



**ANNUAL FINANCIAL REPORT
CAMPBELL COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2010



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

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

Scope

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

Results

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

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

Findings and Best Practice

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

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The office had deficiencies in the administration of federal grants, resulting in questioned costs.
- ◆ The director of schools and Title I director have been indicted by the Campbell County Grand Jury.

OTHER FINDING

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of County Clerk, Clerk and Master, and Register.

BEST PRACTICE

Campbell County does not have an Audit Committee. The Division of County Audit strongly believes that an Audit Committee is a best practice that should be adopted by the governing body to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

INTRODUCTORY SECTION

Campbell County Officials
June 30, 2010

Officials

William Baird, County Mayor
Dennis Potter, Road Superintendent
Dr. Michael Martin, Director of Schools
Monty Bullock, Trustee
Brandon Partin, Assessor of Property
Don Nance, County Clerk
Bobby Vann, Circuit and General Sessions Courts Clerk
William Archer, Clerk and Master
Dormas Miller, Register
Gary Perkins, Sheriff
Jeff Marlow, Director of Finance

Board of County Commissioners

David Young, Chairman
Adrion Baird
Forster Baird
Clarence Bolton
Melvin Boshears
Johnny Bruce
Johnny Dower

Scott Kitts
John Lynn Letner
David Goins
Lawrence Orick
Ann Smith
Bobby White
Whit Goins

Board of Education

Eugene Lawson, Chairman
Delbert Buckner
Johnny Byrge
J.L. Collins
Walter Goins

Faye Heatherly
David Lynch
James Orick
Homer Rutherford
Mark Wells

Financial Management Committee

David Goins, Chairman
William Baird, County Mayor
Dennis Potter, Road Superintendent
Dr. Michael Martin, Director of Schools

Clarence Bolton
John Lynn Letner
Ann Smith

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

March 4, 2011

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Campbell County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Campbell County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Campbell 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 Campbell County Emergency Communications District, which represent 1.6 percent and 1.5 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Campbell County Emergency Communications District, is based on the report 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 report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report 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 Campbell 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 March 4, 2011, on our consideration of Campbell 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.

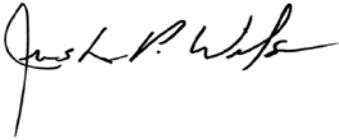
As described in Note V.B., Campbell County has adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 19 and budgetary comparison, pension, and other postemployment benefits information on pages 70 through 79 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 Campbell 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 Campbell 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 Campbell County

School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

**Campbell County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2010**

As management of Campbell County, Tennessee, we offer readers of Campbell County's financial statements this narrative overview and analysis of the financial activities of the Campbell County Government for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the county's financial performance as a whole. Readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the county's financial performance. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the Campbell County primary government exceeded its liabilities at the close of the most recent fiscal year by \$38.5 million (net assets). Capital assets, net of related debt totaled \$59.6 million. Unrestricted net assets were a negative \$27.6 million on June 30, 2010.
- The government's total net assets decreased by \$2.3 million due to school buildings being financed by the primary government while the asset title is held by the discretely presented School Department.
- As of the close of the current fiscal year, Campbell County's governmental funds reported combined ending fund balances of \$8.9 million, a decrease of \$2 million in comparison with the prior year. The General Fund has \$2.5 million available for spending at the government's discretion (unreserved fund balance).
- Campbell County's total debt decreased by \$1.9 million during the current fiscal year, due to early retirements netted against new debt issues of \$1 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Campbell County's basic financial statements. Campbell County's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Campbell County Government's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of Campbell County Government's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Campbell County Government is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in the net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Campbell County Government that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Campbell County Government include General Government; Finance; Administration of Justice; Public Safety; Public Health and Welfare; Social, Cultural, and Recreational; Agriculture and Natural Resources; Other Operations; Highways; Education; Interest on Long-term Debt; and Debt Service. Campbell County Government reports no business-type activities.

The government-wide financial statements can be found as Exhibits A and B of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Campbell County Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Campbell County Government can be divided into two categories: governmental and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Campbell County Government maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Solid Waste/Sanitation, Highway/Public Works, and General Debt Service funds, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Campbell County Government adopts an annual appropriated budget for most of its governmental funds. Budgetary comparison statements for the General, Solid Waste/Sanitation, and Highway/Public Works funds have been provided in the Required Supplementary Information section of this report. Budgets for the General Debt Service Fund and other applicable nonmajor governmental funds are located in the Combining and Individual Fund section of this report.

The basic governmental fund financial statements can be found as Exhibits C-1 through C-4 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Campbell County Government's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found as Exhibit D of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Please refer to the Table of Contents for the location of the notes to the financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information (RSI) concerning Campbell County's General and major special revenue funds' budgetary statements. These budget statements are included in the RSI section of this report immediately following the notes to the financial statements and are labeled Exhibits E-1 through E-3.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the RSI. Combining and individual fund financial statements and schedules can be found as Exhibits F-1 through J-9 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Campbell County Government, assets exceeded liabilities by \$38.5 million at the close of the most recent fiscal year.

By far, the largest portion of Campbell County Government's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. Campbell County Government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Campbell County Government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining portion of Campbell County Government's net assets represents resources that are subject to external restrictions on how they may be used, leaving a negative unrestricted net assets balance of \$27.6 million.

Campbell County, Tennessee - Net Assets
(Dollar amounts in thousands)

	Governmental Activities	
	2010	2009
Assets:		
Current and Other Assets	\$ 18,742	\$ 23,295
Capital Assets	63,733	65,249
Total Assets	\$ 82,475	\$ 88,544
Liabilities:		
Long-term Liabilities Outstanding	\$ 7,992	\$ 10,024
Other Liabilities	36,007	37,723
Total Liabilities	\$ 43,999	\$ 47,747
Net Assets:		
Invested in Capital Assets, Net of Related Debt	\$ 59,630	\$ 59,703
Restricted	6,465	7,186
Unrestricted	(27,619)	(26,092)
Total Net Assets	\$ 38,476	\$ 40,797

Campbell County, Tennessee - Changes in Net Assets
(Dollar amounts in thousands)

	Governmental Activities	
	2010	2009
Revenues:		
Program Revenues:		
Charges for Services	\$ 5,179	\$ 5,525
Operating Grants and Contributions	3,209	3,564
Capital Grants and Contributions	281	1,025
General Revenues:		
Property Taxes	9,021	9,151
Other Taxes	1,853	1,767
Grants and Contributions Not Restricted to Specific Programs	3,398	3,360
Unrestricted Investment Earnings	201	406
Other	194	29
Total Revenues	\$ 23,336	\$ 24,827
Expenses:		
General Government	\$ 1,752	\$ 1,470
Finance	2,341	2,287
Administration of Justice	1,158	1,141
Public Safety	5,175	5,138
Public Health and Welfare	5,318	5,798
Social, Cultural, and Recreational Services	122	211
Agriculture and Natural Resources	50	49
Other Operations	1,243	1,287
Highways/Public Works	5,365	5,603
Education	1,549	2,998
Interest on Long-term Debt	1,496	1,709
Debt Service	88	190
Total Expenses	\$ 25,657	\$ 27,881
Increase (Decrease) in Net Assets	\$ (2,321)	\$ (3,054)
Net Assets, July 1	40,797	43,851
Net Assets, June 30	\$ 38,476	\$ 40,797

Financial Analysis of the Government's Funds

As noted earlier, Campbell County Government uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements.

Governmental funds. The focus of Campbell County Government's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Campbell County Government's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Campbell County Government's governmental funds reported combined ending fund balances of \$8.9 million, a decrease of \$2 million. Of this amount, \$7.3 million constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance (\$1.6 million) is reserved to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of Campbell County Government. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$2.5 million, while total fund balance was \$2.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 21 percent of total General Fund expenditures, while total fund balance represents 25 percent of that same amount.

The fund balance of Campbell County Government's General Fund decreased by \$.9 million during the current fiscal year. The key factor in this decrease was transfers to the General Debt Service Fund to repay debt earlier than scheduled.

The fund balance of Campbell County Government's Solid Waste/Sanitation Fund increased by \$120 thousand, resulting in an ending fund balance of \$.8 million.

The fund balance for Campbell County Government's Highway/Public Works Fund increased by approximately \$246 thousand during the current fiscal year, ending at \$.8 million.

The General Debt Service Fund had a total fund balance of \$2 million, which is reserved for the payment of debt service. The decrease in fund balance during the current fiscal year in the General Debt Service Fund was \$141 thousand.

Capital Assets and Debt Administration

Capital assets. The county's investment in capital assets for its governmental activities as of June 30, 2010, totals \$59.6 million (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, and infrastructure (primarily roads and bridges).

Long-term debt. At the end of the current fiscal year, Campbell County Government had total debt outstanding of \$34.8 million. This entire amount of debt is backed by the full faith and credit of Campbell County Government. Of this amount, \$30.7 million is debt that Campbell County Government issued on behalf of the Board of Education. The county's debt decreased by approximately \$1.9 million.

