result principally from unpaid user fees or tariff rates. Accounts receivable are reported net of any necessary

allowance for uncollectible accounts, and revenues are reported net of uncollectibles. Allowances, or any need thereof, are based on past history of uncollectible accounts and management's analysis of current accounts. There was no allowance for uncollectible accounts at June 30, 2010, nor any uncollectible amounts netted with charges for user fees or tariffs for the year ended June 30, 2010.

5. Capital Assets

Capital assets include property and equipment. During the current year, the district adopted a formal capitalization policy, whereby assets with an individual cost of at least \$3,500 and an estimated useful life in excess of one year are capitalized. For years beginning after June 30, 2010, the individual cost amount is increased to \$5,000. The district's assets are capitalized at historical cost or estimated historical cost. Gifts or contributions of capital assets are recorded at fair value when received. 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.

A provision for depreciation is made on a basis considered adequate to amortize costs over the assets' estimated useful lives using the straight-line method. Useful lives are estimated at 8-10 years.

6. Restricted Resources

The district elects to use restricted assets before unrestricted assets when the situation arises where either can be used.

7. Net Assets

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

- a. Invested in Capital Assets – Consists of capital assets, net of accumulated depreciation.
- b. Restricted – Consists of net assets for which constraints are placed thereon by outside sources or external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates, less any related liabilities.
- c. Unrestricted – All other net assets that do not meet the description of the above categories.

8. Cash Flows

For purposes of reporting cash flows, cash consists of cash on hand and on deposit with banks. All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. Certificates of deposit with original maturities of three months or more when purchased are classified as investments.

9. Retirement Plan

Costs of the retirement plan are computed by the frozen initial liability method, a projected benefit cost method, including a cost-of-living provision and amortization of prior service costs over 30 years. Pension costs are funded as accrued.

10. Compensated Absences

Vacation pay for employees is accrued as an expense at the time the employees have a vested right to receive it. Sick leave is not accrued as the employees never have a vested right to receive it.

11. Budgets

The district prepares a budget for management monitoring and control and to comply with state law. The budget, which is prepared at the line-item level, is approved by the board of directors and is on a basis consistent with GAAP. Appropriations lapse at the end of the year.

C. Capital Assets

Capital assets activity during the year was as follows:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Being Depreciated:				
Equipment Held For Future Use	\$ 75,000	\$ 0	\$ 0	\$ 75,000
Total Capital Assets Not Being Depreciated	\$ 75,000	\$ 0	\$ 0	\$ 75,000

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Other Capital Assets:				
Communication				
Equipment	\$ 1,170,282	\$ 20,287	\$ (142,592)	\$ 1,047,977
Furniture	38,672	0	(19,577)	19,095
Vehicle	22,750	0	0	22,750
Leasehold				
Improvements	59,422	5,113	0	64,535
Total Other Capital Assets at Historical Cost				
	\$ 1,291,126	\$ 25,400	\$ (162,169)	\$ 1,154,357
Less Accumulated Depreciation:				
Communication				
Equipment	\$ 645,667	\$ 111,824	\$ (137,687)	\$ 619,804
Furniture	29,626	2,199	(18,355)	13,470
Vehicle	18,200	4,550	0	22,750
Leasehold				
Improvements	34,981	1,286	0	36,267
Total Accumulated Depreciation				
	\$ 728,474	\$ 119,859	\$ (156,042)	\$ 692,291
Other Capital Assets, Net	\$ 562,652	\$ (94,459)	\$ (6,127)	\$ 462,066
Capital Assets, Net	\$ 637,652	\$ (94,459)	\$ (6,127)	\$ 537,066

Depreciation expense for the year ended June 30, 2010, was \$119,859. The district occupies space in a county-owned building at no expense.

D. Risk Financing Activities

It is the policy of the district to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, employment practices, public officials' liability, worker's compensation and employee health and accident. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

E. Retirement Plan

Plan Description

Employees of the district 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 age 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 the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the district participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

The district has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll.

The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 10.03 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the district is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ending June 30, 2010, the district's annual pension cost of \$53,346 to TCRS was equal to the district's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent

annual increase in the Social Security wage base, and (d) projected postretirement increases of three percent annually.

The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. The district's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was 11 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$ 53,346	100%	\$ 0
6-30-09	51,957	100	0
6-30-08	47,678	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 100 percent funded. The actuarial accrued liability for benefits was \$.37 million, and the actuarial value of assets was \$.37 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$0 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.54 million, and the ratio of the UAAL to the covered payroll was zero percent.

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

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

F. Prior-period Adjustment

The district has corrected its financial statements for the omission of donated capital assets received in the prior year ended June 30, 2009, but

were not recorded in the financial statements for the year ended June 30, 2009, due to a lack of substantiation of the fair market value of the donated capital assets. During the current year, the fair market value of donated capital assets was determined to be \$75,000. To correct this error, beginning net assets of \$1,751,980, as originally reported, has been increased to \$1,826,980.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 10,047,238	\$ 0	\$ 0	\$ 10,047,238	\$ 9,672,134	\$ 9,672,134	\$ 375,104
Licenses and Permits	120,986	0	0	120,986	130,000	130,000	(9,014)
Fines, Forfeitures, and Penalties	438,490	0	0	438,490	470,231	481,231	(42,741)
Charges for Current Services	160,567	0	0	160,567	182,680	182,680	(22,113)
Other Local Revenues	79,756	0	0	79,756	151,566	159,566	(79,810)
Fees Received from County Officials	2,319,240	0	0	2,319,240	2,263,000	2,263,000	56,240
State of Tennessee	1,095,978	0	0	1,095,978	1,075,612	1,137,160	(41,182)
Federal Government	483,126	0	0	483,126	157,000	1,315,271	(832,145)
Other Governments and Citizens Groups	513,794	0	0	513,794	148,673	162,815	350,979
Total Revenues	\$ 15,259,175	\$ 0	\$ 0	\$ 15,259,175	\$ 14,250,896	\$ 15,503,857	\$ (244,682)
Expenditures							
General Government							
County Commission	\$ 121,825	\$ (1,387)	\$ 826	\$ 121,264	\$ 147,555	\$ 147,555	\$ 26,291
Beer Board	3,572	0	0	3,572	4,994	4,994	1,422
County Mayor/Executive	206,560	0	30	206,590	285,440	285,440	78,850
Election Commission	265,813	(44)	1,542	267,311	287,620	287,620	20,309
Register of Deeds	286,516	0	1,041	287,557	305,787	305,787	18,230
Planning	244,553	(630)	0	243,923	250,344	258,344	14,421
Building	283,363	(532)	463	283,294	354,983	354,983	71,689
Codes Compliance	11,395	0	0	11,395	14,412	14,412	3,017
Geographical Information Systems	88,996	(52)	0	88,944	93,082	93,082	4,138
County Buildings	48,206	0	124	48,330	79,800	79,800	31,470
Finance							
Accounting and Budgeting	212,273	0	0	212,273	227,001	227,001	14,728

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Property Assessor's Office	\$ 436,380	\$ 0	\$ 0	\$ 436,380	\$ 469,666	\$ 469,666	\$ 33,286
Reappraisal Program	38,658	(88)	0	38,570	60,741	60,741	22,171
County Trustee's Office	301,117	(8,958)	223	292,382	309,357	309,357	16,975
County Clerk's Office	476,105	0	121	476,226	497,859	503,464	27,238
<u>Administration of Justice</u>							
Circuit Court	523,303	0	43	523,346	545,913	545,913	22,567
Criminal Court	44,095	(258)	31	43,868	47,808	47,808	3,940
General Sessions Court	261,215	0	0	261,215	267,465	267,465	6,250
Chancery Court	315,238	(560)	187	314,865	343,777	343,777	28,912
Juvenile Court	215,547	0	763	216,310	248,600	248,600	32,290
Probate Court	81,481	(469)	0	81,012	81,793	81,793	781
Other Administration of Justice	56,135	0	0	56,135	69,815	69,815	13,680
Victims Assistance Programs	32,280	0	0	32,280	38,000	38,000	5,720
<u>Public Safety</u>							
Sheriff's Department	4,048,467	(12,407)	10,179	4,046,239	3,938,591	4,156,117	109,878
Administration of the Sexual Offender Registry	7,023	0	0	7,023	8,000	8,000	977
Jail	2,301,669	(7,263)	18,663	2,313,069	2,375,512	2,428,659	115,590
Workhouse	206,063	0	0	206,063	381,548	381,548	175,485
Fire Prevention and Control	338,598	(35)	35	338,598	365,164	365,164	26,566
Civil Defense	174,888	0	0	174,888	185,334	224,000	49,112
Other Emergency Management	184,488	0	0	184,488	187,515	187,515	3,027
<u>Public Health and Welfare</u>							
Local Health Center	96,604	(3,023)	350	93,931	97,115	105,615	11,684
Rabies and Animal Control	274,305	(508)	265	274,062	274,441	297,597	23,535

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Ambulance/Emergency Medical Services	\$ 130,298	\$ 0	\$ 0	\$ 130,298	\$ 123,998	\$ 130,298	\$ 0
Dental Health Program	306,784	(940)	1,764	307,608	357,170	361,170	53,562
General Welfare Assistance	32,431	0	0	32,431	33,431	33,431	1,000
Sanitation Management	99,270	0	165	99,435	130,069	130,069	30,634
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	55,000	0	0	55,000	62,000	62,000	7,000
Libraries	31,000	0	0	31,000	113,000	31,000	0
Parks and Fair Boards	6,800	0	0	6,800	9,300	9,300	2,500
Other Social, Cultural, and Recreational	3,500	0	0	3,500	3,500	3,500	0
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	86,191	(188)	138	86,141	134,194	134,194	48,053
Soil Conservation	99,068	0	14	99,082	100,039	100,039	957
<u>Other Operations</u>							
Tourism	60,000	0	0	60,000	60,000	60,000	0
Industrial Development	238,797	0	0	238,797	373,673	402,815	164,018
Other Economic and Community Development	596,025	0	0	596,025	0	1,000,000	403,975
Veterans' Services	9,972	0	0	9,972	14,029	14,029	4,057
Miscellaneous	494,884	0	0	494,884	433,152	562,807	67,923
<u>Principal on Debt</u>							
General Government	15,687	0	0	15,687	0	22,000	6,313
Interest on Debt							
General Government	897	0	0	897	0	4,000	3,103
Total Expenditures	\$ 14,453,335	\$ (37,342)	\$ 36,967	\$ 14,452,960	\$ 14,792,587	\$ 16,260,284	\$ 1,807,324

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 805,840	\$ 37,342	\$ (36,967)	\$ 806,215	\$ (541,691)	\$ (756,427)	\$ 1,562,642
Other Financing Sources (Uses)							
Capital Leases Issued	0	0	0	0	10,000	10,000	(10,000)
Insurance Recovery	21,484	0	0	21,484	0	0	21,484
Transfers In	31,000	0	0	31,000	0	31,000	0
Transfers Out	(82,000)	0	0	(82,000)	0	(82,000)	0
Total Other Financing Sources (Uses)	\$ (29,516)	\$ 0	\$ 0	\$ (29,516)	\$ 10,000	\$ (41,000)	\$ 11,484
Net Change in Fund Balance	\$ 776,324	\$ 37,342	\$ (36,967)	\$ 776,699	\$ (531,691)	\$ (797,427)	\$ 1,574,126
Fund Balance, July 1, 2009	8,737,888	(37,342)	0	8,700,546	7,713,403	7,713,403	987,143
Fund Balance, June 30, 2010	\$ 9,514,212	\$ 0	\$ (36,967)	\$ 9,477,245	\$ 7,181,712	\$ 6,915,976	\$ 2,561,269

Exhibit E-2

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Budgetary (Budgetary Basis)	Basis)	Original	Final	
Revenues								
Local Taxes	\$ 2,291,300	\$ 0	\$ 0	\$ 2,291,300	\$ 2,230,340	\$ 2,230,340	\$ 60,960	
Licenses and Permits	0	0	0	0	10	10	(10)	
Charges for Current Services	3,397	0	0	3,397	2,500	2,500	897	
Other Local Revenues	17,143	0	0	17,143	400	400	16,743	
State of Tennessee	2,801,198	0	0	2,801,198	3,081,951	3,081,951	(280,753)	
Other Governments and Citizens Groups	4,800	0	0	4,800	200	200	4,600	
Total Revenues	\$ 5,117,838	\$ 0	\$ 0	\$ 5,117,838	\$ 5,315,401	\$ 5,315,401	\$ (197,563)	
Expenditures								
<u>Highways</u>								
Administration	\$ 397,404	(45)	1,052	398,411	420,497	411,947	13,536	
Highway and Bridge Maintenance	2,285,772	0	24,709	2,310,481	2,474,455	2,510,995	200,514	
Operation and Maintenance of Equipment	597,736	(327)	6,288	603,697	654,614	618,024	14,327	
Other Charges	688,825	0	69,050	757,875	238,943	776,422	18,547	
Employee Benefits	656,695	(70)	872	657,497	690,391	690,391	32,894	
Capital Outlay	1,114,741	(40,919)	118,613	1,192,435	1,719,000	1,727,600	535,165	
Total Expenditures	\$ 5,741,173	(41,361)	220,584	\$ 5,920,396	\$ 6,197,900	\$ 6,735,379	\$ 814,983	
Excess (Deficiency) of Revenues Over Expenditures	\$ (623,335)	\$ 41,361	(220,584)	\$ (802,558)	\$ (882,499)	\$ (1,419,978)	\$ 617,420	
Other Financing Sources (Uses)								
Insurance Recovery	\$ 12,420	0	0	12,420	100	100	12,320	
Total Other Financing Sources (Uses)	\$ 12,420	\$ 0	\$ 0	\$ 12,420	\$ 100	\$ 100	\$ 12,320	
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (610,915)	\$ 41,361	(220,584)	\$ (790,138)	\$ (882,399)	\$ (1,419,878)	\$ 629,740	
	2,703,577	(41,361)	0	2,662,216	2,637,728	2,637,728	24,488	
Fund Balance, June 30, 2010	\$ 2,092,662	\$ 0	(220,584)	\$ 1,872,078	\$ 1,755,329	\$ 1,217,850	\$ 654,228	

Exhibit E-3

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-07	\$ 28,313	\$ 34,402	\$ 6,089	82.30%	\$ 14,950	29.55%
7-1-09	32,648	41,055	8,407	79.52	17,153	49.01

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

Exhibit E-4

Tipton County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Tipton County Emergency Communications District
June 30, 2010

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-07	\$ 262	\$ 315	\$ 53	83.17%	\$ 427	12.41%
7-1-09	367	367	0	100	537	0

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

Exhibit E-5

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

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date*	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-07	\$ 0	\$ 5,320	\$ 5,320	0%	\$ 7,195	73.94%
"	7-1-09	0	6,586	6,586	0	7,965	82.69
<u>DISCRETELY PRESENTED TIPTON COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-07	0	9,703	9,703	0	39,070	24.84
"	7-1-09	0	9,252	9,252	0	52,433	17.65

*Data only available for two actuarial valuations.