Campbell County Government maintains an A3 rating from Moody's for general obligation debt.

In addition to notes payable, other loans payable, and bonded debt, Campbell County Government's long-term obligations included compensated absences and notes payable. Additional information on the county's long-term debt can be found on Exhibit J-1 of this report and footnote IV.E.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the county is currently 11.5 percent compared to 13.4 percent a year ago. The state's average unemployment rate is currently 9.4 percent and the national average is nine percent. Economic trends in the region are consistent with national indices. All of these factors were considered in preparing the county's budget for the 2011 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the Campbell County Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to:

Campbell County
Office of Accounts and Budgets
P.O. Box 843
Jacksboro, Tennessee 37757

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Governmental Activities	Component Units	
		Campbell County School Department	Emergency Communica- tions District
<u>ASSETS</u>			
Cash	\$ 3,266	\$ 12,484	\$ 491,612
Equity in Pooled Cash and Investments	8,015,537	6,359,115	0
Accounts Receivable	750,597	6,256	19,875
Allowance for Uncollectible	(11,610)	0	0
Due from Other Governments	1,334,608	1,374,655	28,775
Property Taxes Receivable	9,142,299	3,456,741	0
Allowance for Uncollectible Property Taxes	(982,822)	(381,092)	0
Prepaid Items	0	0	5,364
Deferred Charges - Debt Issuance Cost	490,208	0	0
Capital Assets			
Assets Not Depreciated:			
Land	1,980,026	1,129,742	188,500
Construction in Progress	1,079,082	270,421	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	8,941,583	43,995,828	53,344
Other Capital Assets	1,801,864	732,325	109,740
Infrastructure	49,930,306	0	0
Total Assets	<u>\$ 82,474,944</u>	<u>\$ 56,956,475</u>	<u>\$ 897,210</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 52,380	\$ 52,856	\$ 6,002
Accrued Payroll	1,102	26,439	0
Contracts Payable	0	234,311	0
Retainage Payable	33,270	15,385	0
Accrued Interest Payable	128,525	0	0
Payroll Deductions Payable	268,619	409,485	0
Due to State of Tennessee	0	30	0
Other Current Liabilities	19,553	0	0
Deferred Revenue - Property Taxes	7,488,128	2,808,048	0
Noncurrent Liabilities:			
Due Within One Year	2,226,773	0	28,049
Due in More than One Year (Net of Deferred Amount on Refunding and Unamortized Premium on Debt)	33,780,367	2,913,439	0
Total Liabilities	<u>\$ 43,998,717</u>	<u>\$ 6,459,993</u>	<u>\$ 34,051</u>

(Continued)

Exhibit A

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

	Primary <u>Government</u> Governmental Activities	Component Units	
		<u>Campbell</u> County School Department	<u>Emergency</u> Communica- tions District
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 59,630,132	\$ 0	\$ 0
Invested in Capital Assets Restricted for:	0	46,128,316	351,585
Solid Waste/Sanitation	858,771	0	0
Ambulance Service	1,126,218	0	0
Highways	957,150	0	0
Debt Service	2,070,951	0	0
Capital Projects	1,054,661	0	0
Community Development	266,817	0	0
Career Ladder	0	21,512	0
Federal Assistance Programs	0	304,445	0
Food Service	0	1,025,365	0
Other Purposes	130,624	0	0
Unrestricted	<u>(27,619,097)</u>	<u>3,016,844</u>	<u>511,574</u>
Total Net Assets	<u>\$ 38,476,227</u>	<u>\$ 50,496,482</u>	<u>\$ 863,159</u>

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						
	Primary			Component Units			
	Charges for Services	Program Revenues	Government Total	Campbell County School Department	Emergency Communications District		
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities			
Primary Government:							
Governmental Activities:							
General Government	\$ 1,751,743	\$ 744,077	\$ 44,633	\$ 0	\$ (963,033)	\$ 0	\$ 0
Finance	2,340,896	860,803	14,617	0	(1,465,476)	0	0
Administration of Justice	1,157,529	1,008,248	71,382	0	(77,899)	0	0
Public Safety	5,174,703	715,063	83,556	27,621	(4,348,463)	0	0
Public Health and Welfare	5,318,441	1,764,601	616,117	19,004	(2,918,719)	0	0
Social, Cultural, and Recreational Services	121,731	0	13,327	0	(108,404)	0	0
Agriculture and Natural Resources	50,274	0	0	0	(50,274)	0	0
Other Operations	1,243,253	0	484,187	0	(759,066)	0	0
Highways	5,365,409	86,603	1,846,802	234,246	(3,197,758)	0	0
Education	1,548,584	0	34,770	0	(1,513,814)	0	0
Interest on Long-term Debt	1,495,858	0	0	0	(1,495,858)	0	0
Debt Service	88,065	0	0	0	(88,065)	0	0
Total Primary Government	\$ 25,656,486	\$ 5,179,395	\$ 3,209,391	\$ 280,871	\$ (16,986,829)	\$ 0	\$ 0
Component Units:							
Campbell County School Department	\$ 48,308,530	\$ 714,705	\$ 9,589,919	\$ 1,559,586	\$ 0	\$ (36,444,320)	\$ 0
Emergency Communications District	607,387	465,915	258,018	0	0	0	116,546
Total Component Units	\$ 48,915,917	\$ 1,180,620	\$ 9,847,937	\$ 1,559,586	\$ 0	\$ (36,444,320)	\$ 116,546

(Continued)

Exhibit B

Campbell County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets				
	Primary		Component Units		
	Charges for Services	Program Revenues	Government Total	Campbell County School Department	Emergency Communications District
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes			\$ 4,985,596	\$ 3,595,518	\$ 0
Property Taxes Levied for Solid Waste			2,142,566	0	0
Property Taxes Levied for Ambulance Service			63,148	0	0
Property Taxes Levied for Economic Development			63,148	0	0
Property Taxes Levied for Highways			567,792	0	0
Property Taxes Levied for Debt Service			756,830	0	0
Property Taxes Levied for Capital Projects			441,493	0	0
Local Option Sales Taxes			698,398	3,216,626	0
Other Local Taxes:					
Hotel/Motel Tax			178,152	0	0
Wheel Tax			0	1,145,393	0
Litigation Taxes			277,821	0	0
Business Tax			268,321	0	0
Mineral Severance Tax			97,205	0	0
Wholesale Beer Tax			84,386	0	0
Coal Severance Tax			202,614	202,614	0
Other Local Taxes			45,839	2,191	0
Grants and Contributions Not Restricted to Specific Programs			3,397,999	29,520,316	0
Unrestricted Investment Income			200,593	2,034	6,877
Miscellaneous			171,756	119,611	0
Insurance Recovery			22,458	0	0
Total General Revenues			\$ 14,666,115	\$ 37,804,303	\$ 6,877
Change in Net Assets			\$ (2,320,714)	\$ 1,359,983	\$ 123,423
Net Assets, July 1, 2009			40,796,941	49,136,499	739,736
Net Assets, June 30, 2010			\$ 38,476,227	\$ 50,496,482	\$ 863,159

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

Exhibit C-1

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	Governmental Funds	
Cash	\$ 66	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,200	\$ 3,266
Equity in Pooled Cash and Investments	2,403,807	803,030	623,500	1,941,280	2,243,920	2,243,920	8,015,537
Accounts Receivable	128,881	0	0	0	621,716	621,716	750,597
Allowance for Uncollectibles	0	0	0	0	(11,610)	(11,610)	(11,610)
Due from Other Governments	590,104	30,759	408,312	201,859	103,574	103,574	1,334,608
Due from Other Funds	3,255	0	0	0	0	0	3,255
Property Taxes Receivable	5,145,964	2,022,738	556,412	783,236	633,949	633,949	9,142,299
Allowance for Uncollectible Property Taxes	(548,381)	(225,088)	(60,776)	(83,388)	(65,189)	(65,189)	(982,822)
Total Assets	\$ 7,723,696	\$ 2,631,439	\$ 1,527,448	\$ 2,842,987	\$ 3,529,560	\$ 3,529,560	\$ 18,255,130

ASSETS

Cash	\$ 66	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,200	\$ 3,266
Equity in Pooled Cash and Investments	2,403,807	803,030	623,500	1,941,280	2,243,920	2,243,920	8,015,537
Accounts Receivable	128,881	0	0	0	621,716	621,716	750,597
Allowance for Uncollectibles	0	0	0	0	(11,610)	(11,610)	(11,610)
Due from Other Governments	590,104	30,759	408,312	201,859	103,574	103,574	1,334,608
Due from Other Funds	3,255	0	0	0	0	0	3,255
Property Taxes Receivable	5,145,964	2,022,738	556,412	783,236	633,949	633,949	9,142,299
Allowance for Uncollectible Property Taxes	(548,381)	(225,088)	(60,776)	(83,388)	(65,189)	(65,189)	(982,822)
Total Assets	\$ 7,723,696	\$ 2,631,439	\$ 1,527,448	\$ 2,842,987	\$ 3,529,560	\$ 3,529,560	\$ 18,255,130

LIABILITIES AND FUND BALANCES

Accounts Payable	\$ 17,053	\$ 20,964	\$ 1,652	\$ 0	\$ 0	\$ 12,711	\$ 52,380
Accrued Payroll	1,102	0	0	0	0	0	1,102
Payroll Deductions Payable	170,446	35,294	30,483	0	0	32,396	268,619
Retainage Payable	0	0	0	0	0	33,270	33,270
Due to Other Funds	0	0	0	0	0	3,255	3,255
Other Current Liabilities	0	0	0	0	0	19,553	19,553
Deferred Revenue - Current Property Taxes	4,226,697	1,638,028	453,383	643,511	526,509	526,509	7,488,128
Deferred Revenue - Delinquent Property Taxes	333,768	143,647	38,024	50,699	38,022	38,022	604,160
Other Deferred Revenues	112,558	0	160,835	140,905	447,176	447,176	861,474
Total Liabilities	\$ 4,861,624	\$ 1,837,933	\$ 684,377	\$ 835,115	\$ 1,112,892	\$ 1,112,892	\$ 9,331,941

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	Governmental Funds	
<u>Fund Balances</u>							
Reserved for Encumbrances	\$ 288,752	\$ 6,695	\$ 133,244	\$ 0	\$ 1,035,138	\$ 0	\$ 1,463,829
Reserved for Drug Court	71,801	0	0	0	0	0	71,801
Reserved for Sexual Offender Registration	7,538	0	0	0	0	0	7,538
Reserved for Courtroom Security	1,533	0	0	0	0	0	1,533
Reserved for Computer System - Register	20,616	0	0	0	0	0	20,616
Reserved for Automation Purposes - Circuit Court	282	0	0	0	0	0	282
Reserved for Automation Purposes - General Sessions Court	680	0	0	0	0	0	680
Reserved for Automation Purposes - Sheriff	5,128	0	0	0	0	0	5,128
Reserved for Loan Program	106	0	0	0	0	0	106
Reserved for Other General Purposes	15,403	0	0	0	0	0	15,403
Unreserved, Reported In:							
General Fund	2,450,233	0	0	0	0	0	2,450,233
Special Revenue Funds	0	786,811	709,827	0	1,336,273	0	2,832,911
Debt Service Funds	0	0	0	2,007,872	0	0	2,007,872
Capital Projects Funds	0	0	0	0	45,257	0	45,257
<u>Total Fund Balances</u>	<u>\$ 2,862,072</u>	<u>\$ 793,506</u>	<u>\$ 843,071</u>	<u>\$ 2,007,872</u>	<u>\$ 2,416,668</u>	<u>\$ 0</u>	<u>\$ 8,923,189</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 7,723,696</u>	<u>\$ 2,631,439</u>	<u>\$ 1,527,448</u>	<u>\$ 2,842,987</u>	<u>\$ 3,529,560</u>	<u>\$ 0</u>	<u>\$ 18,255,130</u>

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

Exhibit C-2

Campbell 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)		\$ 8,923,189
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,980,026	
Add: construction in progress	1,079,082	
Add: infrastructure net of accumulated depreciation	49,930,306	
Add: buildings and improvements net of accumulated depreciation	8,941,583	
Add: other capital assets net of accumulated depreciation	<u>1,801,864</u>	63,732,861
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (1,994,167)	
Less: other loans payable	(11,550,000)	
Less: bonds payable	(21,300,000)	
Add: deferred amount on refunding	66,806	
Add: deferred charges - debt issuance costs	490,208	
Less: compensated absences payable	(513,853)	
Less: other postemployment benefits liability	(282,751)	
Less: accrued interest on bonds, notes, and other loans	(128,525)	
Less: other deferred revenue - premium on debt	<u>(433,175)</u>	(35,645,457)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,465,634</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 38,476,227</u>

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

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds		
<u>Revenues</u>							
Local Taxes	\$ 5,980,171	\$ 2,157,302	\$ 872,782	\$ 1,682,231	\$ 735,394	\$ 0	\$ 11,427,880
Licenses and Permits	135,766	0	150	0	0	0	135,916
Fines, Forfeitures, and Penalties	320,601	0	0	0	56,815	0	377,416
Charges for Current Services	70,177	74,420	0	0	1,867,049	0	2,011,646
Other Local Revenues	38,914	115,391	348,528	244,536	61,420	0	808,789
Fees Received from County Officials	1,633,956	0	0	0	0	0	1,633,956
State of Tennessee	2,836,586	54,287	2,240,087	0	29,396	0	5,160,356
Federal Government	164,862	0	0	0	6,712	0	171,574
Other Governments and Citizens Groups	176,322	0	70,961	1,413,196	458,291	0	2,118,770
<u>Total Revenues</u>	<u>\$ 11,357,355</u>	<u>\$ 2,401,400</u>	<u>\$ 3,532,508</u>	<u>\$ 3,339,963</u>	<u>\$ 3,215,077</u>	<u>\$ 0</u>	<u>\$ 23,846,303</u>
<u>Expenditures</u>							
Current:							
General Government	\$ 1,354,810	\$ 0	\$ 0	\$ 0	\$ 75,523	\$ 0	\$ 1,430,333
Finance	2,273,587	0	0	0	0	0	2,273,587
Administration of Justice	1,129,865	0	0	0	27,101	0	1,156,966
Public Safety	4,847,108	0	0	0	87,291	0	4,934,399
Public Health and Welfare	863,137	2,239,256	0	0	1,905,748	0	5,008,141
Social, Cultural, and Recreational Services	102,919	0	0	0	0	0	102,919
Agriculture and Natural Resources	50,274	0	0	0	0	0	50,274
Other Operations	541,504	14,905	0	0	568,148	0	1,124,557
Highways	0	0	3,265,282	0	2,993	0	3,268,275
Debt Service:							
Principal on Debt	389,583	0	0	2,446,667	28,333	0	2,864,583
Interest on Debt	10,209	0	0	1,537,212	1,908	0	1,549,329
Other Debt Service	0	0	0	44,864	0	0	44,864
Capital Projects	0	0	0	0	3,002,690	0	3,002,690
<u>Total Expenditures</u>	<u>\$ 11,562,996</u>	<u>\$ 2,254,161</u>	<u>\$ 3,265,282</u>	<u>\$ 4,028,743</u>	<u>\$ 5,699,735</u>	<u>\$ 0</u>	<u>\$ 26,810,917</u>

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds		
Excess (Deficiency) of Revenues Over Expenditures	\$ (205,641)	\$ 147,239	\$ 267,226	\$ (688,780)	\$ (2,484,658)	\$	(2,964,614)
Other Financing Sources (Uses)							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 985,000	\$	985,000
Insurance Recovery	12,804	0	0	0	9,654		22,458
Transfers In	93,860	0	0	588,625	828,522		1,511,007
Transfers Out	(867,853)	(26,626)	(21,276)	(40,807)	(554,445)		(1,511,007)
Total Other Financing Sources (Uses)	\$ (761,189)	\$ (26,626)	\$ (21,276)	\$ 547,818	\$ 1,268,731	\$	1,007,458
Net Change in Fund Balances	\$ (966,830)	\$ 120,613	\$ 245,950	\$ (140,962)	\$ (1,215,927)	\$	(1,957,156)
Fund Balance, July 1, 2009	3,828,902	672,893	597,121	2,148,834	3,632,595		10,880,345
Fund Balance, June 30, 2010	\$ 2,862,072	\$ 793,506	\$ 843,071	\$ 2,007,872	\$ 2,416,668	\$	8,923,189

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

Exhibit C-4

Campbell 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)		\$	(1,957,156)
(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	\$	1,346,687	
Less: current year depreciation expense		<u>(2,862,820)</u>	(1,516,133)
(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	\$	1,465,634	
Less: deferred delinquent property taxes and other deferred June 30, 2009		<u>(1,998,623)</u>	(532,989)
(3) The issuance of long-term debt (e.g., bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these difference in the treatment of long-term debt and related items:			
Less: note proceeds	\$	(985,000)	
Add: change in premium on debt issuances		45,006	
Less: change in deferred debt issuance costs		(38,923)	
Add: principal payments on bonds		430,000	
Add: principal payments on notes		1,434,583	
Add: principal payments on other loans		1,000,000	
Less: change in deferred amount of refunding debt		<u>(4,278)</u>	1,881,388
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	8,465	
Change in compensated absences payable		9,444	
Change in other postemployment benefits liability		<u>(213,733)</u>	<u>(195,824)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ (2,320,714)</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 3,807,804
Due from Other Governments	<u>548,303</u>
Total Assets	<u>\$ 4,356,107</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 548,303
Due to Litigants, Heirs, and Others	<u>3,807,804</u>
Total Liabilities	<u>\$ 4,356,107</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Campbell 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 Campbell County:

A. Reporting Entity

Campbell County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Campbell 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 Campbell County School Department operates the public school system in the county, and the voters of Campbell 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 Campbell County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Campbell County, and the Campbell 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 Campbell County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Campbell County School Department are included in this report as listed in the table of contents. Complete financial statements of the Campbell County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Campbell County Emergency
Communications District
P.O. Box 344
1111 Jacksboro Pike
LaFollette, TN 37766

Related Organization – The county’s officials are also responsible for appointing the members of the Campbell County Industrial Action Association; however, the county’s accountability for the organization does not extend beyond making the appointments.