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

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

As noted in the previous year's annual financial report, a cash shortage of \$4,244 existed in the General Fund at June 30, 2009. During the current year, the county received \$251 in restitution from the defendant in the case. The cash shortage balance of \$3,993 is presented in the General Fund at June 30, 2010.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

Nonmajor Governmental Funds

Special Revenue Funds

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

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Tipton County’s garbage collection operations.

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

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

Capital Projects Fund

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Exhibit F-1

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

	Special Revenue Funds						Capital Projects Fund		Total Nonmajor Governmental Funds
	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects	Capital Projects		
\$ 106,769	\$ 0	\$ 0	\$ 0	\$ 29,143	\$ 135,912	\$ 0	\$ 0	\$ 135,912	
0	967,183	173,674	0	0	1,140,857	794,137	0	1,934,994	
0	79,803	0	0	24,123	103,926	0	0	103,926	
0	4,205	0	0	0	4,205	0	0	4,205	
\$ 106,769	\$ 1,051,191	\$ 173,674	\$ 53,266	\$ 1,384,900	\$ 794,137	\$ 2,179,037			

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Prepaid Items
 Total Assets

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>								
Accounts Payable	\$ 1,095	\$ 0	\$ 0	\$ 0	\$ 1,095	\$ 0	\$ 0	\$ 1,095
Payroll Deductions Payable	0	1,834	0	0	1,834	0	0	1,834
Due to Other Funds	0	0	0	53,266	53,266	0	0	53,266
Total Liabilities	\$ 1,095	\$ 1,834	\$ 0	\$ 53,266	\$ 56,195	\$ 0	\$ 0	\$ 56,195
<u>Fund Balances</u>								
Reserved for Encumbrances	\$ 0	\$ 118,317	\$ 0	\$ 0	\$ 118,317	\$ 24,670	\$ 0	\$ 142,987
Unreserved	105,674	931,040	173,674	0	1,210,388	769,467	0	1,979,855
Total Fund Balances	\$ 105,674	\$ 1,049,357	\$ 173,674	\$ 0	\$ 1,328,705	\$ 794,137	\$ 0	\$ 2,122,842
Total Liabilities and Fund Balances	\$ 106,769	\$ 1,051,191	\$ 173,674	\$ 53,266	\$ 1,384,900	\$ 794,137	\$ 0	\$ 2,179,037

Exhibit F-2

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

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	Public Library	Solid Waste / Sanitation	Drug Control	Total	General Capital Projects		
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 8	\$ 0	\$ 8	\$ 0	\$ 0	\$ 8
Fines, Forfeitures, and Penalties	0	0	119,210	119,210	0	0	119,210
Charges for Current Services	0	273,361	0	273,361	0	0	273,361
Other Local Revenues	18,012	118,633	0	136,645	0	0	136,645
State of Tennessee	1,900	777,409	450	779,759	0	0	779,759
Other Governments and Citizens Groups	81,525	0	0	81,525	0	0	81,525
Total Revenues	\$ 101,437	\$ 1,169,411	\$ 119,660	\$ 1,390,508	\$ 0	\$ 0	\$ 1,390,508
<u>Expenditures</u>							
Current:							
Public Safety	\$ 0	\$ 0	\$ 79,513	\$ 79,513	\$ 0	\$ 0	\$ 79,513
Public Health and Welfare	0	4,604	0	4,604	0	0	4,604
Social, Cultural, and Recreational Services	179,552	0	0	179,552	0	0	179,552
Highways	0	1,021,124	0	1,021,124	0	0	1,021,124
Capital Projects	0	0	0	0	88,656	88,656	88,656
Total Expenditures	\$ 179,552	\$ 1,025,728	\$ 79,513	\$ 1,284,793	\$ 88,656	\$ 88,656	\$ 1,373,449
Excess (Deficiency) of Revenues Over Expenditures	\$ (78,115)	\$ 143,683	\$ 40,147	\$ 105,715	\$ (88,656)	\$ (88,656)	\$ 17,059
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 750,000	\$ 750,000	\$ 750,000
Transfers In	82,000	0	0	82,000	0	0	82,000
Transfers Out	0	0	(31,000)	(31,000)	0	0	(31,000)
Total Other Financing Sources (Uses)	\$ 82,000	\$ 0	\$ (31,000)	\$ 51,000	\$ 750,000	\$ 750,000	\$ 801,000
Net Change in Fund Balances	\$ 3,885	\$ 143,683	\$ 9,147	\$ 156,715	\$ 661,344	\$ 661,344	\$ 818,059
Fund Balance, July 1, 2009	101,789	905,674	164,527	1,171,990	132,793	132,793	1,304,783
Fund Balance, June 30, 2010	\$ 105,674	\$ 1,049,357	\$ 173,674	\$ 1,328,705	\$ 794,137	\$ 794,137	\$ 2,122,842

Exhibit F-3

Tipton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Public Library 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	\$ 18,012	\$ 2,000	\$ 2,000	\$ 16,012
State of Tennessee	1,900	0	0	1,900
Other Governments and Citizens Groups	81,525	80,000	80,000	1,525
Total Revenues	<u>\$ 101,437</u>	<u>\$ 82,000</u>	<u>\$ 82,000</u>	<u>\$ 19,437</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 179,552	\$ 170,000	\$ 170,000	\$ (9,552)
Total Expenditures	<u>\$ 179,552</u>	<u>\$ 170,000</u>	<u>\$ 170,000</u>	<u>\$ (9,552)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (78,115)</u>	<u>\$ (88,000)</u>	<u>\$ (88,000)</u>	<u>\$ 9,885</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 82,000	\$ 82,000	\$ 82,000	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 82,000</u>	<u>\$ 82,000</u>	<u>\$ 82,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 3,885	\$ (6,000)	\$ (6,000)	\$ 9,885
Fund Balance, July 1, 2009	101,789	101,789	101,789	0
Fund Balance, June 30, 2010	<u>\$ 105,674</u>	<u>\$ 95,789</u>	<u>\$ 95,789</u>	<u>\$ 9,885</u>

Exhibit F-4

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 8 \$	0 \$	0 \$	8 \$	0 \$	0 \$	8
Charges for Current Services	273,361	0	0	273,361	261,200	261,200	12,161
Other Local Revenues	118,633	0	0	118,633	70,120	70,120	48,513
State of Tennessee	777,409	0	0	777,409	700,500	700,500	76,909
Total Revenues	\$ 1,169,411 \$	0 \$	0 \$	1,169,411 \$	1,031,820 \$	1,031,820 \$	137,591
<u>Expenditures</u>							
Public Health and Welfare							
Postclosure Care Costs	\$ 4,604 \$	0 \$	0 \$	4,604 \$	20,000 \$	20,000 \$	15,396
<u>Highways</u>							
Litter and Trash Collection	1,021,124	(7,245)	118,317	1,132,196	1,100,593	1,225,593	93,397
Total Expenditures	\$ 1,025,728 \$	(7,245) \$	118,317 \$	1,136,800 \$	1,120,593 \$	1,245,593 \$	108,793
Excess (Deficiency) of Revenues Over Expenditures	\$ 143,683 \$	7,245 \$	(118,317) \$	32,611 \$	(88,773) \$	(213,773) \$	246,384
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0 \$	0 \$	0 \$	0 \$	100 \$	100 \$	(100)
Total Other Financing Sources (Uses)	\$ 0 \$	0 \$	0 \$	0 \$	100 \$	100 \$	(100)
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 143,683 \$	7,245 \$	(118,317) \$	32,611 \$	(88,673) \$	(213,673) \$	246,284
	905,674	(7,245)	0	898,429	793,684	793,684	104,745
Fund Balance, June 30, 2010	\$ 1,049,357 \$	0 \$	(118,317) \$	931,040 \$	705,011 \$	580,011 \$	351,029

Exhibit F-5

Tipton 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	\$ 119,210	\$ 62,000	\$ 115,600	\$ 3,610
Other Local Revenues	0	1,000	1,000	(1,000)
State of Tennessee	450	1,800	1,800	(1,350)
Total Revenues	<u>\$ 119,660</u>	<u>\$ 64,800</u>	<u>\$ 118,400</u>	<u>\$ 1,260</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 79,513	\$ 64,800	\$ 97,362	\$ 17,849
Total Expenditures	<u>\$ 79,513</u>	<u>\$ 64,800</u>	<u>\$ 97,362</u>	<u>\$ 17,849</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 40,147</u>	<u>\$ 0</u>	<u>\$ 21,038</u>	<u>\$ 19,109</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (31,000)	\$ 0	\$ (31,000)	\$ 0
Total Other Financing Sources (Uses)	<u>\$ (31,000)</u>	<u>\$ 0</u>	<u>\$ (31,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 9,147	\$ 0	\$ (9,962)	\$ 19,109
Fund Balance, July 1, 2009	<u>164,527</u>	<u>164,510</u>	<u>164,510</u>	<u>17</u>
Fund Balance, June 30, 2010	<u><u>\$ 173,674</u></u>	<u><u>\$ 164,510</u></u>	<u><u>\$ 154,548</u></u>	<u><u>\$ 19,126</u></u>

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

Tipton 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	\$ 4,360,219	\$ 4,222,906	\$ 4,222,906	\$ 137,313
Other Local Revenues	656,673	645,000	645,000	11,673
Other Governments and Citizens Groups	600,000	0	600,000	0
Total Revenues	<u>\$ 5,616,892</u>	<u>\$ 4,867,906</u>	<u>\$ 5,467,906</u>	<u>\$ 148,986</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,762,450	\$ 1,762,450	\$ 1,762,450	\$ 0
Education	3,599,200	3,599,200	3,599,200	0
<u>Interest on Debt</u>				
General Government	25,421	160,000	152,012	126,591
Education	462,820	2,036,966	1,931,754	1,468,934
<u>Other Debt Service</u>				
General Government	103,004	97,367	109,182	6,178
Education	104,085	60,000	161,385	57,300
Total Expenditures	<u>\$ 6,056,980</u>	<u>\$ 7,715,983</u>	<u>\$ 7,715,983</u>	<u>\$ 1,659,003</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (440,088)</u>	<u>\$ (2,848,077)</u>	<u>\$ (2,248,077)</u>	<u>\$ 1,807,989</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 600,000	\$ 0	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 600,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (440,088)	\$ (2,248,077)	\$ (2,248,077)	\$ 1,807,989
Fund Balance, July 1, 2009	12,139,006	12,028,614	12,028,614	110,392
Fund Balance, June 30, 2010	<u>\$ 11,698,918</u>	<u>\$ 9,780,537</u>	<u>\$ 9,780,537</u>	<u>\$ 1,918,381</u>

Fiduciary Funds

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

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

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

Exhibit H-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,637,656	\$ 1,637,656
Due from Other Governments	606,201	0	606,201
Total Assets	<u>\$ 606,201</u>	<u>\$ 1,637,656</u>	<u>\$ 2,243,857</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 606,201	\$ 0	\$ 606,201
Due to Litigants, Heirs, and Others	0	1,637,656	1,637,656
Total Liabilities	<u>\$ 606,201</u>	<u>\$ 1,637,656</u>	<u>\$ 2,243,857</u>

Exhibit H-2

Tipton 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	\$ 3,345,431	\$ 3,345,431	\$ 0
Due from Other Governments	530,000	606,201	530,000	606,201
Total Assets	<u>\$ 530,000</u>	<u>\$ 3,951,632</u>	<u>\$ 3,875,431</u>	<u>\$ 606,201</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 530,000	\$ 3,951,632	\$ 3,875,431	\$ 606,201
Total Liabilities	<u>\$ 530,000</u>	<u>\$ 3,951,632</u>	<u>\$ 3,875,431</u>	<u>\$ 606,201</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,321,203	\$ 12,526,587	\$ 12,210,134	\$ 1,637,656
Total Assets	<u>\$ 1,321,203</u>	<u>\$ 12,526,587</u>	<u>\$ 12,210,134</u>	<u>\$ 1,637,656</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,321,203	\$ 12,526,587	\$ 12,210,134	\$ 1,637,656
Total Liabilities	<u>\$ 1,321,203</u>	<u>\$ 12,526,587</u>	<u>\$ 12,210,134</u>	<u>\$ 1,637,656</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,321,203	\$ 12,526,587	\$ 12,210,134	\$ 1,637,656
Equity in Pooled Cash and Investments	0	3,345,431	3,345,431	0
Due from Other Governments	530,000	606,201	530,000	606,201
Total Assets	<u>\$ 1,851,203</u>	<u>\$ 16,478,219</u>	<u>\$ 16,085,565</u>	<u>\$ 2,243,857</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 530,000	\$ 3,951,632	\$ 3,875,431	\$ 606,201
Due to Litigants, Heirs, and Others	1,321,203	12,526,587	12,210,134	1,637,656
Total Liabilities	<u>\$ 1,851,203</u>	<u>\$ 16,478,219</u>	<u>\$ 16,085,565</u>	<u>\$ 2,243,857</u>

Tipton County School Department

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

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

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

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

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

Exhibit I-1

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

Functions/Programs	Program Revenues			Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions		
Governmental Activities:					
Instruction	\$ 58,572,208	\$ 670,100	\$ 6,249,077	0	\$ (51,653,031)
Support Services	23,320,052	152,176	1,438,826	166,322	(21,562,728)
Operation of Non-Instructional Services	7,342,948	1,588,269	3,967,464	0	(1,787,215)
Other Debt Service	600,000	0	0	0	(600,000)
Total Governmental Activities	\$ 89,835,208	\$ 2,410,545	\$ 11,655,367	\$ 166,322	\$ (75,602,974)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$	10,817,559
Local Option Sales Tax					3,737,838
Other Local Taxes					143,807
Grants and Contributions Not Restricted to Specific Programs					58,212,304
Miscellaneous					238,687
Total General Revenues				\$	73,150,195
Change in Net Assets				\$	(2,452,779)
Net Assets, July 1, 2009					60,281,084
Prior-period Adjustment					27,136
Net Assets, June 30, 2010				\$	57,855,441