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 Campbell 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 Campbell 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.

Campbell County issues all debt for the discretely presented Campbell County School Department. Net debt issues totaling \$750,000 were contributed by the county to the School Department during the year ended June 30, 2010.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide

financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

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

Campbell 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.

Solid Waste/Sanitation Fund – This fund accounts for transactions related to the garbage collection services.

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, Campbell County reports the following fund types:

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

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

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

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

Central Cafeteria Fund – This fund is used to account for transactions related to school food services.

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 Campbell 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. Campbell County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment

company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds for unremitted current collections or that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as due to/from other funds.

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectible is based on historical collection data. The allowance for uncollectible property taxes is equal to 5.69 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.

Most payables are disaggregated on the face of the financial statements. Other current liabilities in the Drug Control Fund totaling \$19,553 represent confiscated funds awaiting court orders.

Retainage payable in the General Capital Projects, Other Capital Projects and General Purpose School funds represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the appropriate governmental fund.

3. Capital Assets

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	7 - 40
Other Capital Assets	5 - 15
Infrastructure:	
Roads	40
Bridges	40

4. Compensated Absences

It is the county's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The School Department does not have a policy to permit employees to accumulate earned but unused vacation. There is no liability for unpaid accumulated sick leave since Campbell County or 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. 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.

5. Long-term Obligations

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial

statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

6. Net Assets and Fund Equity

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

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

As of June 30, 2010, Campbell County had \$30,747,800 in outstanding debt for capital purposes for the discretely presented Campbell County School Department. This debt is a liability of Campbell County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Campbell County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county’s capital assets.

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

<u>Fund/Purpose</u>	<u>Amount</u>
Discretely Presented School Department:	
General Purpose School:	
Retiree Benefits	\$ 101,422
School Federal Projects:	
Cash Management	500,000

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 Campbell 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 Campbell 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 Other 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, Board of Equalization, County Mayor, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Indictments

Director of Schools Michael Martin and Title I Director Karen Bundren were indicted by a Campbell County Grand Jury on December 3, 2010. The indictments stem from Mr. Martin and Ms. Bundren allegedly falsifying transcripts indicating Ms. Bundren had a doctorate of education degree. The falsified degree was presented to the Campbell County Finance Office and the State of Tennessee in December 2009. Mr. Martin and Ms. Bundren were both indicted on one count of theft - \$1,000-\$10,000, two counts of official misconduct, two counts of forgery, two counts of tampering with governmental records, and two counts of falsifying educational and academic records. Mr. Martin and Ms. Bundren resigned their positions subsequent to June 30, 2010, and are awaiting trial.

C. Fund Deficit

The Other Capital Projects Fund had a deficit in unreserved fund balance of \$116,048 at June 30, 2010. This deficit resulted from the unperformed portions of construction contracts of \$817,835 being reserved as encumbrances. Funding for these future expenditures is expected to be received from the issuance of debt.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

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

Deposits

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

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

Investments

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

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

B. Capital Assets

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

Primary Government

Governmental Activities

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 1,980,026	\$ 0	\$ 0	\$ 1,980,026
Construction in Progress	751,611	1,079,082	(751,611)	1,079,082
Total Capital Assets, Not Depreciated	<u>\$ 2,731,637</u>	<u>\$ 1,079,082</u>	<u>\$ (751,611)</u>	<u>\$ 3,059,108</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 10,604,696	\$ 789,844	\$ 0	\$ 11,394,540
Roads and Bridges	79,888,487	0	0	79,888,487
Other Capital Assets	6,020,787	229,372	0	6,250,159
Total Capital Assets, Depreciated	<u>\$ 96,513,970</u>	<u>\$ 1,019,216</u>	<u>\$ 0</u>	<u>\$ 97,533,186</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,101,743	\$ 351,214	\$ 0	\$ 2,452,957
Roads and Bridges	27,960,969	1,997,212	0	29,958,181
Other Capital Assets	3,933,901	514,394	0	4,448,295
Total Accumulated Depreciation	<u>\$ 33,996,613</u>	<u>\$ 2,862,820</u>	<u>\$ 0</u>	<u>\$ 36,859,433</u>
Total Capital Assets Depreciated, Net	<u>\$ 62,517,357</u>	<u>\$ (1,843,604)</u>	<u>\$ 0</u>	<u>\$ 60,673,753</u>
Governmental Activities Capital Assets, Net	<u>\$ 65,248,994</u>	<u>\$ (764,522)</u>	<u>\$ (751,611)</u>	<u>\$ 63,732,861</u>

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

Governmental Activities:

General Government	\$ 50,486
Finance	63,366
Administration of Justice	796
Public Safety	238,020
Public Health and Welfare	200,128
Other Operations	158,269
Highways/Public Works	<u>2,151,755</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,862,820</u>

Discretely Presented Campbell County School Department**Governmental Activities:**

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 1,129,742	\$ 0	\$ 0	\$ 1,129,742
Construction in Progress	<u>2,354,226</u>	270,421	(2,354,226)	<u>270,421</u>
Total Capital Assets Not Depreciated	<u>\$ 3,483,968</u>	<u>\$ 270,421</u>	<u>\$ (2,354,226)</u>	<u>\$ 1,400,163</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 63,133,937	\$ 4,024,840	\$ 0	\$ 67,158,777
Other Capital Assets	<u>2,724,786</u>	5,303	0	<u>2,730,089</u>
Total Capital Assets Depreciated	<u>\$ 65,858,723</u>	<u>\$ 4,030,143</u>	<u>\$ 0</u>	<u>\$ 69,888,866</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 21,396,229	\$ 1,766,720	\$ 0	\$ 23,162,949
Other Capital Assets	<u>1,825,374</u>	172,390	0	<u>1,997,764</u>
Total Accumulated Depreciation	<u>\$ 23,221,603</u>	<u>\$ 1,939,110</u>	<u>\$ 0</u>	<u>\$ 25,160,713</u>
Total Capital Assets Depreciated, Net	<u>\$ 42,637,120</u>	<u>\$ 2,091,033</u>	<u>\$ 0</u>	<u>\$ 44,728,153</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,121,088</u>	<u>\$ 2,361,454</u>	<u>\$ (2,354,226)</u>	<u>\$ 46,128,316</u>

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

Governmental Activities:

Instruction	\$ 35,999
Support Services	1,814,551
Operation of Non-Instructional Services	<u>88,560</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,939,110</u></u>

C. Construction Commitments

At June 30, 2010, the General Capital Projects Fund had encumbrances of \$161,995 for various projects including: general administration projects \$8,082; social, cultural, and recreation projects \$36,165; and highway and street capital projects \$117,748. Funding has been provided for these future expenditures.

The Other Capital Projects Fund had encumbrances of \$817,835 for various projects including: public safety projects \$344,400, public health and welfare projects \$213,435, and education projects \$260,000. Funding has been provided for a portion of these future expenditures while the remaining funding is expected to be received from general obligation bond proceeds.

At June 30, 2010, the discretely presented Campbell County School Department had uncompleted construction contracts of approximately \$385,447 for the repair and upgrade of various school buildings. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 3,255
Discretely Presented School Department:		
School Federal Projects	General Purpose School	19,191

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

Interfund Transfers:

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

Primary Government

Transfers Out	Transfers In		
	General Fund	General Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 588,625	\$ 279,228
Solid Waste/Sanitation Fund	0	0	26,626
Highway/Public Works Fund	0	0	21,276
General Debt Service Fund	0	0	40,807
Nonmajor governmental funds	93,860	0	460,585
Total	<u>\$ 93,860</u>	<u>\$ 588,625</u>	<u>\$ 828,522</u>

Discretely Presented Campbell County School Department

Transfers Out	Transfers In	
	School Federal Projects Fund	Central Cafeteria Fund
General Purpose School Fund	\$ 255,048	\$ 191,917
Central Cafeteria Fund	250,000	0
Total	<u>\$ 505,048</u>	<u>\$ 191,917</u>

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

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition,

general obligation bonds and other loans have been issued to refund other general obligation debt. 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 19 years for bonds, up to 12 years for notes, and up to 15 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, with the exception of one note totaling \$56,667, which will be retired from the Ambulance Service Fund.

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

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
General Obligation Bonds	3.5 to 5 %	\$ 3,025,000	\$ 2,975,000
General Obligation Bonds - Refunding	3 to 4	18,825,000	18,325,000
Capital Outlay Notes	3.85 to 4.53	2,835,000	1,994,167
Other Loans - Fixed Rate	4 to 5	12,550,000	11,550,000

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 325,000	\$ 836,063	\$ 1,161,063
2012	325,000	825,850	1,150,850
2013	375,000	815,637	1,190,637
2014	375,000	803,925	1,178,925
2015	400,000	792,088	1,192,088
2016-2020	4,635,000	3,702,233	8,337,233
2021-2025	12,515,000	2,032,113	14,547,113
2026-2027	2,350,000	113,450	2,463,450
Total	\$ 21,300,000	\$ 9,921,359	\$ 31,221,359

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 334,167	\$ 79,769	\$ 413,936
2012	305,833	66,239	372,072
2013	291,667	53,825	345,492
2014	291,667	41,588	333,255
2015	291,667	29,350	321,017
2016-2020	458,333	36,507	494,840
2021	20,833	441	21,274
Total	\$ 1,994,167	\$ 307,719	\$ 2,301,886

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2011	\$ 1,100,000	\$ 559,938	\$ 1,659,938
2012	1,150,000	515,937	1,665,937
2013	1,200,000	458,438	1,658,438
2014	1,275,000	398,437	1,673,437
2015	1,325,000	334,688	1,659,688
2016-2019	5,500,000	642,625	6,142,625
Total	\$ 11,550,000	\$ 2,910,063	\$ 14,460,063

There is \$2,007,872 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$534, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans totaled \$874, based on the 2000 federal census.

Changes in Long-term Liabilities

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

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2009	\$ 21,730,000	\$ 2,443,750
Additions	0	985,000
Deductions	(430,000)	(1,434,583)
Balance, June 30, 2010	\$ 21,300,000	\$ 1,994,167
Balance Due Within One Year	\$ 325,000	\$ 334,167

	Other Loans	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2009	\$ 12,550,000	\$ 523,297	\$ 69,018
Additions	0	300,369	260,000
Deductions	(1,000,000)	(309,813)	(46,267)
Balance, June 30, 2010	\$ 11,550,000	\$ 513,853	\$ 282,751
Balance Due Within One Year	\$ 1,100,000	\$ 467,606	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 35,640,771
Less: Balance Due Within One Year	(2,226,773)
Add: Unamortized Premium on Debt	433,175
Less: Deferred Amount on Refunding	(66,806)
	\$ 33,780,367
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	

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

Discretely Presented Campbell County School Department

Changes in Long-term Liabilities

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

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2009	\$ 2,343,892
Additions	1,270,270
Deductions	(700,723)
Balance, June 30, 2010	\$ 2,913,439
Balance Due Within One Year	\$ 0

F. Other Commitments

During the year, the School Department paid \$1,413,196 to the primary government's General Debt Service Fund to be applied toward the retirement of school debt. By resolution, the Campbell County Board of Education has committed future contributions of \$1,250,000 per fiscal year to the primary government's General Debt Service Fund through the year ending June 30, 2030, to provide funds for the retirement of current and future debt issued for school purposes.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Campbell 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 \$247,044 and \$60,243, 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

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

The county also continues to carry commercial health and accident insurance for its employees. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

Discretely Presented Campbell County School Department

For its certified teachers, the discretely presented Campbell County School Department participates in the Local Education Group Insurance Fund

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

The School Department continues to carry commercial health and accident insurance for its noncertified employees. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

B. Accounting Changes

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

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets. Intangible assets have three characteristics: lack of physical substance, nonfinancial in nature, and a useful life that extends beyond a single reporting period. Assets that have these characteristics and are identifiable to the government should be recorded as capital assets and amortized over their useful lives. Easements, water rights, patents, and computer software are examples of intangible assets that should be recognized under GASB Statement No. 51. Campbell County had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably expected that Campbell 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 borrowing. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity

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

C. Subsequent Events

On August 31, 2010, Gary Perkins left the Office of Sheriff and was succeeded by Robbie Goins, and Don Nance left the Office of County Clerk and was succeeded by Debbie Wilson.

On October 4, 2010, Campbell County issued a \$620,000 capital outlay note for the construction of a new School Department central office building.

On October 8, 2010, Dr. Michael Martin resigned from the Office of Director of Schools. Sharon Ridenour was named interim director of schools on November 9, 2010.

On November 1, 2010, and December 20, 2010, Campbell County issued \$5,500,000 and \$10,125,000, respectively, in Build America Bonds.

D. Contingent Liabilities

The county is involved in several pending lawsuits. Management, based on letters from their attorneys, estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

E. Joint Ventures

The Campbell County Library Board is a joint venture in which the county participates with the cities of LaFollette, Jacksboro, Caryville, and Jellico to operate the library system within the county. Representatives from the four cities and the county comprise the Campbell County Library Board and have equal representation on the board. Campbell County contributed \$38,000 to the operation of the Library Board during the year ended June 30, 2010.

Financial statements for the Library Board can be obtained from its administrative office at the following address:

Administrative Office:

Campbell County Library Board
P.O. Box 75
Jacksboro, TN 37757

The Eighth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighth Judicial District; Scott, Campbell, Fentress, Claiborne, and Union 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 the board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Campbell County made no contributions to the DTF for the year ended June 30, 2010, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Eighth Judicial District Drug Task Force
P.O. Box 10
Huntsville, TN 37756

F. Jointly Governed Organization

The Northeast Tennessee Railroad Authority was incorporated in June 2005 as a public authority created by the Tennessee State Legislature. The purpose of the rail authority is to preserve and enhance the railroad system serving Anderson, Campbell, and Scott counties in Tennessee, so as to secure economic benefits for these counties. The rail authority is governed by a board of directors, which includes the mayor for each of the three counties served by the rail authority. Campbell County did not contribute to the operations of the Northeast Tennessee Railroad Authority for the year ended June 30, 2010. Complete financial statements for the rail authority can be obtained from P.O. Box 180, Huntsville, TN 37756.

G. Retirement Commitments

Employees

Plan Description

Employees of Campbell 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 Campbell 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

Campbell 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 6.64 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Campbell County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2010, Campbell County's annual pension cost of \$796,674 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. Campbell County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was eight years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$796,674	100%	\$0
6-30-09	780,028	100	0
6-30-08	821,219	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 91.27 percent funded. The actuarial accrued liability for benefits was \$29.1 million, and the actuarial value of assets was \$26.56 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.54 million. The covered payroll (annual payroll of active employees covered by the plan) was \$11.4 million, and the ratio of the UAAL to the covered payroll was 22.28 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 Campbell 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 Campbell 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 Campbell 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 \$1,237,947, \$1,274,084, and \$1,236,925, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Primary Government

Plan Description

Campbell County participates in a commercial postemployment benefits plan administered by Blue Cross Blue Shield for medical benefits for retirees and their beneficiaries. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee established by the County Commission.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is purchased commercially and financed on a pay-as-you-go basis. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums. Eligible employees must be age 55 with ten years of service or any age with 25 years of service until attainment of age 65 when they become eligible for Medicare. Campbell County pays from 60 to 75 percent of the costs of benefits depending upon years of service. The retiree's spouse is eligible while the retiree is eligible for coverage until the spouse's age of 65. During the year ended June 30, 2010, the county contributed \$46,267 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

ARC	\$	260,000
Interest on the NPO		3,000
Adjustment to the ARC		(3,000)
Annual OPEB cost	\$	<u>260,000</u>
Amount of contribution		(46,267)
Increase/decrease in NPO	\$	<u>213,733</u>
Net OPEB obligation, 7-1-09		<u>69,018</u>
 Net OPEB obligation, 6-30-10	 \$	 <u><u>282,751</u></u>

Fiscal Year Ended* Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09 Campbell County	\$ 248,000	72.2 %	\$ 69,018
6-30-10 "	260,000	17.8	282,751

* Data only available for two years.

Funded Status and Funding Progress

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

Actuarial valuation date	7-1-08
Actuarial accrued liability (AAL)	\$ 1,941,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,941,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 7,067,000
UAAL as a % of covered payroll	27.5%

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, 2008, actuarial valuation, the entry age normal method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of five percent. The unfunded actuarial accrued liability is being amortized on an open basis over a 30-year period beginning with June 30, 2009.

Discretely Presented Campbell County School Department

Plan Description

The Campbell County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits for teachers. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, Tennessee

Code Annotated (TCA). 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 plan is 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>.

Also, the Campbell County School Department participates in the county's commercial postemployment benefits plan as described above for non-teachers. Numbers for the primary government and the School Department have been separately reported for the commercial plan.

Funding Policy

Local Education Group Insurance Plan

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for teachers ranges from zero to 35 percent based on the years of service and type of coverage. During the year ended June 30, 2010, the discretely presented Campbell County School Department contributed \$539,242 for postemployment benefits related to this plan.

Campbell County Commercial Plan

Funding requirements for the county's commercial postemployment plan are described in the primary government section of this note. During the year ended June 30, 2010, the Campbell County School Department contributed \$161,481 for postemployment benefits related to this plan.