Exhibit I-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 11,562,922	\$ 3,242,002	\$ 14,804,924
Due from Other Governments	1,126,421	62,321	1,188,742
Property Taxes Receivable	11,347,855	0	11,347,855
Allowance for Uncollectible Property Taxes	(410,472)	0	(410,472)
Cash Shortage	27,357	0	27,357
Total Assets	<u>\$ 23,654,083</u>	<u>\$ 3,304,323</u>	<u>\$ 26,958,406</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Payroll Deductions Payable	\$ 2,554,625	\$ 0	\$ 2,554,625
Deferred Revenue - Current Property Taxes	10,482,100	0	10,482,100
Deferred Revenue - Delinquent Property Taxes	381,307	0	381,307
Other Deferred Revenues	303,021	0	303,021
Total Liabilities	<u>\$ 13,721,053</u>	<u>\$ 0</u>	<u>\$ 13,721,053</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 528,855	\$ 34,008	\$ 562,863
Other Local Education Reserves	122,534	0	122,534
Reserved for Career Ladder - Extended Contract	37,488	0	37,488
Reserved for Career Ladder Program	14,736	0	14,736
Reserved for Title I Grants to Local Education Agencies	0	5,000	5,000
Reserved for Innovative Education Program Strategies	0	6,411	6,411
Reserved for Special Education - Grants to States	0	112,025	112,025
Other Federal Reserves	0	10,804	10,804
Unreserved, Reported In:			
General Fund	9,229,417	0	9,229,417
Special Revenue Funds	0	1,775,333	1,775,333
Capital Projects Funds	0	1,360,742	1,360,742
Total Fund Balances	<u>\$ 9,933,030</u>	<u>\$ 3,304,323</u>	<u>\$ 13,237,353</u>
Total Liabilities and Fund Balances	<u>\$ 23,654,083</u>	<u>\$ 3,304,323</u>	<u>\$ 26,958,406</u>

Exhibit I-3

Tipton County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Tipton 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)		\$ 13,237,353
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 3,596,156	
Add: construction in progress	28,250	
Add: buildings and improvements net of accumulated depreciation	38,342,405	
Add: other capital assets net of accumulated depreciation	<u>4,127,937</u>	46,094,748
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (536,082)	
Less: other postemployment benefits liability	<u>(1,624,906)</u>	(2,160,988)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>684,328</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 57,855,441</u></u>

Exhibit I-4

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 15,151,470	\$ 0	\$ 15,151,470
Licenses and Permits	6,006	0	6,006
Fines, Forfeitures, and Penalties	1,601	0	1,601
Charges for Current Services	816,256	1,588,269	2,404,525
Other Local Revenues	239,000	15,550	254,550
State of Tennessee	57,922,264	0	57,922,264
Federal Government	97,744	11,525,535	11,623,279
Total Revenues	<u>\$ 74,234,341</u>	<u>\$ 13,129,354</u>	<u>\$ 87,363,695</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 48,842,032	\$ 6,543,878	\$ 55,385,910
Support Services	21,868,830	1,137,599	23,006,429
Operation of Non-Instructional Services	1,709,088	5,372,914	7,082,002
Capital Outlay	390,911	0	390,911
Debt Service:			
Other Debt Service	600,000	0	600,000
Capital Projects	0	657,719	657,719
Total Expenditures	<u>\$ 73,410,861</u>	<u>\$ 13,712,110</u>	<u>\$ 87,122,971</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 823,480</u>	<u>\$ (582,756)</u>	<u>\$ 240,724</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 63,764	\$ 0	\$ 63,764
Transfers Out	0	(63,764)	(63,764)
Total Other Financing Sources (Uses)	<u>\$ 63,764</u>	<u>\$ (63,764)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 887,244	\$ (646,520)	\$ 240,724
Fund Balance, July 1, 2009	9,018,650	3,950,843	12,969,493
Prior-period Adjustment	27,136	0	27,136
Fund Balance, June 30, 2010	<u>\$ 9,933,030</u>	<u>\$ 3,304,323</u>	<u>\$ 13,237,353</u>

Exhibit I-5

Tipton County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Tipton 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)		\$ 240,724
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,177,759	
Less: current year depreciation expense	<u>(3,484,885)</u>	(2,307,126)
(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	\$ 684,328	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(665,594)</u>	18,734
(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	\$ (31,205)	
Change in other postemployment benefits liability	<u>(373,906)</u>	<u>(405,111)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (2,452,779)</u>

Exhibit I-6

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

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
				Education Capital Projects		
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects		
Equity in Pooled Cash and Investments	\$ 71,919	\$ 1,775,333	\$ 1,847,252	\$ 1,394,750	\$	3,242,002
Due from Other Governments	62,321	0	62,321	0		62,321
Total Assets	\$ 134,240	\$ 1,775,333	\$ 1,909,573	\$ 1,394,750	\$	3,304,323
<u>FUND BALANCES</u>						
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 34,008	\$	34,008
Reserved for Title I Grants to Local Education Agencies	5,000	0	5,000	0		5,000
Reserved for Innovative Education Program Strategies	6,411	0	6,411	0		6,411
Reserved for Special Education - Grants to States	112,025	0	112,025	0		112,025
Other Federal Reserves	10,804	0	10,804	0		10,804
Unreserved	0	1,775,333	1,775,333	1,360,742		3,136,075
Total Fund Balances	\$ 134,240	\$ 1,775,333	\$ 1,909,573	\$ 1,394,750	\$	3,304,323

Exhibit I-7

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 1,588,269	\$ 1,588,269	\$ 0	\$ 1,588,269
Other Local Revenues	0	15,550	15,550	0	15,550
Federal Government	7,635,796	3,889,739	11,525,535	0	11,525,535
Total Revenues	\$ 7,635,796	\$ 5,493,558	\$ 13,129,354	\$ 0	\$ 13,129,354
<u>Expenditures</u>					
Current:					
Instruction	\$ 6,543,878	\$ 0	\$ 6,543,878	\$ 0	\$ 6,543,878
Support Services	1,137,599	0	1,137,599	0	1,137,599
Operation of Non-Instructional Services	0	5,372,914	5,372,914	0	5,372,914
Capital Projects	0	0	0	657,719	657,719
Total Expenditures	\$ 7,681,477	\$ 5,372,914	\$ 13,054,391	\$ 657,719	\$ 13,712,110
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (45,681)	\$ 120,644	\$ 74,963	\$ (657,719)	\$ (582,756)
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (63,764)	\$ 0	\$ (63,764)	\$ 0	\$ (63,764)
Total Other Financing Sources (Uses)	\$ (63,764)	\$ 0	\$ (63,764)	\$ 0	\$ (63,764)
Net Change in Fund Balances	\$ (109,445)	\$ 120,644	\$ 11,199	\$ (657,719)	\$ (646,520)
Fund Balance, July 1, 2009	243,685	1,654,689	1,898,374	2,052,469	3,950,843
Fund Balance, June 30, 2010	\$ 134,240	\$ 1,775,333	\$ 1,909,573	\$ 1,394,750	\$ 3,304,323

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
						Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 15,151,470	\$ 0	\$ 0	\$ 15,151,470	\$ 14,820,000	\$ 14,815,000	\$ 336,470	
Licenses and Permits	6,006	0	0	6,006	5,000	5,000	1,006	
Fines, Forfeitures, and Penalties	1,601	0	0	1,601	4,000	2,000	(399)	
Charges for Current Services	816,256	0	0	816,256	720,000	758,000	58,256	
Other Local Revenues	239,000	0	0	239,000	225,000	213,492	25,508	
State of Tennessee	57,922,264	0	0	57,922,264	58,250,002	58,365,158	(442,894)	
Federal Government	97,744	0	0	97,744	140,000	140,000	(42,256)	
Total Revenues	\$ 74,234,341	\$ 0	\$ 0	\$ 74,234,341	\$ 74,164,002	\$ 74,298,650	\$ (64,309)	
<u>Expenditures</u>								
<u>Instruction</u>								
Regular Instruction Program	\$ 38,431,256	\$ (134,031)	\$ 132,302	\$ 38,429,527	\$ 38,790,000	\$ 38,742,000	\$ 312,473	
Alternative Instruction Program	701,984	0	0	701,984	694,000	722,000	20,016	
Special Education Program	7,361,190	0	0	7,361,190	7,380,000	7,380,000	18,810	
Vocational Education Program	2,314,648	(9,425)	0	2,305,223	2,343,000	2,332,000	26,777	
Adult Education Program	32,954	0	0	32,954	36,000	36,000	3,046	
<u>Support Services</u>								
Health Services	657,109	0	0	657,109	681,000	681,000	23,891	
Other Student Support	1,531,649	0	0	1,531,649	1,506,000	1,532,000	351	
Regular Instruction Program	1,725,240	(169)	0	1,725,071	1,821,000	1,772,000	46,929	
Special Education Program	261,916	0	0	261,916	262,000	262,000	84	
Vocational Education Program	116,318	0	0	116,318	117,000	117,000	682	
Adult Programs	56,550	0	0	56,550	98,000	98,000	41,450	
Other Programs	146,158	0	0	146,158	0	146,158	0	

(Continued)

Exhibit I-8

Tipton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Tipton 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>							
Board of Education	\$ 770,724	\$ 0	\$ 100	\$ 770,824	\$ 811,000	\$ 791,000	\$ 20,176
Director of Schools	257,687	0	0	257,687	258,000	258,000	313
Office of the Principal	5,418,665	0	0	5,418,665	5,406,000	5,419,000	335
Fiscal Services	459,664	(6)	1,200	460,858	464,000	464,000	3,142
Operation of Plant	4,076,579	0	0	4,076,579	4,140,000	4,151,000	74,421
Maintenance of Plant	1,401,163	(15,860)	36,945	1,422,248	1,360,000	1,430,000	7,752
Transportation	4,989,408	(17,937)	3,978	4,975,449	5,152,000	5,043,000	67,551
<u>Operation of Non-Instructional Services</u>							
Food Service	159,414	0	0	159,414	149,000	160,000	586
Community Services	560,205	0	0	560,205	575,000	610,000	49,795
Early Childhood Education	989,469	(363)	0	989,106	957,000	1,000,000	10,894
<u>Capital Outlay</u>							
Regular Capital Outlay	390,911	(186,369)	354,330	558,872	600,000	600,000	41,128
Other Debt Service							
Education	600,000	0	0	600,000	600,000	600,000	0
Total Expenditures	\$ 73,410,861	\$ (364,160)	\$ 528,855	\$ 73,575,556	\$ 74,200,000	\$ 74,346,158	\$ 770,602
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 823,480	\$ 364,160	\$ (528,855)	\$ 658,785	\$ (35,998)	\$ (47,508)	\$ 706,293
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,000	\$ 6,000	\$ (6,000)
Transfers In	63,764	0	0	63,764	30,000	41,508	22,256
Total Other Financing Sources (Uses)	\$ 63,764	\$ 0	\$ 0	\$ 63,764	\$ 36,000	\$ 47,508	\$ 16,256

(Continued)

Exhibit I-8

Tipton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Tipton 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	
Net Change in Fund Balance	\$ 887,244	\$ 364,160	\$ (528,855)	\$ 722,549	\$ 2	\$ 0	\$ 722,549
Fund Balance, July 1, 2009	9,018,650	(364,160)	0	8,654,490	8,654,491	8,654,491	(1)
Prior Period Adjustment	27,136	0	0	27,136	0	0	27,136
Fund Balance, June 30, 2010	\$ 9,933,030	\$ 0	\$ (528,855)	\$ 9,404,175	\$ 8,654,493	\$ 8,654,491	\$ 749,684

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 7,635,796	\$ 11,285,385	\$ 11,285,402	\$ (3,649,606)
Total Revenues	\$ 7,635,796	\$ 11,285,385	\$ 11,285,402	\$ (3,649,606)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,765,279	\$ 3,477,489	\$ 3,493,474	\$ 728,195
Special Education Program	3,657,100	5,262,967	5,131,732	1,474,632
Vocational Education Program	121,499	131,178	121,527	28
<u>Support Services</u>				
Other Student Support	108,735	831,128	833,216	724,481
Regular Instruction Program	855,439	1,561,631	1,545,661	690,222
Office of the Principal	45,425	47,093	47,093	1,668
Transportation	128,000	128,000	268,000	140,000
Total Expenditures	\$ 7,681,477	\$ 11,439,486	\$ 11,440,703	\$ 3,759,226
Excess (Deficiency) of Revenues Over Expenditures	\$ (45,681)	\$ (154,101)	\$ (155,301)	\$ 109,620
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (63,764)	\$ (89,583)	\$ (88,384)	\$ 24,620
Total Other Financing Sources (Uses)	\$ (63,764)	\$ (89,583)	\$ (88,384)	\$ 24,620
Net Change in Fund Balance	\$ (109,445)	\$ (243,684)	\$ (243,685)	\$ 134,240
Fund Balance, July 1, 2009	243,685	243,684	243,685	0
Fund Balance, June 30, 2010	\$ 134,240	\$ 0	\$ 0	\$ 134,240

Exhibit I-10

Tipton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Tipton 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	\$ 1,588,269	\$ 2,440,000	\$ 2,440,000	\$ (851,731)
Other Local Revenues	15,550	20,000	20,000	(4,450)
Federal Government	3,889,739	3,240,000	3,583,496	306,243
Total Revenues	\$ 5,493,558	\$ 5,700,000	\$ 6,043,496	\$ (549,938)
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 5,372,914	\$ 5,700,000	\$ 6,043,496	\$ 670,582
Total Expenditures	\$ 5,372,914	\$ 5,700,000	\$ 6,043,496	\$ 670,582
Excess (Deficiency) of Revenues Over Expenditures	\$ 120,644	\$ 0	\$ 0	\$ 120,644
Net Change in Fund Balance	\$ 120,644	\$ 0	\$ 0	\$ 120,644
Fund Balance, July 1, 2009	1,654,689	1,653,272	1,653,272	1,417
Fund Balance, June 30, 2010	\$ 1,775,333	\$ 1,653,272	\$ 1,653,272	\$ 122,061

Exhibit I-11

Tipton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Tipton County School Department
Education Capital 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	
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 657,719 \$	(466,471) \$	34,008 \$	225,256 \$	600,000 \$	600,000 \$	374,744
Total Expenditures	\$ 657,719 \$	(466,471) \$	34,008 \$	225,256 \$	600,000 \$	600,000 \$	374,744
Excess (Deficiency) of Revenues Over Expenditures	\$ (657,719) \$	466,471 \$	(34,008) \$	(225,256) \$	(600,000) \$	(600,000) \$	374,744
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (657,719) \$	466,471 \$	(34,008) \$	(225,256) \$	(600,000) \$	(600,000) \$	374,744
	2,052,469	(466,471)	0	1,585,998	1,585,998	1,585,998	0
Fund Balance, June 30, 2010	\$ 1,394,750 \$	0 \$	(34,008) \$	1,360,742 \$	985,998 \$	985,998 \$	374,744

MISCELLANEOUS SCHEDULES

Exhibit J-1

Tipton County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, 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
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Energy Efficiency (ECD)	\$ 87,150	0%	7-10-06	6-30-13	\$ 49,800	0	\$ 12,450	\$ 37,350
Drummond Park	750,000	5	12-17-09	6-15-10	0	750,000	750,000	0
Total Notes Payable					\$ 49,800	\$ 750,000	\$ 762,450	\$ 37,350
OTHER LOANS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
School Construction	5,000,000	Variable	9-8-1998	5-25-14	\$ 2,800,000	0	\$ 500,000	\$ 2,300,000
School Construction	5,897,089	Variable	5-17-1999	5-25-19	5,597,089	0	200,000	5,397,089
Various Purposes (1)	(1)	Variable	8-30-02	5-25-12	2,633,905	0	1,000,000	1,633,905
School Construction	5,100,000	Variable	7-21-04	5-25-22	3,918,000	0	259,000	3,659,000
School Construction	16,000,000	Variable	4-30-07	5-25-27	14,999,000	0	559,000	14,440,000
School Refunding	6,228,600	Variable	7-9-08	5-25-15	5,537,400	0	731,200	4,806,200
Total Other Loans Payable					\$ 35,485,394	\$ 0	\$ 3,249,200	\$ 32,236,194
CAPITAL LEASES PAYABLE								
<u>Payable through General Fund</u>								
Copy Machines	41,141	6.47	12-14-04	11-14-09	\$ 3,954	0	\$ 3,954	0
Copy Machines	21,808	3.32	6-12-06	7-28-11	9,159	0	4,504	4,655
Copy Machine	11,245	3.39	12-19-06	12-19-11	5,860	0	2,284	3,576
Copy Machines	16,456	3.83	6-23-07	5-23-12	9,980	0	3,297	6,683
Copy Machine	8,450	1.43	3-5-09	3-5-14	8,042	0	1,648	6,394
Total Capital Leases Payable					\$ 36,995	\$ 0	\$ 15,687	\$ 21,308
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
School Refunding	8,960,000	2.5 to 3.35	9-1-02	4-1-11	\$ 1,375,000	0	\$ 850,000	\$ 525,000
Elementary School	9,000,000	2.5 to 4.625	9-1-02	4-1-22	7,250,000	0	500,000	6,750,000
Total Bonds Payable					\$ 8,625,000	\$ 0	\$ 1,350,000	\$ 7,275,000

(1) Total amount available is \$5,100,000, of which \$366,095 remains available for draws as of June 30, 2010.

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 12,450	\$ 0	\$ 12,450
2012	12,450	0	12,450
2013	12,450	0	12,450
Total	\$ 37,350	\$ 0	\$ 37,350

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2011	\$ 3,312,200	\$ 80,925	\$ 179,273	\$ 3,572,398
2012	3,560,205	72,837	160,762	3,793,804
2013	3,047,300	64,196	140,863	3,252,359
2014	3,169,300	56,244	124,089	3,349,633
2015	1,762,100	47,941	106,657	1,916,698
2016	2,036,000	43,343	96,936	2,176,279
2017	2,079,000	37,072	86,128	2,202,200
2018	2,122,000	30,714	75,069	2,227,783
2019	2,065,089	24,270	63,762	2,153,121
2020	1,215,000	18,166	52,682	1,285,848
2021	1,265,000	15,736	45,634	1,326,370
2022	1,188,000	13,206	38,297	1,239,503
2023	990,000	10,830	28,700	1,029,530
2024	1,034,000	8,850	23,453	1,066,303
2025	1,081,000	6,783	17,972	1,105,755
2026	1,130,000	4,620	12,243	1,146,863
2027	1,180,000	2,360	6,253	1,188,613
Total	\$ 32,236,194	\$ 538,093	\$ 1,258,773	\$ 34,033,060

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2011	\$ 12,116	\$ 445	\$ 12,561
2012	6,166	130	6,296
2013	1,720	32	1,752
2014	1,306	8	1,314
Total	\$ 21,308	\$ 615	\$ 21,923

(Continued)

Exhibit J-2

Tipton County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bonds		Total
	Principal	Interest	
2011	\$ 1,025,000	\$ 291,063	\$ 1,316,063
2012	500,000	256,725	756,725
2013	500,000	239,475	739,475
2014	500,000	221,475	721,475
2015	500,000	202,975	702,975
2016	525,000	183,725	708,725
2017	550,000	162,725	712,725
2018	575,000	140,175	715,175
2019	600,000	116,025	716,025
2020	650,000	90,225	740,225
2021	650,000	61,625	711,625
2022	700,000	32,375	732,375
Total	\$ 7,275,000	\$ 1,998,588	\$ 9,273,588

Exhibit J-3

Tipton County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Tipton 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>			
Drug Control	General	Salaries	\$ 31,000
General	Public Library	Operations	82,000
Total Transfers Primary Government			<u>\$ 113,000</u>
<u>DISCRETELY PRESENTED TIPTON COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 46,269
School Federal Projects	General Purpose School	Early intervening services	17,495
Total Transfers Discretely Presented Tipton County School Department			<u>\$ 63,764</u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, TCA	\$ 101,764	\$ 50,000	Hartford Fire Insurance Company
Director of Public Works	Section 8-24-102, TCA, and Public Works Committee	87,550	100,000	"
Director of Schools	State Board of Education and County Board of Education	120,000 (1)	100,000	"
Trustee	Section 8-24-102, TCA	74,678	2,053,000	"
Assessor of Property	Section 8-24-102, TCA	74,678	10,000	"
Director of Accounts and Budgets	County Commission	62,925 (2)	10,000	"
County Clerk	Section 8-24-102, TCA	74,678	50,000	"
Circuit Court Clerk	Section 8-24-102, TCA	74,678	50,000	"
Clerk and Master	Section 8-24-102, TCA	74,678	75,000	"
Register	Section 8-24-102, TCA	74,678	25,000	"
Sheriff	Section 8-24-102, TCA	82,145 (3)	50,000	"
Employees Bonds:				
General Fund Employees and Deputies			150,000	Local Government Property and Casualty Fund
Public Works Administration			150,000	"
Sanitation			150,000	"
Education Central Office Bookkeeping Staff			150,000	"
Education Administrative Staff in each School			150,000	"

- (1) Includes chief executive officer training supplement of \$1,000.
- (2) Includes fire department accountant compensation of \$5,486 and \$1,250 for longevity.
- (3) Does not include a law enforcement training supplement of \$600.

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Public Library	Solid Waste / Sanitation	Drug Control	Highway / Public Works		Debt Service		
					General	Debt Service			
Local Taxes									
County Property Taxes									
Current Property Tax	\$ 6,824,863	\$ 0	\$ 0	\$ 0	\$ 636,936	\$ 3,730,928	\$ 11,192,727	393,398	
Trustee's Collections - Prior Year	210,926	0	0	0	22,282	160,190	2,096	4,746	
Trustee's Collections - Bankruptcy	2,400	0	5	0	245	0	115,267	304,655	
Circuit/Clerk & Master Collections - Prior Years	172,050	0	0	0	17,338	0	30,062	78,514	
Interest and Penalty	44,059	0	3	0	4,390	0	1,486	1,486	
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	172,857	518,573	
Payments in-Lieu-of Taxes - Other	316,203	0	0	0	29,513	0	0	0	
County Local Option Taxes									
Local Option Sales Tax	369,173	0	0	0	0	0	0	369,173	
Hotel/Motel Tax	56,985	0	0	0	0	0	0	56,985	
Wheel Tax	1,572,625	0	0	0	1,572,625	0	0	3,145,250	
Litigation Tax - General	196,149	0	0	0	0	0	0	196,149	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	61,031	61,031	
Business Tax	92,669	0	0	0	7,971	0	52,511	153,151	
Statutory Local Taxes									
Bank Excise Tax	0	0	0	0	0	0	33,791	33,791	
Wholesale Beer Tax	187,191	0	0	0	0	0	0	187,191	
Interstate Telecommunications Tax	1,945	0	0	0	0	0	0	1,945	
Total Local Taxes	\$ 10,047,238	\$ 0	\$ 8	\$ 0	\$ 2,291,300	\$ 4,360,219	\$ 16,698,765		
Licenses and Permits									
Licenses									
Animal Registration	\$ 49,790	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 49,790	
Cable TV Franchise	21,395	0	0	0	0	0	0	21,395	
Permits									
Building Permits	49,801	0	0	0	0	0	0	49,801	
Total Licenses and Permits	\$ 120,986	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 120,986	

(Continued)

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

	Special Revenue Funds										Total	
	General	Public Library	Solid Waste / Sanitation	Drug Control	Highway / Public Works	Debt Service Fund		General Debt	Service			
						Debt	Service					
Fines, Forfeitures, and Penalties												
<u>Circuit Court</u>												
Fines	\$ 15,284	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	15,284
Officers Costs	15,693	0	0	0	0	0	0	0	0	0	0	15,693
Drug Control Fines	2,374	0	0	4,023	0	0	0	0	0	0	0	6,397
Drug Court Fees	1,762	0	0	0	0	0	0	0	0	0	0	1,762
DUI Treatment Fines	3,135	0	0	0	0	0	0	0	0	0	0	3,135
Data Entry Fee - Circuit Court	958	0	0	0	0	0	0	0	0	0	0	958
Victims Assistance Assessments	3,442	0	0	0	0	0	0	0	0	0	0	3,442
<u>Criminal Court</u>												
Fines	50,380	0	0	0	0	0	0	0	0	0	0	50,380
<u>General Sessions Court</u>												
Fines	65,100	0	0	0	0	0	0	0	0	0	0	65,100
Officers Costs	74,891	0	0	0	0	0	0	0	0	0	0	74,891
Game and Fish Fines	389	0	0	0	0	0	0	0	0	0	0	389
Drug Control Fines	10,448	0	0	0	15,735	0	0	0	0	0	0	26,183
Drug Court Fees	13,092	0	0	0	0	0	0	0	0	0	0	13,092
Jail Fees	98,371	0	0	0	0	0	0	0	0	0	0	98,371
DUI Treatment Fines	10,338	0	0	0	0	0	0	0	0	0	0	10,338
Data Entry Fee - General Sessions Court	6,184	0	0	0	0	0	0	0	0	0	0	6,184
Courtroom Security Fee	1,571	0	0	0	0	0	0	0	0	0	0	1,571
Victims Assistance Assessments	29,488	0	0	0	0	0	0	0	0	0	0	29,488
<u>Juvenile Court</u>												
Fines	404	0	0	0	0	0	0	0	0	0	0	404
Officers Costs	2,704	0	0	0	0	0	0	0	0	0	0	2,704
Data Entry Fee - Juvenile Court	268	0	0	0	0	0	0	0	0	0	0	268
<u>Chancery Court</u>												
Officers Costs	3,363	0	0	0	0	0	0	0	0	0	0	3,363
Data Entry Fee - Chancery Court	7,717	0	0	0	0	0	0	0	0	0	0	7,717
Other Fines, Forfeitures, and Penalties												
Data Entry Fee - Confiscated Property	20,716	0	0	0	94,939	0	0	0	0	0	0	115,655
Proceeds from Confiscated Property	418	0	0	0	4,513	0	0	0	0	0	0	4,931
Other Fines, Forfeitures, and Penalties												
Total Fines, Forfeitures, and Penalties	\$ 438,490	\$ 0	\$ 0	\$ 119,210	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 557,700

(Continued)

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

	Special Revenue Funds							Total
	General	Public Library	Solid Waste / Sanitation	Drug Control	Highway / Public Works	Debt Service Fund		
						General Debt	Service	
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Tipping Fees	\$ 0	\$ 0	\$ 47,208	\$ 0	\$ 0	\$ 0	\$ 0	\$ 47,208
Solid Waste Disposal Fees	0	0	505	0	0	0	0	505
Other General Service Charges	98,108	0	0	0	0	0	0	98,108
<u>Fees</u>								
Copy Fees	162	0	0	0	0	0	0	162
Telephone Commissions	28,833	0	0	0	0	0	0	28,833
Vending Machine Collections	0	0	0	0	3,397	0	0	3,397
Data Processing Fee - Register	16,594	0	0	0	0	0	0	16,594
Data Processing Fee - Sheriff	2,500	0	0	0	0	0	0	2,500
Sexual Offender Registration Fees - Sheriff	8,220	0	0	0	0	0	0	8,220
Data Processing Fee - County Clerk	6,150	0	0	0	0	0	0	6,150
<u>Other Charges for Services</u>								
Other Charges for Services	0	0	225,648	0	0	0	0	225,648
Total Charges for Current Services	\$ 160,567	\$ 0	\$ 273,361	\$ 0	\$ 3,397	\$ 0	\$ 0	\$ 437,325
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 0	\$ 151	\$ 0	\$ 0	\$ 0	\$ 655,773	\$ 0	\$ 655,924
Lease/Rentals	13,587	0	0	0	0	0	0	13,587
Sale of Materials and Supplies	624	16,215	810	0	16,026	0	0	33,675
Commissary Sales	5,070	0	0	0	0	0	0	5,070
Sale of Gasoline	9,355	0	0	0	0	0	0	9,355
Sale of Maps	1,513	0	0	0	0	0	0	1,513
Sale of Recycled Materials	0	0	117,573	0	0	0	0	117,573
Miscellaneous Refunds	10,300	1,646	250	0	1,117	900	0	14,213
<u>Nonrecurring Items</u>								
Revenue from Joint Ventures	32,500	0	0	0	0	0	0	32,500
Contributions and Gifts	1,807	0	0	0	0	0	0	1,807
<u>Other Local Revenues</u>								
Other Local Revenues	5,000	0	0	0	0	0	0	5,000
Total Other Local Revenues	\$ 79,756	\$ 18,012	\$ 118,633	\$ 0	\$ 17,143	\$ 656,673	\$ 0	\$ 890,217

(Continued)

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

	Special Revenue Funds							Debt Service Fund		Total
	General	Public Library	Solid Waste / Sanitation	Drug Control	Highway / Public Works	Debt Service Fund				
						General	Debt Service			
<u>Fees Received from County Officials</u>										
<u>Fees in-Lieu-of Salary</u>										
County Clerk	\$ 490,388	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 490,388
Circuit Court Clerk	137,395	0	0	0	0	0	0	0	0	137,395
General Sessions Court Clerk	366,126	0	0	0	0	0	0	0	0	366,126
Clerk and Master	276,419	0	0	0	0	0	0	0	0	276,419
Juvenile Court Clerk	59,499	0	0	0	0	0	0	0	0	59,499
Register	221,557	0	0	0	0	0	0	0	0	221,557
Sheriff	29,372	0	0	0	0	0	0	0	0	29,372
Trustee	738,484	0	0	0	0	0	0	0	0	738,484
Total Fees Received from County Officials	\$ 2,319,240	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,319,240
<u>State of Tennessee</u>										
<u>General Government Grants</u>										
Juvenile Services Program	\$ 18,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,000
State Reappraisal Grant	14,888	0	0	0	0	0	0	0	0	14,888
Solid Waste Grants	0	0	25,432	0	0	0	0	0	0	25,432
<u>Public Safety Grants</u>										
Law Enforcement Training Programs	25,200	0	0	0	0	0	0	0	0	25,200
<u>Health and Welfare Grants</u>										
Health Department Programs	288,645	0	0	0	0	0	0	0	0	288,645
<u>Public Works Grants</u>										
State Aid Program	0	0	0	0	852,902	0	0	0	0	852,902
Litter Program	41,012	0	0	0	0	0	0	0	0	41,012
<u>Other State Revenues</u>										
Income Tax	148,862	0	0	0	0	0	0	0	0	148,862
Beer Tax	20,493	0	0	0	0	0	0	0	0	20,493
Alcoholic Beverage Tax	72,391	0	0	0	0	0	0	0	0	72,391
Mixed Drink Tax	1,034	0	0	0	0	0	0	0	0	1,034
State Revenue Sharing - T.V.A.	0	0	751,977	0	0	0	0	0	0	751,977
Board of Jurors	4,529	0	0	0	0	0	0	0	0	4,529
Contracted Prisoner Boarding	382,095	0	0	0	0	0	0	0	0	382,095