Annual OPEB Cost and Net OPEB Obligation

	County Commercial Plan	Local Education Group Plan	Total
ARC	\$ 243,000	\$ 1,022,000	\$ 1,265,000
Interest on the NPO	6,000	99,805	105,805
Adjustment to the ARC	(6,000)	(94,535)	(100,535)
Annual OPEB cost	\$ 243,000	\$ 1,027,270	\$ 1,270,270
Amount of contribution	(161,481)	(539,242)	(700,723)
Increase/decrease in NPO	\$ 81,519	\$ 488,028	\$ 569,547
Net OPEB obligation, 7-1-09	126,000	2,217,892	2,343,892
Net OPEB obligation, 6-30-10	\$ 207,519	\$ 2,705,920	\$ 2,913,439

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	\$ 1,506,000	29 %	\$ 1,076,070
6-30-09	"	1,524,293	25.1	2,217,892
6-30-10	"	1,027,270	52.5	2,705,920
6-30-09	County Commercial*	237,000	46.8	126,000
6-30-10	"	243,000	66.5	207,519

* Data only available for two years.

Funded Status and Funding Progress

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

	Campbell County Plan	Local Education Group Plan
Actuarial valuation date	7-1-08	7-1-09
Actuarial accrued liability (AAL)	\$ 3,228,000	\$ 10,259,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 3,228,000	\$ 10,259,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 5,006,455	\$ 18,003,374
UAAL as a % of covered payroll	64%	57%

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.

Local Education Group Insurance Plan

In the July 1, 2009, actuarial valuation for the Local Education Group Insurance Plan, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of four percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

Campbell County Commercial Plan

Actuarial assumptions for the county's commercial postemployment plan are described in the primary government section of this note.

I. Office of Central Accounting and Budgeting

Office of Director of Finance

Campbell County operates under the provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act also provides for the creation of a Finance Department operated under the direction of the finance director.

J. Purchasing Law

Purchasing procedures for the Offices of County Mayor, Road Superintendent, and Director of Schools are governed by provisions of the County Financial Management System of 1981, which provide for purchases to be made by the purchasing agent under the supervision of the Financial Management Committee. The director of finance serves as the purchasing agent for the county. The committee established a policy that purchases exceeding \$10,000 are to be made on a competitive bid basis.

VI. OTHER NOTES – DISCRETELY PRESENTED CAMPBELL COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Description of Organization

The Emergency Communications District of Campbell County, Tennessee, was created by a county-wide referendum on January 1, 1991. The Campbell County Board of Commissioners appointed the district's board of directors pursuant to Tennessee Code Annotated Section 7-86-101. The district is responsible for the installation and maintenance of the emergency communications network of Campbell County, Tennessee (Enhanced 911 Service).

The district is considered a component unit of Campbell County, Tennessee, because the Campbell County Board of Commissioners appoints a majority of the district's board of directors and must approve any debt issued by the district.

B. Summary of Significant Accounting Policies

1. Basis of Accounting

The district uses the accrual basis of accounting. Revenue is recognized when earned and measurable, and expenses are recognized when the liability is incurred. Operating revenue is revenue that is generated from the primary operations of the district. All other revenue is reported as nonoperating revenue. Operating expenses are those expenses that are essential to the primary operations of the district. All other expenses are reported as nonoperating expenses.

The district follows all pronouncements of the Governmental Accounting Standards Board (GASB) and pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989. The district has not elected to follow FASB pronouncements issued after November 30, 1989.

GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments establishes standards for external financial reporting for

state and local governments and requires that resources be classified for accounting and reporting purposes into the following three net asset groups:

Invested in capital assets. This category includes capital assets, net of accumulated depreciation. Invested in capital assets at June 30, 2010, has been calculated as follows:

Capital Assets	\$ 719,578
Accumulated Depreciation	<u>(367,993)</u>
Total	<u>\$ 351,585</u>

Restricted. This category includes net assets whose use is subject to externally imposed stipulations that can be fulfilled by actions of the district pursuant to those stipulations or that expire by the passage of time. The district had no restricted net assets as of June 30, 2010.

Unrestricted. This category includes net assets that are not subject to externally imposed stipulations and do not meet the definition of “restricted” or “invested in capital assets.” Unrestricted net assets may be designated for specific purposes by action of management or the board of directors or may otherwise be limited by contractual agreements with outside parties.

2. Accounts Receivable

Accounts receivable, which are deemed uncollectible based upon a periodic review of the accounts are charged to revenue. At June 30, 2010, no allowance for uncollectible accounts was considered necessary.

3. Capital Assets

Capital assets, which include property and equipment, are recorded at cost. Capital assets are defined by the district as assets with an initial, individual cost of \$500 or more. Depreciation is computed using the straight-line method over the estimated useful lives, which range from five to 25 years.

4. Operating Budget

The district is required by state law to adopt an annual operating budget. The board of directors approves the original budget and any amendments and maintains the legal level of control at the line item level. The budget is prepared on the accrual basis of accounting. All appropriations lapse at the end of the year.

5. Compensated Absences

The district's full-time employees are granted vacation leave in varying amounts. In the event of termination, the employee is paid for any unused vacation leave. Unused vacation leave as of June 30, 2010, totaling \$28,049, is included as a liability in the Statement of Net Assets.

C. Cash on Deposit

Cash and certificates of deposit are stated at cost, which approximates market value. The district considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

State of Tennessee law authorizes the district to invest in obligations of the United States or its agencies, non-convertible debt securities of certain federal agencies, other obligations guaranteed as to principal and interest by the United States or any of its agencies, secured certificates of deposit and other evidences of deposit in state and federal banks and savings and loan associations, and the state treasurer's local government investment pool. The pool contains investments in certificates of deposit, U.S. Treasury securities and repurchase agreements, back by the U.S. Treasury securities. The treasurer of the State of Tennessee administers the investment pool. Although the district may participate in the state investment pool, it elects not to.

The district policy dictates that collateral meet certain requirements, such as, be deposited in an institution, which participates in the state collateral pool or be deposited in an escrow account in another institution for the benefit of the district and must be a minimum of 105 percent of the value of the deposits placed in the institution less the amount protected by federal deposit insurance. The state collateral pool is administered by the State of Tennessee. Members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional agreement, public fund accounts covered by the pool are considered to be insured in accordance with GASB Statement No. 3, Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements.

All of the district's cash and cash equivalent balances at June 30, 2010, were either insured through the Federal Deposit Insurance Corporation or collateralized with securities held by the district's agent in the district's name.

D. Capital Assets

	Balance 7-1-09	Increases	Retirements	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 188,500	\$ 0	\$ 0	\$ 188,500
Capital Assets Depreciated:				
Buildings	79,276	7,235	0	86,511
Communications Equipment	404,893	36,214	(31,722)	409,385
Office Equipment	21,541	955	(9,756)	12,740
Vehicles	22,443	0	0	22,443
Total Capital Assets	<u>\$ 528,153</u>	<u>\$ 44,404</u>	<u>\$ (41,478)</u>	<u>\$ 531,079</u>
Accumulated Depreciation:				
Buildings	(31,104)	(2,064)	0	(33,168)
Communications Equipment	(310,105)	(22,584)	31,722	(300,967)
Office Equipment	(20,005)	(1,168)	9,756	(11,417)
Vehicles	(22,443)	0	0	(22,443)
Total Accumulated Depreciation	<u>\$ (383,657)</u>	<u>\$ (25,816)</u>	<u>\$ 41,478</u>	<u>\$ (367,995)</u>
Total Capital Assets, Net	<u>\$ 332,996</u>	<u>\$ 18,588</u>	<u>\$ 0</u>	<u>\$ 351,584</u>

E. Pension 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 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 a disability that is the result of an accident or injury occurring while the member was in the performance of his duties.

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

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

Funding Policy

The district requires employees to contribute five percent of their earnable compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 9.28 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 ended June 30, 2010, the district's annual pension cost of \$28,741 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 Contribution	Net Pension Obligation
6-30-10	\$ 28,741	100 %	\$ 0
6-30-09	27,769	100	0
6-30-08	26,771	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 68.57 percent funded. The actuarial accrued liability for benefits was \$.5 million, and the actuarial value of assets was \$.34 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.16 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.3 million, and the ratio of UAAL to the covered payroll was 52.12 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.

F. Risk Management

The district 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. The district carries commercial insurance for all risks of loss, including general liability and workers' compensation coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Campbell 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	\$ 5,980,171	\$ 0	\$ 0	\$ 5,980,171	\$ 6,085,054	\$ 6,015,056	\$ (34,885)
Licenses and Permits	135,766	0	0	135,766	169,485	141,700	(5,934)
Fines, Forfeitures, and Penalties	320,601	0	0	320,601	239,402	342,188	(21,587)
Charges for Current Services	70,177	0	0	70,177	82,850	83,530	(13,353)
Other Local Revenues	38,914	0	0	38,914	89,774	46,630	(7,716)
Fees Received from County Officials	1,633,956	0	0	1,633,956	1,736,700	1,692,300	(58,344)
State of Tennessee	2,836,586	0	0	2,836,586	2,883,179	2,892,488	(55,902)
Federal Government	164,862	0	0	164,862	99,770	398,885	(234,023)
Other Governments and Citizens Groups	176,322	0	0	176,322	153,143	209,504	(33,182)
Total Revenues	\$ 11,357,355	\$ 0	\$ 0	\$ 11,357,355	\$ 11,539,357	\$ 11,822,281	\$ (464,926)

Expenditures

General Government							
County Commission	\$ 342,716	(6,275)	4,303	\$ 340,744	\$ 353,178	\$ 360,273	\$ 19,529
Board of Equalization	4,135	0	0	4,135	6,700	6,700	2,565
County Mayor/Executive	254,097	(272)	1,016	254,841	265,868	261,418	6,577
County Attorney	45,816	0	0	45,816	46,623	46,198	382
Election Commission	227,269	(36,211)	77,970	269,028	293,424	290,998	21,970
Register of Deeds	254,118	(10,716)	11,839	255,241	268,690	269,450	14,209
County Buildings	202,616	(4,538)	11,653	209,731	234,131	221,918	12,187
Other Facilities	15,839	0	0	15,839	14,942	18,240	2,401
Preservation of Records	8,204	0	794	8,998	18,487	20,087	11,089
Finance							
Accounting and Budgeting	817,899	(2,476)	12,260	827,683	842,922	836,318	8,635
Property Assessor's Office	345,726	(7,019)	4,827	343,534	418,198	365,583	22,049

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		7/1/2009				Original	Final	
		Encumbrances	7/1/2009					
<u>Expenditures (Cont.)</u>								
<u>Finance (Cont.)</u>								
Reappraisal Program	\$ 44,747	\$ 0	\$ 352	\$ 49,109	\$ 49,109	\$ 49,109	\$ 4,010	
County Trustee's Office	267,028	(2,660)	1,117	265,485	287,465	269,769	4,284	
County Clerk's Office	521,782	0	663	522,445	536,827	531,107	8,662	
Other Finance	276,405	(6,133)	4,899	275,171	301,474	282,632	7,461	
<u>Administration of Justice</u>								
Circuit Court	543,820	(5,699)	13,404	551,525	553,070	568,589	17,064	
General Sessions Court	193,727	(678)	1,138	194,187	197,451	197,451	3,264	
Drug Court	86,200	(4,583)	6,929	88,546	102,306	102,306	13,760	
Chancery Court	265,335	(6,360)	63	259,038	281,586	264,553	5,515	
District Attorney General	21,573	0	0	21,573	24,798	23,498	1,925	
Office of Public Defender	18,500	0	0	18,500	18,599	18,599	99	
Other Administration of Justice	710	0	0	710	1,600	1,600	890	
<u>Public Safety</u>								
Sheriff's Department	1,804,606	(5,008)	4,877	1,804,475	1,831,808	1,815,183	10,708	
Special Patrols	112,553	(1,118)	925	112,360	93,783	116,570	4,210	
Traffic Control	753	0	0	753	3,250	2,580	1,827	
Administration of the Sexual Offender Registry	3,800	0	1,000	4,800	4,875	4,875	75	
Jail	2,041,084	(16,304)	16,179	2,040,959	2,160,515	2,134,337	93,378	
Juvenile Services	28,432	(500)	500	28,432	36,000	34,900	6,468	
Commissary	0	0	0	0	43,686	0	0	
Fire Prevention and Control	143,496	0	0	143,496	145,705	145,759	2,263	
Civil Defense	192,508	(7,871)	80,092	264,729	235,123	370,890	106,161	
Rescue Squad	60,076	0	0	60,076	62,422	61,822	1,746	
Other Emergency Management	188,455	0	0	188,455	189,006	189,006	551	

(Continued)

Exhibit E-1

Campbell 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>Public Safety (Cont.)</u>							
County Coroner/Medical Examiner	\$ 81,493	\$ (5,200)	\$ 14,552	\$ 90,845	\$ 85,497	\$ 93,046	\$ 2,201
Other Public Safety	189,852	0	1,750	191,602	129,739	191,671	69
<u>Public Health and Welfare</u>							
Local Health Center	77,851	(2,031)	651	76,471	89,673	89,142	12,671
Rabies and Animal Control	129,731	(1,524)	318	128,525	142,388	142,141	13,616
Dental Health Program	6,972	(626)	0	6,346	7,740	7,740	1,394
Alcohol and Drug Programs	7,585	0	0	7,585	6,500	8,770	1,185
Crippled Children Services	2,763	0	0	2,763	2,764	2,764	1
Other Local Health Services	546,135	0	9,097	555,232	571,130	659,160	103,928
Appropriation to State	24,500	0	0	24,500	24,500	24,500	0
General Welfare Assistance	67,600	0	200	67,800	66,500	68,900	1,100
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	44,136	0	0	44,136	46,370	45,645	1,509
Libraries	38,000	0	0	38,000	38,000	38,000	0
Other Social, Cultural, and Recreational	20,783	0	125	20,908	20,150	27,570	6,662
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	48,991	(371)	1,254	49,874	52,230	52,230	2,356
Soil Conservation	1,283	0	0	1,283	6,450	6,450	5,167
<u>Other Operations</u>							
Airport	69,579	(61)	61	69,579	72,220	72,343	2,764
Veterans' Services	125,221	(453)	60	124,828	126,661	125,734	906
Contributions to Other Agencies	72,355	(581)	1,157	72,931	73,118	73,118	187
Employee Benefits	166,269	(10,108)	0	156,161	178,262	203,492	47,331
ARRA Grant No. 2	46,329	0	2,144	48,473	50,000	50,000	1,527

(Continued)

Exhibit E-1

Campbell 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>Other Operations (Cont.)</u>							
ARRA Grant No. 3	\$ 16,053	\$ 0	\$ 0	\$ 16,053	\$ 34,270	\$ 34,270	\$ 18,217
Miscellaneous	45,698	(3,135)	583	43,146	41,751	46,751	3,605
<u>Principal on Debt</u>							
General Government	389,583	0	0	389,583	20,834	389,584	1
<u>Interest on Debt</u>							
General Government	10,209	0	0	10,209	9,704	10,454	245
<u>Capital Projects</u>							
Other General Government Projects	0	0	0	0	35,000	0	0
Total Expenditures	\$ 11,562,996	\$ (148,511)	\$ 288,752	\$ 11,703,237	\$ 11,855,072	\$ 12,345,793	\$ 642,556
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (205,641)	\$ 148,511	\$ (288,752)	\$ (345,882)	\$ (315,715)	\$ (523,512)	\$ 177,630
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 12,804	\$ 0	\$ 0	\$ 12,804	\$ 0	\$ 17,034	\$ (4,230)
Transfers In	93,860	0	0	93,860	85,000	93,860	0
Transfers Out	(867,853)	0	0	(867,853)	0	(867,853)	0
Total Other Financing Sources (Uses)	\$ (761,189)	\$ 0	\$ 0	\$ (761,189)	\$ 85,000	\$ (756,959)	\$ (4,230)
Net Change in Fund Balance	\$ (966,830)	\$ 148,511	\$ (288,752)	\$ (1,107,071)	\$ (230,715)	\$ (1,280,471)	\$ 173,400
Fund Balance, July 1, 2009	3,828,902	(148,511)	0	3,680,391	3,496,466	3,496,466	183,925
Fund Balance, June 30, 2010	\$ 2,862,072	\$ 0	\$ (288,752)	\$ 2,573,320	\$ 3,265,751	\$ 2,215,995	\$ 357,325

Exhibit E-2

Campbell 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	\$ 2,157,302	\$ 0	\$ 0	\$ 2,157,302	\$ 2,163,458	\$ 2,163,458	\$ (6,156)
Charges for Current Services	74,420	0	0	74,420	58,570	58,600	15,820
Other Local Revenues	115,391	0	0	115,391	78,000	78,100	37,291
State of Tennessee	54,287	0	0	54,287	54,337	54,337	(50)
Total Revenues	\$ 2,401,400	\$ 0	\$ 0	\$ 2,401,400	\$ 2,354,365	\$ 2,354,495	\$ 46,905
<u>Expenditures</u>							
Public Health and Welfare							
Sanitation Management	\$ 334,736	(838)	1,878	335,776	346,870	341,185	5,409
Sanitation Education/Information	99,258	(4,462)	150	94,946	94,970	95,993	1,047
Convenience Centers	1,310,990	(1,360)	2,248	1,311,878	1,379,239	1,355,990	44,112
Transfer Stations	50,561	(1,000)	79	49,640	51,805	52,878	3,238
Recycling Center	275,357	(2,265)	2,279	275,371	294,813	285,967	10,596
Other Waste Disposal	168,354	0	61	168,415	164,952	174,140	5,725
Other Operations							
Employee Benefits	14,905	0	0	14,905	21,716	21,716	6,811
Total Expenditures	\$ 2,254,161	\$ (9,925)	\$ 6,695	\$ 2,250,931	\$ 2,354,365	\$ 2,327,869	\$ 76,938
Excess (Deficiency) of Revenues Over Expenditures	\$ 147,239	\$ 9,925	\$ (6,695)	\$ 150,469	\$ 0	\$ 26,626	\$ 123,843
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (26,626)	\$ 0	\$ 0	\$ (26,626)	\$ 0	\$ (26,626)	\$ 0
Total Other Financing Sources (Uses)	\$ (26,626)	\$ 0	\$ 0	\$ (26,626)	\$ 0	\$ (26,626)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 120,613	\$ 9,925	\$ (6,695)	\$ 123,843	\$ 0	\$ 0	\$ 123,843
Fund Balance, July 1, 2009	672,893	(9,925)	0	662,968	572,286	572,286	90,682
Fund Balance, June 30, 2010	\$ 793,506	\$ 0	\$ (6,695)	\$ 786,811	\$ 572,286	\$ 572,286	\$ 214,525