(Continued)

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

	Special Revenue Funds							Total
	General	Public Library	Solid Waste / Sanitation	Drug Control	Highway / Public Works		Debt Service Fund	
					General	Debt Service		
<u>State of Tennessee (Cont.)</u>								
<u>Other State Revenues (Cont.)</u>								
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,907,120	\$ 0	\$ 0	\$ 1,907,120
Petroleum Special Tax	0	0	0	0	41,176	0	0	41,176
Registrar's Salary Supplement	20,475	0	0	0	0	0	0	20,475
Other State Grants	43,075	1,900	0	0	0	0	0	44,975
Other State Revenues	15,279	0	0	450	0	0	0	15,729
Total State of Tennessee	\$ 1,095,978	\$ 1,900	\$ 777,409	\$ 450	\$ 2,801,198	\$ 0	\$ 0	\$ 4,676,955
<u>Federal Government</u>								
<u>Federal Through State</u>								
Community Development	\$ 258,843	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 258,843
Civil Defense Reimbursement	47,671	0	0	0	0	0	0	47,671
Homeland Security Grants	100,657	0	0	0	0	0	0	100,657
Law Enforcement Grants	75,955	0	0	0	0	0	0	75,955
Total Federal Government	\$ 483,126	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 483,126
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,800	\$ 0	\$ 0	\$ 4,800
Contributions	336,682	80,000	0	0	0	600,000	0	1,016,682
Contracted Services	167,112	0	0	0	0	0	0	167,112
<u>Citizens Groups</u>								
Donations	10,000	1,525	0	0	0	0	0	11,525
Total Other Governments and Citizens Groups	\$ 513,794	\$ 81,525	\$ 0	\$ 0	\$ 4,800	\$ 600,000	\$ 0	\$ 1,200,119
Total	\$ 15,259,175	\$ 101,437	\$ 1,169,411	\$ 119,660	\$ 5,117,838	\$ 5,616,892	\$ 27,384,413	

Exhibit J-6

Tipton County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Tipton 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	\$ 10,100,773	\$ 0	\$ 0	\$ 10,100,773
Trustee's Collections - Prior Year	352,260	0	0	352,260
Trustee's Collections - Bankruptcy	4,170	0	0	4,170
Circuit/Clerk & Master Collections - Prior Years	274,933	0	0	274,933
Interest and Penalty	69,710	0	0	69,710
Payments in-Lieu-of Taxes - Other	467,979	0	0	467,979
<u>County Local Option Taxes</u>				
Local Option Sales Tax	3,737,838	0	0	3,737,838
Business Tax	138,922	0	0	138,922
<u>Statutory Local Taxes</u>				
Wholesale Beer Tax	661	0	0	661
Interstate Telecommunications Tax	4,224	0	0	4,224
Total Local Taxes	\$ 15,151,470	\$ 0	\$ 0	\$ 15,151,470
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 4,921	\$ 0	\$ 0	\$ 4,921
<u>Permits</u>				
Other Permits	1,085	0	0	1,085
Total Licenses and Permits	\$ 6,006	\$ 0	\$ 0	\$ 6,006
<u>Fines, Forfeitures, and Penalties</u>				
<u>Juvenile Court</u>				
Fines	\$ 1,601	\$ 0	\$ 0	\$ 1,601
Total Fines, Forfeitures, and Penalties	\$ 1,601	\$ 0	\$ 0	\$ 1,601
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Summer School	\$ 3,180	\$ 0	\$ 0	\$ 3,180
Tuition - Other	660,900	0	0	660,900
Lunch Payments - Children	0	0	1,177,318	1,177,318
Lunch Payments - Adults	0	0	156,289	156,289
Income from Breakfast	0	0	96,960	96,960
A la carte Sales	0	0	149,610	149,610
Receipts from Individual Schools	152,176	0	0	152,176
<u>Other Charges for Services</u>				
Other Charges for Services	0	0	8,092	8,092
Total Charges for Current Services	\$ 816,256	\$ 0	\$ 1,588,269	\$ 2,404,525
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 15,550	\$ 15,550
Miscellaneous Refunds	235,666	0	0	235,666
<u>Nonrecurring Items</u>				
Damages Recovered from Individuals	3,334	0	0	3,334
Total Other Local Revenues	\$ 239,000	\$ 0	\$ 15,550	\$ 254,550

(Continued)

Exhibit J-6

Tipton County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Tipton 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	\$ 146,158	\$ 0	\$ 0	\$ 146,158
<u>State Education Funds</u>				
Basic Education Program	53,048,003	0	0	53,048,003
Basic Education Program - ARRA	2,143,000	0	0	2,143,000
School Food Service	62,175	0	0	62,175
Energy Efficient School Initiative	166,322	0	0	166,322
Driver Education	23,515	0	0	23,515
Other State Education Funds	21,667	0	0	21,667
Coordinated School Health - ARRA	129,440	0	0	129,440
Internet Connectivity - ARRA	33,923	0	0	33,923
Family Resource Centers - ARRA	66,600	0	0	66,600
Career Ladder Program	421,230	0	0	421,230
Career Ladder - Extended Contract - ARRA	127,200	0	0	127,200
<u>Other State Revenues</u>				
Mixed Drink Tax	11,022	0	0	11,022
Other State Grants	1,452,451	0	0	1,452,451
Safe Schools - ARRA	69,558	0	0	69,558
Total State of Tennessee	\$ 57,922,264	\$ 0	\$ 0	\$ 57,922,264
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,542,712	\$ 2,542,712
USDA - Commodities	0	0	343,496	343,496
Breakfast	0	0	766,501	766,501
USDA - Other	0	0	237,030	237,030
Adult Education State Grant Program	89,504	0	0	89,504
Vocational Education - Basic Grants to States	0	179,241	0	179,241
Title I Grants to Local Education Agencies	0	2,537,379	0	2,537,379
Special Education - Grants to States	8,240	3,778,350	0	3,786,590
Special Education Preschool Grants	0	152,124	0	152,124
Safe and Drug-free Schools - State Grants	0	388,014	0	388,014
Eisenhower Professional Development State Grants	0	517,563	0	517,563
Other Federal through State	0	83,125	0	83,125
Total Federal Government	\$ 97,744	\$ 7,635,796	\$ 3,889,739	\$ 11,623,279
Total	\$ 74,234,341	\$ 7,635,796	\$ 5,493,558	\$ 87,363,695

Exhibit J-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	51,750	
Social Security		5,397	
State Retirement		2,103	
Audit Services		15,381	
Dues and Memberships		7,825	
Legal Services		18,818	
Legal Notices, Recording, and Court Costs		8,799	
Travel		3,675	
Liability Insurance		7,944	
Workers' Compensation Insurance		133	
Total County Commission			\$ 121,825

Beer Board

Board and Committee Members Fees	\$	3,225	
Social Security		247	
Office Supplies		100	
Total Beer Board			3,572

County Mayor/Executive

County Official/Administrative Officer	\$	101,764	
Accountants/Bookkeepers		5,410	
Secretary(ies)		19,241	
Part-time Personnel		9,563	
Longevity Pay		1,250	
Social Security		12,091	
State Retirement		11,258	
Employee and Dependent Insurance		17,629	
Unemployment Compensation		115	
Communication		2,923	
Maintenance and Repair Services - Office Equipment		212	
Printing, Stationery, and Forms		871	
Travel		5,737	
Other Contracted Services		1,995	
Office Supplies		3,717	
Utilities		4,104	
Other Supplies and Materials		973	
Building and Contents Insurance		506	
Liability Insurance		318	
Vehicle and Equipment Insurance		145	
Workers' Compensation Insurance		748	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Other Charges	\$ 5,990	
Total County Mayor/Executive		\$ 206,560

Election Commission

County Official/Administrative Officer	\$ 65,415	
Secretary(ies)	46,059	
Clerical Personnel	34,474	
Part-time Personnel	10,228	
Longevity Pay	3,350	
Election Commission	7,200	
Social Security	11,808	
State Retirement	13,643	
Employee and Dependent Insurance	21,947	
Unemployment Compensation	371	
Communication	4,736	
Dues and Memberships	3,075	
Janitorial Services	6,300	
Legal Notices, Recording, and Court Costs	1,162	
Maintenance and Repair Services - Buildings	3,609	
Maintenance and Repair Services - Equipment	5,168	
Postal Charges	5,982	
Printing, Stationery, and Forms	680	
Travel	5,427	
Duplicating Supplies	851	
Office Supplies	2,080	
Utilities	6,939	
Building and Contents Insurance	554	
Liability Insurance	1,273	
Workers' Compensation Insurance	740	
Other Charges	44	
Data Processing Equipment	1,740	
Office Equipment	958	
Total Election Commission		265,813

Register of Deeds

County Official/Administrative Officer	\$ 74,678
Clerical Personnel	102,524
Longevity Pay	1,450
Social Security	12,804
State Retirement	17,194

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Employee and Dependent Insurance	\$	32,812	
Unemployment Compensation		224	
Communication		1,751	
Dues and Memberships		135	
Travel		1,703	
Duplicating Supplies		391	
Office Supplies		5,358	
Utilities		5,641	
Building and Contents Insurance		738	
Liability Insurance		636	
Workers' Compensation Insurance		892	
Data Processing Equipment		26,891	
Office Equipment		694	
Total Register of Deeds			\$ 286,516

Planning

Supervisor/Director	\$	56,024	
Secretary(ies)		1,200	
Clerical Personnel		32,414	
Longevity Pay		1,900	
Other Salaries and Wages		74,259	
Board and Committee Members Fees		4,750	
Social Security		12,720	
State Retirement		15,968	
Employee and Dependent Insurance		17,125	
Unemployment Compensation		288	
Communication		2,202	
Maintenance and Repair Services - Buildings		45	
Maintenance and Repair Services - Vehicles		875	
Travel		2,002	
Tuition		1,720	
Other Contracted Services		7,451	
Gasoline		4,172	
Office Supplies		1,866	
Utilities		3,047	
Building and Contents Insurance		739	
Liability Insurance		1,049	
Vehicle and Equipment Insurance		889	
Workers' Compensation Insurance		848	
Data Processing Equipment		1,000	
Total Planning			244,553

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Building

Custodial Personnel	\$	54,206	
Maintenance Personnel		73,359	
Longevity Pay		2,050	
Social Security		9,835	
State Retirement		12,600	
Employee and Dependent Insurance		36,564	
Unemployment Compensation		288	
Communication		3,142	
Contracts with Private Agencies		10,799	
Maintenance and Repair Services - Buildings		10,233	
Maintenance and Repair Services - Vehicles		11,024	
Custodial Supplies		11,387	
Gasoline		9,499	
Small Tools		7,132	
Uniforms		5,032	
Utilities		11,494	
Building and Contents Insurance		436	
Liability Insurance		323	
Vehicle and Equipment Insurance		1,019	
Workers' Compensation Insurance		7,180	
Maintenance Equipment		5,761	
Total Building			\$ 283,363

Codes Compliance

Secretary(ies)	\$	4,832	
Other Salaries and Wages		4,838	
Social Security		731	
State Retirement		942	
Unemployment Compensation		52	
Total Codes Compliance			11,395

Geographical Information Systems

Supervisor/Director	\$	46,790
Longevity Pay		250
Social Security		3,286
State Retirement		4,557
Employee and Dependent Insurance		12,388
Unemployment Compensation		72
Communication		728
Maintenance and Repair Services - Office Equipment		7,898

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Geographical Information Systems (Cont.)

Maintenance and Repair Services - Vehicles	\$	57	
Travel		929	
Other Contracted Services		4,500	
Gasoline		463	
Office Supplies		3,935	
Liability Insurance		81	
Workers' Compensation Insurance		232	
Data Processing Equipment		2,830	
Total Geographical Information Systems			\$ 88,996

County Buildings

Communication	\$	2,026	
Janitorial Services		18,222	
Maintenance and Repair Services - Buildings		13,809	
Custodial Supplies		9,066	
Utilities		460	
Building Improvements		2,673	
Furniture and Fixtures		1,950	
Total County Buildings			48,206

Finance

Accounting and Budgeting

Supervisor/Director	\$	56,189	
Secretary(ies)		32,408	
Clerical Personnel		32,414	
Longevity Pay		3,000	
Social Security		9,200	
State Retirement		11,789	
Employee and Dependent Insurance		16,869	
Unemployment Compensation		196	
Communication		1,889	
Maintenance and Repair Services - Office Equipment		8,346	
Postal Charges		23,754	
Travel		1,808	
Duplicating Supplies		653	
Office Supplies		4,803	
Utilities		3,872	
Building and Contents Insurance		477	
Liability Insurance		477	
Workers' Compensation Insurance		613	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Data Processing Equipment	\$	2,619	
Office Equipment		897	
Total Accounting and Budgeting			\$ 212,273

Property Assessor's Office

County Official/Administrative Officer	\$	74,678	
Secretary(ies)		139,081	
Clerical Personnel		35,165	
Longevity Pay		3,900	
Other Salaries and Wages		650	
Social Security		18,560	
State Retirement		24,654	
Employee and Dependent Insurance		54,930	
Unemployment Compensation		357	
Communication		3,187	
Contracts with Private Agencies		32,060	
Data Processing Services		16,030	
Dues and Memberships		1,751	
Maintenance and Repair Services - Office Equipment		2,310	
Transportation - Other than Students		4,200	
Travel		1,007	
Duplicating Supplies		328	
Office Supplies		2,428	
Utilities		7,727	
Building and Contents Insurance		953	
Liability Insurance		796	
Workers' Compensation Insurance		9,375	
Data Processing Equipment		823	
Office Equipment		1,430	
Total Property Assessor's Office			436,380

Reappraisal Program

Longevity Pay	\$	700	
Other Salaries and Wages		26,378	
Social Security		2,071	
Unemployment Compensation		155	
Data Processing Services		5,186	
Maintenance and Repair Services - Vehicles		274	
Postal Charges		1,250	
Gasoline		1,583	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Liability Insurance	\$	318	
Vehicle and Equipment Insurance		447	
Workers' Compensation Insurance		208	
Other Charges		88	
Total Reappraisal Program			\$ 38,658

County Trustee's Office

County Official/Administrative Officer	\$	74,678	
Clerical Personnel		125,549	
Longevity Pay		1,950	
Social Security		14,687	
State Retirement		19,502	
Employee and Dependent Insurance		30,314	
Unemployment Compensation		288	
Advertising		418	
Communication		1,272	
Dues and Memberships		250	
Maintenance and Repair Services - Office Equipment		5,635	
Travel		2,301	
Office Supplies		6,195	
Utilities		6,265	
Building and Contents Insurance		773	
Liability Insurance		796	
Workers' Compensation Insurance		1,033	
Data Processing Equipment		9,143	
Office Equipment		68	
Total County Trustee's Office			301,117

County Clerk's Office

County Official/Administrative Officer	\$	74,678
Clerical Personnel		235,747
Longevity Pay		4,350
Social Security		22,717
State Retirement		30,135
Employee and Dependent Insurance		55,091
Unemployment Compensation		504
Communication		2,401
Dues and Memberships		150
Maintenance and Repair Services - Office Equipment		12,136
Postal Charges		13,115

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Printing, Stationery, and Forms	\$	1,592	
Travel		3,736	
Duplicating Supplies		753	
Office Supplies		6,193	
Utilities		3,359	
Building and Contents Insurance		815	
Liability Insurance		1,430	
Workers' Compensation Insurance		1,601	
Data Processing Equipment		5,602	
Total County Clerk's Office			\$ 476,105

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	74,678	
Clerical Personnel		241,647	
Longevity Pay		4,900	
Other Salaries and Wages		1,023	
Jury and Witness Expense		35,234	
Social Security		23,282	
State Retirement		29,642	
Employee and Dependent Insurance		57,287	
Unemployment Compensation		590	
Communication		3,687	
Dues and Memberships		95	
Maintenance and Repair Services - Office Equipment		11,350	
Postal Charges		13,018	
Travel		2,972	
Duplicating Supplies		765	
Office Supplies		13,457	
Utilities		1,555	
Building and Contents Insurance		1,700	
Liability Insurance		1,430	
Workers' Compensation Insurance		1,620	
Data Processing Equipment		3,128	
Office Equipment		243	
Total Circuit Court			523,303

Criminal Court

Supervisor/Director	\$	32,136	
Longevity Pay		150	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Criminal Court (Cont.)

Social Security	\$	2,373	
State Retirement		3,130	
Employee and Dependent Insurance		5,538	
Unemployment Compensation		72	
Communication		265	
Office Supplies		271	
Workers' Compensation Insurance		160	
Total Criminal Court			\$ 44,095

General Sessions Court

Judge(s)	\$	154,320	
Assistant(s)		44,290	
Longevity Pay		850	
Social Security		12,331	
State Retirement		19,345	
Employee and Dependent Insurance		18,178	
Unemployment Compensation		72	
Communication		4,149	
Dues and Memberships		270	
Travel		679	
Office Supplies		815	
Utilities		1,489	
Building and Contents Insurance		1,753	
Liability Insurance		477	
Workers' Compensation Insurance		960	
Data Processing Equipment		1,237	
Total General Sessions Court			261,215

Chancery Court

County Official/Administrative Officer	\$	74,678
Clerical Personnel		133,661
Longevity Pay		2,450
Social Security		14,995
State Retirement		20,292
Employee and Dependent Insurance		37,679
Unemployment Compensation		360
Communication		1,707
Dues and Memberships		95
Maintenance and Repair Services - Office Equipment		6,656
Travel		1,138

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Office Supplies	\$	12,487	
Utilities		1,619	
Building and Contents Insurance		1,849	
Liability Insurance		796	
Workers' Compensation Insurance		1,076	
Furniture and Fixtures		3,700	
Total Chancery Court			\$ 315,238

Juvenile Court

Youth Service Officer(s)	\$	34,953	
Clerical Personnel		88,939	
Part-time Personnel		8,880	
Longevity Pay		3,150	
Social Security		9,300	
State Retirement		11,036	
Employee and Dependent Insurance		17,926	
Unemployment Compensation		378	
Communication		3,562	
Maintenance and Repair Services - Office Equipment		280	
Maintenance and Repair Services - Vehicles		468	
Printing, Stationery, and Forms		972	
Travel		1,248	
Other Contracted Services		24,220	
Office Supplies		8,137	
Utilities		302	
Building and Contents Insurance		348	
Liability Insurance		796	
Workers' Compensation Insurance		652	
Total Juvenile Court			215,547

Probate Court

Probation Officer(s)	\$	38,379
Clerical Personnel		22,194
Longevity Pay		1,850
Overtime Pay		4,500
Social Security		4,981
State Retirement		2,162
Unemployment Compensation		144
Communication		276
Contracts with Other Public Agencies		3,600

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probate Court (Cont.)

Office Supplies	\$	2,122	
Utilities		290	
Building and Contents Insurance		348	
Liability Insurance		318	
Workers' Compensation Insurance		317	
Total Probate Court			\$ 81,481

Other Administration of Justice

Communication	\$	956	
Janitorial Services		18,542	
Maintenance and Repair Services - Buildings		17,826	
Custodial Supplies		1,777	
Utilities		3,343	
Building and Contents Insurance		811	
Building Improvements		12,880	
Total Other Administration of Justice			56,135

Victims Assistance Programs

Remittance of Revenue Collected	\$	32,280	
Total Victims Assistance Programs			32,280

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	82,145	
Assistant(s)		113,300	
Deputy(ies)		1,073,949	
Investigator(s)		266,209	
Captain(s)		51,500	
Lieutenant(s)		46,350	
Sergeant(s)		169,048	
Accountants/Bookkeepers		31,062	
Medical Personnel		105,800	
Salary Supplements		25,200	
Clerical Personnel		116,604	
Part-time Personnel		13,730	
Longevity Pay		16,500	
Overtime Pay		133,247	
Other Salaries and Wages		68,117	
In-Service Training		22,070	
Social Security		156,858	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

State Retirement	\$	205,998	
Employee and Dependent Insurance		492,115	
Unemployment Compensation		3,857	
Communication		31,701	
Dues and Memberships		6,671	
Evaluation and Testing		1,798	
Maintenance and Repair Services - Equipment		2,323	
Maintenance and Repair Services - Office Equipment		3,081	
Maintenance and Repair Services - Vehicles		83,044	
Transportation - Other than Students		3,873	
Travel		4,144	
Duplicating Supplies		1,676	
Gasoline		157,470	
Office Supplies		24,544	
Uniforms		41,366	
Utilities		2,458	
Other Supplies and Materials		13,190	
Building and Contents Insurance		3,469	
Liability Insurance		48,614	
Vehicle and Equipment Insurance		19,879	
Workers' Compensation Insurance		82,053	
Data Processing Equipment		22,990	
Law Enforcement Equipment		88,285	
Motor Vehicles		204,761	
Office Equipment		7,418	
Total Sheriff's Department			\$ 4,048,467

Administration of the Sexual Offender Registry

Remittance of Revenue Collected	\$	4,150	
Office Supplies		2,873	
Total Administration of the Sexual Offender Registry			7,023

Jail

Captain(s)	\$	44,924
Lieutenant(s)		40,596
Sergeant(s)		141,339
Medical Personnel		34,971
Guards		679,018
Cafeteria Personnel		82,400
Longevity Pay		5,450

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Overtime Pay	\$	28,120	
Other Salaries and Wages		52,910	
In-Service Training		16,418	
Social Security		81,773	
State Retirement		101,901	
Employee and Dependent Insurance		219,451	
Unemployment Compensation		2,769	
Communication		5,136	
Maintenance and Repair Services - Equipment		11,724	
Maintenance and Repair Services - Office Equipment		3,761	
Transportation - Other than Students		2,370	
Travel		2,836	
Custodial Supplies		18,438	
Drugs and Medical Supplies		289,490	
Duplicating Supplies		344	
Food Supplies		134,366	
Office Supplies		8,038	
Prisoners Clothing		16,867	
Uniforms		16,638	
Utilities		151,520	
Testing		889	
Building and Contents Insurance		3,941	
Liability Insurance		29,341	
Vehicle and Equipment Insurance		2,063	
Workers' Compensation Insurance		42,927	
Data Processing Equipment		9,800	
Food Service Equipment		2,976	
Office Equipment		4,334	
Other Equipment		11,830	
Total Jail			\$ 2,301,669

Workhouse

Guards	\$	52,323
Longevity Pay		1,400
Social Security		2,615
Unemployment Compensation		313
Communication		578
Janitorial Services		30,396
Maintenance and Repair Services - Buildings		30,390
Maintenance and Repair Services - Equipment		24,678

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Custodial Supplies	\$	5,767	
Uniforms		1,800	
Liability Insurance		4,191	
Workers' Compensation Insurance		2,524	
Building Construction		49,088	
Total Workhouse			\$ 206,063

Fire Prevention and Control

Accountants/Bookkeepers	\$	5,486	
Salary Supplements		3,840	
Longevity Pay		150	
Other Salaries and Wages		42,848	
Social Security		3,434	
State Retirement		4,705	
Employee and Dependent Insurance		12,388	
Unemployment Compensation		78	
Communication		504	
Contributions		239,336	
Dues and Memberships		100	
Maintenance and Repair Services - Buildings		1,627	
Maintenance and Repair Services - Vehicles		1,014	
Matching Share		3,392	
Travel		1,014	
Gasoline		1,695	
Office Supplies		193	
Uniforms		199	
Utilities		12,225	
Building and Contents Insurance		490	
Liability Insurance		159	
Vehicle and Equipment Insurance		737	
Workers' Compensation Insurance		1,536	
Other Equipment		1,448	
Total Fire Prevention and Control			338,598

Civil Defense

Supervisor/Director	\$	32,400	
Clerical Personnel		13,005	
Social Security		3,474	
State Retirement		3,156	
Unemployment Compensation		116	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Communication	\$	3,842	
Contracts with Other Public Agencies		4,922	
Dues and Memberships		60	
Maintenance and Repair Services - Office Equipment		180	
Maintenance and Repair Services - Vehicles		963	
Travel		740	
Gasoline		2,709	
Office Supplies		868	
Other Supplies and Materials		221	
Liability Insurance		159	
Vehicle and Equipment Insurance		3,985	
Workers' Compensation Insurance		272	
Office Equipment		1,244	
Other Equipment		102,572	
Total Civil Defense			\$ 174,888

Other Emergency Management

Communication	\$	160,000	
Utilities		23,154	
Building and Contents Insurance		1,334	
Total Other Emergency Management			184,488

Public Health and Welfare

Local Health Center

Communication	\$	2,364	
Contracts with Government Agencies		26,080	
Janitorial Services		25,830	
Maintenance and Repair Services - Buildings		11,733	
Postal Charges		576	
Custodial Supplies		1,483	
Drugs and Medical Supplies		1,914	
Duplicating Supplies		39	
Office Supplies		2,728	
Utilities		19,387	
Building and Contents Insurance		1,447	
Building Construction		3,023	
Total Local Health Center			96,604

Rabies and Animal Control

Longevity Pay	\$	2,900	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Overtime Pay	\$	1,770	
Other Salaries and Wages		147,069	
Social Security		10,862	
State Retirement		14,497	
Employee and Dependent Insurance		35,846	
Unemployment Compensation		360	
Communication		862	
Maintenance and Repair Services - Buildings		535	
Maintenance and Repair Services - Equipment		410	
Maintenance and Repair Services - Vehicles		2,035	
Veterinary Services		455	
Animal Food and Supplies		684	
Custodial Supplies		2,911	
Office Supplies		1,346	
Uniforms		1,396	
Utilities		13,502	
Other Supplies and Materials		8,687	
Building and Contents Insurance		254	
Refunds		3,281	
Workers' Compensation Insurance		3,956	
Other Charges		281	
Motor Vehicles		19,167	
Office Equipment		1,239	
Total Rabies and Animal Control			\$ 274,305

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$	123,998	
Maintenance and Repair Services - Buildings		6,300	
Total Ambulance/Emergency Medical Services			130,298

Dental Health Program

Medical Personnel	\$	113,250
Clerical Personnel		96,329
Longevity Pay		1,700
Social Security		15,309
State Retirement		20,375
Employee and Dependent Insurance		34,748
Unemployment Compensation		393
Travel		3,005
Other Contracted Services		5,681

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Dental Health Program (Cont.)

Drugs and Medical Supplies	\$	10,306	
Liability Insurance		4,304	
Workers' Compensation Insurance		1,384	
Total Dental Health Program			\$ 306,784

General Welfare Assistance

Bus Drivers	\$	14,000	
Contracts with Government Agencies		10,740	
Dues and Memberships		7,691	
Total General Welfare Assistance			32,431

Sanitation Management

Supervisor/Director	\$	20,970	
Guards		30,084	
Part-time Personnel		4,395	
Longevity Pay		1,100	
Social Security		3,814	
State Retirement		4,977	
Employee and Dependent Insurance		11,417	
Unemployment Compensation		182	
Advertising		4,631	
Communication		718	
Contributions		1,489	
Dues and Memberships		500	
Maintenance and Repair Services - Vehicles		99	
Postal Charges		56	
Travel		233	
Gasoline		5,214	
Office Supplies		796	
Uniforms		513	
Utilities		538	
Other Supplies and Materials		1,585	
Liability Insurance		1,994	
Vehicle and Equipment Insurance		291	
Workers' Compensation Insurance		2,400	
Office Equipment		134	
Other Equipment		1,140	
Total Sanitation Management			99,270

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 48,000	
Dues and Memberships	7,000	
Total Senior Citizens Assistance		\$ 55,000

Libraries

Contributions	\$ 19,000	
Rentals	12,000	
Total Libraries		31,000

Parks and Fair Boards

Contributions	\$ 5,300	
Maintenance Agreements	1,500	
Total Parks and Fair Boards		6,800

Other Social, Cultural, and Recreational

Contributions	\$ 3,500	
Total Other Social, Cultural, and Recreational		3,500

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$ 53,098	
Social Security	474	
Unemployment Compensation	50	
Other Fringe Benefits	9,317	
Communication	2,134	
Dues and Memberships	830	
Janitorial Services	4,800	
Maintenance and Repair Services - Buildings	731	
Office Supplies	5,348	
Utilities	4,463	
Building and Contents Insurance	343	
Building Improvements	4,450	
Office Equipment	153	
Total Agriculture Extension Service		86,191

Soil Conservation

Secretary(ies)	\$ 32,416	
Longevity Pay	1,450	
Other Salaries and Wages	35,619	
Other Per Diem and Fees	1,476	

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Social Security	\$	5,140	
State Retirement		6,627	
Employee and Dependent Insurance		11,587	
Unemployment Compensation		144	
Dues and Memberships		1,055	
Travel		1,967	
Office Supplies		780	
Building and Contents Insurance		30	
Liability Insurance		318	
Workers' Compensation Insurance		344	
Office Equipment		115	
Total Soil Conservation			\$ 99,068

Other Operations

Tourism

Contributions	\$	60,000	
Total Tourism			60,000

Industrial Development

Other Salaries and Wages	\$	126,857	
Social Security		8,461	
State Retirement		12,356	
Employee and Dependent Insurance		12,388	
Unemployment Compensation		72	
Contributions		1,500	
Dues and Memberships		15,000	
Matching Share		50,000	
Other Contracted Services		12,163	
Total Industrial Development			238,797

Other Economic and Community Development

Other Contracted Services	\$	596,025	
Total Other Economic and Community Development			596,025

Veterans' Services

Clerical Personnel	\$	8,922	
Social Security		388	
Unemployment Compensation		41	
Communication		51	
Travel		570	
Total Veterans' Services			9,972

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Communication	\$	3,976	
Contracts with Private Agencies		18,102	
Contributions		113,120	
Dues and Memberships		52,152	
Matching Share		11,000	
Gasoline		10,892	
Testing		4,833	
Liability Insurance		13,055	
Refunds		79,825	
Trustee's Commission		180,959	
Office Equipment		6,970	
Total Miscellaneous			\$ 494,884

Principal on Debt

General Government

Principal on Capital Leases	\$	15,687	
Total General Government			15,687

Interest on Debt

General Government

Interest on Capital Leases	\$	897	
Total General Government			897

Total General Fund \$ 14,453,335

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

County Official/Administrative Officer	\$	23,509	
Other Salaries and Wages		79,998	
Social Security		13,921	
Audit Services		4,300	
Maintenance and Repair Services - Buildings		3,036	
Utilities		9,361	
Other Supplies and Materials		4,811	
Liability Insurance		3,142	
Other Charges		5,126	
Other Capital Outlay		32,348	
Total Libraries			\$ 179,552

Total Public Library Fund 179,552

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Postclosure Care Costs

Evaluation and Testing	\$	4,604		
Total Postclosure Care Costs			\$	4,604

Highways

Litter and Trash Collection

Foremen	\$	36,841		
Equipment Operators		148,715		
Laborers		54,296		
Part-time Personnel		5,602		
Longevity Pay		3,500		
Overtime Pay		13,365		
Board and Committee Members Fees		300		
Social Security		18,305		
State Retirement		20,152		
Employee and Dependent Insurance		74,059		
Unemployment Compensation		1,186		
Other Fringe Benefits		1,500		
Advertising		480		
Communication		2,000		
Dues and Memberships		958		
Engineering Services		16,390		
Licenses		818		
Maintenance Agreements		141		
Maintenance and Repair Services - Equipment		13,019		
Maintenance and Repair Services - Office Equipment		1,036		
Postal Charges		400		
Printing, Stationery, and Forms		1,982		
Travel		1,799		
Disposal Fees		253,806		
Other Contracted Services		50,252		
Diesel Fuel		29,345		
Electricity		2,477		
Equipment and Machinery Parts		13,926		
Fertilizer, Lime, and Seed		70		
Fuel Oil		130		
Lubricants		1,800		
Office Supplies		2,000		
Road Signs		261		
Small Tools		189		
Tires and Tubes		9,999		

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection (Cont.)

Uniforms	\$	2,999	
Water and Sewer		206	
Fencing		2,670	
Trustee's Commission		6,178	
Other Charges		1,499	
Office Equipment		1,000	
Site Development		32,851	
Other Equipment		192,622	
Total Litter and Trash Collection			\$ 1,021,124

Total Solid Waste/Sanitation Fund \$ 1,025,728

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	1,195	
Confidential Drug Enforcement Payments		19,462	
Dues and Memberships		420	
Maintenance and Repair Services - Office Equipment		131	
Maintenance and Repair Services - Vehicles		9,596	
Other Contracted Services		481	
Office Supplies		2,778	
Utilities		1,932	
Other Supplies and Materials		3,144	
Trustee's Commission		259	
Data Processing Equipment		8,541	
Motor Vehicles		30,512	
Other Capital Outlay		1,062	
Total Drug Enforcement			\$ 79,513

Total Drug Control Fund 79,513

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	87,550	
Supervisor/Director		54,571	
Accountants/Bookkeepers		34,011	
Secretary(ies)		34,109	
Clerical Personnel		31,678	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Custodial Personnel	\$	23,518	
Temporary Personnel		3,145	
Overtime Pay		6,445	
Other Salaries and Wages		40,064	
Board and Committee Members Fees		7,875	
Advertising		1,770	
Communication		13,465	
Confidential Drug Enforcement Payments		1,489	
Dues and Memberships		23,436	
Freight Expenses		212	
Maintenance and Repair Services - Buildings		1,131	
Maintenance and Repair Services - Equipment		1,872	
Maintenance and Repair Services - Office Equipment		3,189	
Postal Charges		617	
Printing, Stationery, and Forms		1,451	
Rentals		493	
Travel		2,480	
Other Contracted Services		2,490	
Custodial Supplies		2,344	
Electricity		8,261	
Natural Gas		3,904	
Office Supplies		4,500	
Water and Sewer		323	
Other Charges		1,011	
Total Administration			\$ 397,404

Highway and Bridge Maintenance

Foremen	\$	247,659
Equipment Operators		153,491
Equipment Operators - Light		270,484
Truck Drivers		173,065
Laborers		123,828
Overtime Pay		53,258
Employee and Dependent Insurance		1
Other Contracted Services		39,183
Asphalt - Cold Mix		40,016
Asphalt - Hot Mix		941,603
Concrete		1,077
Crushed Stone		103,619
Fertilizer, Lime, and Seed		64

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

General Construction Materials	\$	3,958	
Other Road Supplies		22,150	
Pipe - Metal		72,867	
Road Signs		17,949	
Salt		6,452	
Small Tools		1,173	
Wood Products		96	
Gravel and Chert		12,047	
Other Supplies and Materials		1,732	
Total Highway and Bridge Maintenance			\$ 2,285,772

Operation and Maintenance of Equipment

Foremen	\$	37,787	
Mechanic(s)		129,188	
Overtime Pay		9,805	
Maintenance and Repair Services - Buildings		5,718	
Maintenance and Repair Services - Equipment		62,774	
Tow-in Services		650	
Diesel Fuel		177,876	
Equipment and Machinery Parts		84,629	
Garage Supplies		5,386	
Gasoline		37,791	
Lubricants		8,499	
Small Tools		3,092	
Tires and Tubes		33,550	
Other Charges		991	
Total Operation and Maintenance of Equipment			597,736

Other Charges

Other Contracted Services	\$	240,108	
Other Supplies and Materials		214,194	
Building and Contents Insurance		2,414	
Liability Insurance		14,723	
Trustee's Commission		57,286	
Vehicle and Equipment Insurance		13,646	
Workers' Compensation Insurance		144,648	
Fines, Assessments, and Penalties		1,806	
Total Other Charges			688,825

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Longevity Pay	\$	20,300	
Social Security		110,173	
State Retirement		143,180	
Employee and Dependent Insurance		355,034	
Unemployment Compensation		5,176	
Other Fringe Benefits		7,963	
Uniforms		14,869	
Total Employee Benefits	\$		656,695

Capital Outlay

Bridge Construction	\$	8,867	
Communication Equipment		779	
Furniture and Fixtures		441	
Highway Equipment		40,919	
Office Equipment		15,666	
State Aid Projects		1,048,069	
Total Capital Outlay			1,114,741

Total Highway/Public Works Fund \$ 5,741,173

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$	762,450	
Principal on Other Loans		1,000,000	
Total General Government	\$		1,762,450

Education

Principal on Bonds	\$	1,350,000	
Principal on Other Loans		2,249,200	
Total Education			3,599,200

Interest on Debt

General Government

Interest on Notes	\$	16,042	
Interest on Other Loans		9,379	
Total General Government			25,421

Education

Interest on Bonds	\$	335,025	
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(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Education (Cont.)

Interest on Other Loans	\$ 127,795	
Total Education		\$ 462,820

Other Debt Service

General Government

Trustee's Commission	\$ 91,189	
Other Debt Service	11,815	
Total General Government		103,004

Education

Other Debt Issuance Charges	\$ 900	
Other Debt Service	103,185	
Total Education		104,085

Total General Debt Service Fund		\$ 6,056,980
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General Capital Projects Fund

Capital Projects

General Administration Projects

Architects	\$ 62,000	
Other Construction	26,656	
Total General Administration Projects		\$ 88,656

Total General Capital Projects Fund		88,656
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Total Governmental Funds - Primary Government		<u>\$ 27,624,937</u>
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Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 26,394,063	
Career Ladder Program	213,568	
Career Ladder Extended Contracts	59,483	
Educational Assistants	875,979	
Other Salaries and Wages	26,298	
Non-certified Substitute Teachers	332,500	
Social Security	1,651,648	
State Retirement	1,761,256	
Medical Insurance	3,921,422	
Unemployment Compensation	54,309	
Employer Medicare	388,781	
Travel	6,110	
Tuition	620	
Other Contracted Services	461,075	
Instructional Supplies and Materials	365,775	
Textbooks	959,782	
Other Supplies and Materials	146,137	
Fee Waivers	123,459	
Other Charges	56,993	
Regular Instruction Equipment	631,998	
Total Regular Instruction Program		\$ 38,431,256

Alternative Instruction Program

Teachers	\$ 435,422	
Career Ladder Program	7,000	
Clerical Personnel	25,500	
Educational Assistants	1,890	
Other Salaries and Wages	85,813	
Social Security	33,666	
State Retirement	37,381	
Medical Insurance	51,336	
Unemployment Compensation	833	
Employer Medicare	7,874	
Travel	3,854	
Other Contracted Services	9,358	
Other Supplies and Materials	2,057	
Total Alternative Instruction Program		701,984

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$ 3,987,687	
Career Ladder Program	37,810	
Homebound Teachers	206,827	
Clerical Personnel	56,714	
Educational Assistants	590,225	
Speech Pathologist	585,649	
Other Salaries and Wages	39,429	
Non-certified Substitute Teachers	41,550	
Social Security	325,349	
State Retirement	359,759	
Medical Insurance	721,710	
Unemployment Compensation	11,441	
Employer Medicare	77,285	
Contracts with Private Agencies	1,275	
Travel	15,375	
Other Contracted Services	132,809	
Instructional Supplies and Materials	125,553	
Other Charges	14,895	
Special Education Equipment	29,848	
Total Special Education Program		\$ 7,361,190

Vocational Education Program

Teachers	\$ 1,638,022	
Career Ladder Program	16,000	
Other Salaries and Wages	3,327	
Non-certified Substitute Teachers	28,620	
Social Security	99,819	
State Retirement	104,905	
Medical Insurance	207,824	
Unemployment Compensation	2,850	
Employer Medicare	23,562	
Travel	39,719	
Other Contracted Services	14,529	
Instructional Supplies and Materials	69,833	
Textbooks	28,024	
Other Supplies and Materials	671	
In Service/Staff Development	5,887	
Other Charges	1,987	
Vocational Instruction Equipment	29,069	
Total Vocational Education Program		2,314,648

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program

Teachers	\$	22,547	
Other Salaries and Wages		4,271	
Social Security		1,402	
State Retirement		341	
Unemployment Compensation		175	
Employer Medicare		382	
Other Supplies and Materials		3,836	
Total Adult Education Program			\$ 32,954

Support Services

Health Services

Other Salaries and Wages	\$	73,436	
Social Security		4,326	
State Retirement		6,952	
Medical Insurance		13,496	
Unemployment Compensation		153	
Employer Medicare		1,012	
Travel		2,582	
Other Contracted Services		524,435	
Other Supplies and Materials		29,116	
Other Charges		1,601	
Total Health Services			657,109

Other Student Support

Career Ladder Program	\$	9,998	
Guidance Personnel		850,151	
Psychological Personnel		106,760	
School Resource Officer		7,200	
Other Salaries and Wages		99,535	
Social Security		64,069	
State Retirement		69,071	
Medical Insurance		112,814	
Unemployment Compensation		1,701	
Employer Medicare		15,344	
Contracts with Government Agencies		86,400	
Evaluation and Testing		98,695	
Travel		6,641	
Other Supplies and Materials		3,028	
In Service/Staff Development		242	
Total Other Student Support			1,531,649

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	377,487	
Career Ladder Program		23,400	
Career Ladder Extended Contracts		20,400	
Librarians		665,896	
Materials Supervisor		28,750	
Instructional Computer Personnel		71,736	
Clerical Personnel		35,208	
Other Salaries and Wages		43,848	
Social Security		74,951	
State Retirement		84,902	
Medical Insurance		124,306	
Unemployment Compensation		1,567	
Employer Medicare		17,573	
Communication		2,009	
Travel		30,299	
Other Contracted Services		200	
Library Books/Media		100,000	
Other Supplies and Materials		15,217	
In Service/Staff Development		6,620	
Other Equipment		871	
Total Regular Instruction Program			\$ 1,725,240

Special Education Program

Supervisor/Director	\$	158,913	
Career Ladder Program		2,000	
Social Security		9,681	
State Retirement		10,331	
Medical Insurance		15,321	
Unemployment Compensation		122	
Employer Medicare		2,264	
Travel		35,398	
In Service/Staff Development		25,602	
Other Charges		2,284	
Total Special Education Program			261,916

Vocational Education Program

Supervisor/Director	\$	72,044
Career Ladder Program		3,000
Career Ladder Extended Contracts		4,000

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Social Security	\$	4,760	
State Retirement		5,075	
Medical Insurance		11,047	
Unemployment Compensation		62	
Employer Medicare		1,113	
Travel		2,487	
In Service/Staff Development		12,730	
Total Vocational Education Program			\$ 116,318

Adult Programs

Supervisor/Director	\$	43,720	
Other Salaries and Wages		4,379	
Social Security		3,011	
State Retirement		2,807	
Unemployment Compensation		105	
Employer Medicare		704	
Travel		1,824	
Total Adult Programs			56,550

Other Programs

On-Behalf Payments to OPEB	\$	146,158	
Total Other Programs			146,158

Board of Education

Board and Committee Members Fees	\$	16,950	
Life Insurance		40,000	
Audit Services		33,490	
Dues and Memberships		14,054	
Legal Services		98,084	
Travel		10,097	
Other Supplies and Materials		189	
Liability Insurance		215,428	
Trustee's Commission		342,196	
Other Charges		236	
Total Board of Education			770,724

Director of Schools

County Official/Administrative Officer	\$	115,000	
Career Ladder Program		1,000	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Secretary(ies)	\$	35,208	
Other Salaries and Wages		4,000	
Social Security		8,846	
State Retirement		11,133	
Medical Insurance		4,686	
Unemployment Compensation		112	
Employer Medicare		2,263	
Communication		61,534	
Postal Charges		5,000	
Travel		3,588	
Office Supplies		5,267	
Other Supplies and Materials		50	
Total Director of Schools			\$ 257,687

Office of the Principal

Principals	\$	1,131,771	
Teachers		80	
Career Ladder Program		56,000	
Career Ladder Extended Contracts		28,000	
Assistant Principals		1,965,853	
Secretary(ies)		1,045,024	
Social Security		253,230	
State Retirement		301,728	
Medical Insurance		514,072	
Unemployment Compensation		6,686	
Employer Medicare		59,412	
Postal Charges		88	
Travel		35,147	
Other Contracted Services		14,641	
Office Supplies		4,821	
Other Supplies and Materials		2,112	
Total Office of the Principal			5,418,665

Fiscal Services

Supervisor/Director	\$	44,760
Accountants/Bookkeepers		120,996
Secretary(ies)		159,051
Social Security		17,842
State Retirement		28,178

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Medical Insurance	\$	33,928	
Unemployment Compensation		652	
Employer Medicare		4,560	
Travel		5,039	
Other Contracted Services		19,776	
Office Supplies		18,357	
Other Supplies and Materials		248	
Administration Equipment		6,277	
Total Fiscal Services			\$ 459,664

Operation of Plant

Laundry Service	\$	9,027	
Other Contracted Services		1,647,532	
Electricity		1,782,177	
Natural Gas		288,846	
Water and Sewer		162,496	
Other Supplies and Materials		1,402	
Building and Contents Insurance		185,099	
Total Operation of Plant			4,076,579

Maintenance of Plant

Supervisor/Director	\$	117,096	
Secretary(ies)		30,600	
Other Salaries and Wages		727,561	
Social Security		51,582	
State Retirement		82,798	
Medical Insurance		166,599	
Unemployment Compensation		1,760	
Employer Medicare		12,064	
Communication		8,968	
Maintenance and Repair Services - Equipment		27,291	
Other Contracted Services		9,703	
Other Supplies and Materials		128,542	
Other Charges		1,562	
Maintenance Equipment		35,037	
Total Maintenance of Plant			1,401,163

Transportation

Supervisor/Director	\$	132,123	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Mechanic(s)	\$	336,470	
Bus Drivers		1,650,158	
Clerical Personnel		26,016	
Social Security		119,993	
State Retirement		190,536	
Medical Insurance		779,960	
Unemployment Compensation		11,610	
Employer Medicare		28,063	
Communication		4,274	
Laundry Service		8,057	
Maintenance and Repair Services - Vehicles		125,357	
Postal Charges		20	
Travel		1,528	
Other Contracted Services		56,719	
Gasoline		531,268	
Lubricants		24,129	
Tires and Tubes		103,414	
Vehicle Parts		305,737	
Other Supplies and Materials		32,796	
Vehicle and Equipment Insurance		125,620	
In Service/Staff Development		876	
Other Charges		53	
Transportation Equipment		394,631	
Total Transportation			\$ 4,989,408

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	40,224	
Accountants/Bookkeepers		35,208	
Other Salaries and Wages		4,800	
Social Security		4,637	
State Retirement		6,479	
Medical Insurance		17,502	
Unemployment Compensation		111	
Employer Medicare		1,084	
Transportation - Other than Students		45,112	
Travel		716	
Other Supplies and Materials		276	
In Service/Staff Development		3,265	
Total Food Service			159,414

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services

Supervisor/Director	\$	18,680	
Other Salaries and Wages		447,997	
Social Security		28,728	
State Retirement		2,298	
Medical Insurance		11,253	
Unemployment Compensation		2,878	
Employer Medicare		6,718	
Travel		868	
Other Contracted Services		6,138	
Food Supplies		25,569	
Other Supplies and Materials		9,078	
Total Community Services			\$ 560,205

Early Childhood Education

Teachers	\$	445,987	
Educational Assistants		184,304	
Other Salaries and Wages		33,046	
Non-certified Substitute Teachers		5,520	
Social Security		39,453	
State Retirement		48,416	
Medical Insurance		116,444	
Unemployment Compensation		1,638	
Employer Medicare		9,227	
Travel		1,454	
Instructional Supplies and Materials		11,524	
Other Supplies and Materials		3,312	
Other Charges		58,154	
Other Equipment		30,990	
Total Early Childhood Education			989,469

Capital Outlay

Regular Capital Outlay

Other Salaries and Wages	\$	13,474	
Social Security		835	
State Retirement		74	
Unemployment Compensation		99	
Employer Medicare		195	
Building Construction		3,111	
Building Improvements		373,123	
Total Regular Capital Outlay			390,911

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 600,000	
Total Education		\$ 600,000

Total General Purpose School Fund \$ 73,410,861

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 1,388,009	
Educational Assistants	253,892	
Other Salaries and Wages	106,473	
Certified Substitute Teachers	110	
Non-certified Substitute Teachers	21,750	
Social Security	101,315	
State Retirement	116,006	
Medical Insurance	244,642	
Unemployment Compensation	4,293	
Employer Medicare	24,636	
Contracts with Other School Systems	588	
Other Contracted Services	106,565	
Instructional Supplies and Materials	93,541	
Other Supplies and Materials	7,695	
Regular Instruction Equipment	295,764	
Total Regular Instruction Program		\$ 2,765,279

Special Education Program

Clerical Personnel	\$ 24,700	
Educational Assistants	1,983,369	
Other Salaries and Wages	74,469	
Social Security	120,597	
State Retirement	176,723	
Medical Insurance	470,997	
Unemployment Compensation	7,358	
Employer Medicare	28,204	
Contracts with Private Agencies	60,821	
Operating Lease Payments	150,549	
Other Contracted Services	267,207	
Instructional Supplies and Materials	86,030	
Special Education Equipment	206,076	
Total Special Education Program		3,657,100

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Other Salaries and Wages	\$	60,114	
Social Security		3,631	
State Retirement		5,855	
Medical Insurance		9,386	
Unemployment Compensation		192	
Employer Medicare		849	
Instructional Supplies and Materials		35,024	
Vocational Instruction Equipment		6,448	
Total Vocational Education Program			\$ 121,499

Support Services

Other Student Support

Social Workers	\$	40,580	
Social Security		2,484	
State Retirement		2,605	
Medical Insurance		4,686	
Unemployment Compensation		58	
Employer Medicare		581	
Travel		34,270	
In Service/Staff Development		23,471	
Total Other Student Support			108,735

Regular Instruction Program

Supervisor/Director	\$	36,022	
Instructional Computer Personnel		61,732	
Secretary(ies)		22,950	
Educational Assistants		17,140	
Other Salaries and Wages		369,401	
Social Security		31,048	
State Retirement		31,954	
Medical Insurance		26,149	
Unemployment Compensation		2,034	
Employer Medicare		7,261	
Communication		1,372	
Travel		23,555	
Other Contracted Services		3,969	
Other Supplies and Materials		5,181	
In Service/Staff Development		205,600	
Other Equipment		10,071	
Total Regular Instruction Program			855,439

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Assistant Principals	\$	33,973	
Social Security		1,966	
State Retirement		2,181	
Medical Insurance		6,789	
Unemployment Compensation		56	
Employer Medicare		460	
Total Office of the Principal			\$ 45,425

Transportation

Transportation Equipment	\$	128,000	
Total Transportation			128,000

Total School Federal Projects Fund \$ 7,681,477

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	1,824,938	
Other Salaries and Wages		37,037	
Social Security		107,689	
State Retirement		157,522	
Medical Insurance		476,874	
Unemployment Compensation		8,326	
Employer Medicare		25,185	
Travel		3,219	
Other Contracted Services		72,931	
Food Supplies		2,010,131	
Uniforms		8,895	
USDA - Commodities		343,496	
Other Supplies and Materials		222,038	
Trustee's Commission		152	
In Service/Staff Development		2,616	
Food Service Equipment		71,865	
Total Food Service			\$ 5,372,914

Total Central Cafeteria Fund 5,372,914

(Continued)

Exhibit J-8

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

<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Unemployment Compensation	\$ 127,851	
Architects	6,049	
Engineering Services	1,992	
Building Construction	488,827	
Land	33,000	
Total Education Capital Projects	<u>657,719</u>	\$ <u>657,719</u>
Total Education Capital Projects Fund		\$ <u>657,719</u>
Total Governmental Funds - Tipton County School Department		\$ <u>87,122,971</u>

Exhibit J-9

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

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,345,431
Total Cash Receipts	<u>\$ 3,345,431</u>
<u>Cash Disbursements</u>	
Remittance of Revenue Collected	\$ 3,311,977
Trustee's Commission	33,454
Total Cash Disbursements	<u>\$ 3,345,431</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2009	<u>0</u>
Cash Balance, June 30, 2010	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

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

January 28, 2011

Tipton County Executive and
Board of County Commissioners
Tipton County, Tennessee

To the County Executive 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 Tipton County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Tipton County's basic financial statements and have issued our report thereon dated January 28, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Tipton County Public Library (a nonmajor special revenue fund) and the discretely presented Tipton County Emergency Communications District as described in our report on Tipton County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Accordingly, we do not express an opinion on the effectiveness of Tipton 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.

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 10.03.

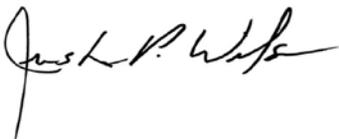
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tipton County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and is described in the accompanying Schedule of Findings and Questioned Costs as item 10.02.

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

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
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

January 28, 2011

Tipton County Executive and
Board of County Commissioners
Tipton County, Tennessee

To the County Executive and Board of County Commissioners:

Compliance

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

In our opinion, Tipton 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 Tipton 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 Tipton 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 Tipton 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.

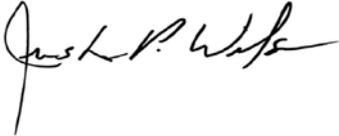
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did 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 Tipton County as of and for the year ended June 30, 2010, and have issued our report thereon dated January 28, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Tipton County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Yours very truly,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 343,496 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	766,501
National School Lunch Program	10.555	N/A	2,542,712 (3)
Passed-through State Department of Human Services:			
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	N/A	237,030
Total U.S. Department of Agriculture			\$ 3,889,739
U.S. Department of Housing and Urban Development:			
Passed-Through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	N/A	\$ 258,843
Total U.S. Department of Housing and Urban Development			\$ 258,843
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	GG-10-29968-00	\$ 18,000
Passed-through State Department of Finance and Administration			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Grants to Units of Local Government			
	16.804	N/A	75,955
Total U.S. Department of Justice			\$ 93,955
U.S. Department of Labor:			
Passed-through Dyersburg State Community College:			
WIA Youth Activities	17.259	N/A	\$ 33,176
Total U.S. Department of Labor			\$ 33,176
U.S. Department of Education:			
Passed through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	Z-10-218551-00	\$ 98,568
Passed through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	2,105,271
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	547,706
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,459,392
Special Education - Preschool Grants	84.173	N/A	105,246
Special Education - Grants to States, Recovery Act	84.391	N/A	1,321,518
Special Education - Preschool Grants, Recovery Act	84.392	N/A	45,424
Career and Technical Education - Basic Grants to States	84.048	N/A	179,241
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	26,048
Twenty-first Century Community Learning Centers	84.287	N/A	353,750
State Grants for Innovative Programs	84.298	N/A	2,152

(Continued)

Tipton 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 Education (Cont.):			
Passed through State Department of Education (Cont.):			
Education Technology State Grants Cluster:			
Educational Technology State Grants	84.318	N/A	\$ 17,448
Education Technology State Grants, Recovery Act	84.386	N/A	65,677
Improving Teacher Quality State Grants	84.367	N/A	524,607
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	N/A	2,143,000
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	N/A	426,721
Total U.S. Department of Education			<u>\$ 10,421,769</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	(2)	\$ 100,657
Total U.S Department of Homeland Security			<u>\$ 100,657</u>
Total Expenditures of Federal Awards			<u>\$ 14,798,139</u>

State Grants:		Contract Number	
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 14,888
Solid Waste Program - State Department of Environment and Conservation	N/A	Z-08-020271-00	25,432
Dental Program - State Department of Health	N/A	Z-10-219849-00	288,645
Litter Program - State Department of Transportation	N/A	(2)	41,012
Highway Safety Grant - State Department of Transportation	N/A	(2)	43,075
Pre-K Lottery Grant - State Department of Education	N/A	(2)	989,405
Save the Children Grant - State Department of Education	N/A	(2)	72,953
Total State Grants			<u>\$ 1,475,410</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 CFDA No. 10.555 is \$2,886,208.

Tipton 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 is a finding from the Annual Financial Report for Tipton County, Tennessee, for the year ended June 30, 2009, which has not been corrected.

TIPTON COUNTY AND TIPTON COUNTY SCHOOL DEPARTMENT

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.01	184	Tipton County and the Tipton County School Department do not have the resources to produce financial statements and notes to the financial statements

TIPTON 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 financial statements of Tipton County is unqualified.
2. The audit of the financial statements of Tipton County disclosed significant deficiencies in internal control. Two of these deficiencies were considered to be material weaknesses.
3. The audit disclosed one instance of noncompliance that was material to the financial statements of Tipton 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, Part A Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); and the State Fiscal Stabilization Cluster: State Fiscal Stabilization Funds (SFSF) – Education State Grants, Recovery Act and State Fiscal Stabilization Funds (SFSF) – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397) were determined to be major programs.
8. A \$443,944 threshold was used to distinguish between Type A and Type B federal programs.
9. Tipton County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

TIPTON COUNTY AND TIPTON COUNTY SCHOOL DEPARTMENT

FINDING 10.01 **TIPTON COUNTY AND THE TIPTON 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 Tipton County's and the Tipton County School Department's financial statements be the product of financial reporting systems that offer reasonable assurance that management is able to produce financial statements and notes to the financial statements that comply with generally accepted accounting principles (GAAP). The preparation of financial statements in accordance with GAAP requires that the county and the School Department have internal controls over reporting government-wide and fund financial information and preparing the related notes. It is permissible for us, as the external auditors, to assist the 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 necessary 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

Tipton County and the Tipton 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 DIRECTOR OF SCHOOLS

FINDING 10.02 **A CASH SHORTAGE TOTALING \$27,357.19 EXISTED IN THE SCHOOL-AGE CHILD CARE PROGRAM AT AUGUST 13, 2010
(Material Noncompliance Under Government Auditing Standards)**

On September 22, 2010, our office issued a special report on the Tipton County School Department for the period September 13, 2002, through August 13, 2010. This report disclosed that the county-wide supervisor for the School Age Child Care Program falsified payroll records on numerous occasions and made improper payments to a student employee and one other individual totaling \$27,357.19 for work not performed. This report is available at www.tn.gov/comptroller. In October 2010, the supervisor paid the School Department \$27,357.19 to liquidate the cash shortage. In November 2010, the supervisor was indicted by the Tipton County Grand Jury.

OTHER FINDING AND RECOMMENDATION

FINDING 10.03 **TIPTON COUNTY HAS A MATERIAL RECURRING AUDIT FINDING
(Internal Control – Material Weakness Under Government Auditing Standards)**

Tipton County has a material audit finding that has been reported in its annual financial reports for three or more consecutive years. The recurring material finding is listed below:

<u>Finding Numbers</u>	<u>Description</u>
10.01, 09.01, 08.01	Tipton County does 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

Tipton 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, Tipton County may be required to establish an Audit Committee under the provisions of Section 9-3-405, TCA.

BEST PRACTICE

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

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

TIPTON 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.