Exhibit E-3

Campbell 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:		Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		7/1/2009	6/30/2010			Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 872,782	\$ 0	\$ 0	\$ 0	\$ 872,782	\$ 831,998	\$ 823,498	\$ 49,284
Licenses and Permits	150	0	0	0	150	250	250	(100)
Other Local Revenues	348,528	0	0	0	348,528	443,574	427,368	(78,840)
State of Tennessee	2,240,087	0	0	0	2,240,087	2,076,029	2,445,485	(205,398)
Other Governments and Citizens Groups	70,961	0	0	0	70,961	0	70,960	1
Total Revenues	\$ 3,532,508	\$ 0	\$ 0	\$ 0	\$ 3,532,508	\$ 3,351,851	\$ 3,767,561	\$ (235,053)
<u>Expenditures</u>								
<u>Highways</u>								
Administration	\$ 181,228	\$ (96)	\$ 311	\$ 311	\$ 181,443	\$ 183,427	\$ 182,427	\$ 984
Highway and Bridge Maintenance	1,422,660	(38,426)	32,947	32,947	1,417,181	1,393,587	1,420,138	2,957
Operation and Maintenance of Equipment	788,829	(8,553)	67,149	67,149	847,425	902,089	881,507	34,082
Quarry Operations	238,596	0	2,096	2,096	240,692	226,526	240,997	305
Other Charges	132,380	(496)	896	896	132,780	130,965	133,259	479
Employee Benefits	76,182	(91)	107	107	76,198	76,237	81,861	5,663
Capital Outlay	425,407	(9,998)	29,738	29,738	445,147	529,426	1,020,761	575,614
Total Expenditures	\$ 3,265,282	\$ (57,660)	\$ 133,244	\$ 133,244	\$ 3,340,866	\$ 3,442,257	\$ 3,960,950	\$ 620,084
Excess (Deficiency) of Revenues Over Expenditures	\$ 267,226	\$ 57,660	\$ (133,244)	\$ (133,244)	\$ 191,642	\$ (90,406)	\$ (193,389)	\$ 385,031
<u>Other Financing Sources (Uses)</u>								
Transfers Out	\$ (21,276)	\$ 0	\$ 0	\$ 0	\$ (21,276)	\$ 0	\$ (21,276)	\$ 0
Total Other Financing Sources (Uses)	\$ (21,276)	\$ 0	\$ 0	\$ 0	\$ (21,276)	\$ 0	\$ (21,276)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 245,950	\$ 57,660	\$ (133,244)	\$ (133,244)	\$ 170,366	\$ (90,406)	\$ (214,665)	\$ 385,031
Fund Balance, July 1, 2009	597,121	(57,660)	0	0	539,461	577,185	577,185	(37,724)
Fund Balance, June 30, 2010	\$ 843,071	\$ 0	\$ (133,244)	\$ (133,244)	\$ 709,827	\$ 486,779	\$ 362,520	\$ 347,307

Exhibit E-4

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued 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)
7-1-09	\$ 26,563	\$ 29,104	\$ 2,541	91.97 %	\$ 11,402	22.28 %
7-1-07	24,788	26,952	2,164	91.97	11,284	19.18

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 was a change made during the year of the 2007 actuarial study; therefore, only the two most recent valuations are presented.

Exhibit E-5

Campbell County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Campbell 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 (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-09	\$ 340	\$ 496	\$ 156	68.57 %	299	52.12 %
7-1-07	249	324	75	76.85	205	36.59

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 was a change made during the year of the 2007 actuarial study; therefore, only the two most recent valuations are presented.

Exhibit E-6

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

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date*	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Campbell County	7-1-08	\$ 0	\$ 1,941	\$ 1,941	0 %	\$ 7,067	27 %
<u>DISCRETELY PRESENTED CAMPBELL COUNTY SCHOOL DEPARTMENT</u>							
Teachers:							
Local Education Group	7-1-07	0	13,608	13,608	0	23,808	57
"	7-1-09	0	10,259	10,259	0	18,003	57
Non-Teachers:							
Campbell County	7-1-08	0	3,228	3,228	0	5,006	64

*Data for three actuarial valuations will be presented when available.

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

BUDGETARY INFORMATION

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

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

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Ambulance Service Fund – The Ambulance Service Fund is used to account for transactions of the county ambulance service.

Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for various industrial, planning, and economic development programs of the county.

Special Purpose Fund – The Special Purpose Fund was established by the County Commission to account for funds set aside for a postemployment benefits plan.

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 for the county.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for capital expenditures of the county and the School Department.

Exhibit F-1

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

	Special Revenue Funds					Total
	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	Constitutional Officers - Fees	
\$	200	0	0	0	3,000	3,200
Equity in Pooled Cash and Investments	583,626	170,042	414,029	27,325	0	1,195,022
Accounts Receivable	617,523	3,938	0	0	255	621,716
Allowance for Uncollectibles	(11,610)	0	0	0	0	(11,610)
Due from Other Governments	0	96,467	0	0	0	96,467
Property Taxes Receivable	132,469	70,439	0	0	0	202,908
Allowance for Uncollectible Property Taxes	(10,773)	(7,244)	0	0	0	(18,017)
Total Assets	\$ 1,311,435	\$ 333,642	\$ 414,029	\$ 27,325	\$ 3,255	\$ 2,089,686

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Allowance for Uncollectibles
 Due from Other Governments
 Property Taxes Receivable
 Allowance for Uncollectible Property Taxes

LIABILITIES AND FUND BALANCES

Liabilities	\$	5,274	6,500	0	0	0	0	0	11,774
Accounts Payable	30,337	1,824	0	0	235	0	0	0	32,396
Payroll Deductions Payable	0	0	0	0	0	0	0	0	0
Retainage Payable	0	0	0	0	0	0	0	3,255	3,255
Due to Other Funds	0	0	0	0	0	0	0	0	0
Other Current Liabilities	117,002	58,501	0	0	19,553	0	0	0	19,553
Deferred Revenue - Current Property Taxes	4,224	4,224	0	0	0	0	0	0	175,503
Deferred Revenue - Delinquent Property Taxes	447,176	0	0	0	0	0	0	0	8,448
Other Deferred Revenues	604,013	71,049	0	0	19,788	0	0	0	447,176
Total Liabilities	\$	604,013	\$ 71,049	\$ 0	\$ 19,788	\$ 3,255	\$ 0	\$ 0	\$ 698,105
Fund Balances	\$	8,173	\$ 47,135	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 55,308
Reserved for Encumbrances	699,249	215,458	414,029	7,537	0	0	0	0	1,336,273
Unreserved (Deficit)	707,422	262,593	414,029	7,537	0	0	0	0	1,391,581
Total Fund Balances	\$	1,311,435	\$ 333,642	\$ 414,029	\$ 27,325	\$ 3,255	\$ 0	\$ 0	\$ 2,089,686
Total Liabilities and Fund Balances	\$	1,311,435	\$ 333,642	\$ 414,029	\$ 27,325	\$ 3,255	\$ 0	\$ 0	\$ 2,089,686

(Continued)

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

	Capital Projects Funds			Total
	General Capital Projects	Other Capital Projects	Nonmajor Governmental Funds	

ASSETS

Cash	\$ 0	\$ 0	\$ 0	\$ 3,200
Equity in Pooled Cash and Investments	351,220	697,678	1,048,898	2,243,920
Accounts Receivable	0	0	0	621,716
Allowance for Uncollectibles	0	0	0	(11,610)
Due from Other Governments	0	7,107	7,107	103,574
Property Taxes Receivable	431,041	0	431,041	633,949
Allowance for Uncollectible Property Taxes	(47,172)	0	(47,172)	(65,189)
Total Assets	\$ 735,089	\$ 704,785	\$ 1,439,874	\$ 3,529,560

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>	\$ 649	\$ 288	\$ 937	\$ 12,711
Accounts Payable	0	0	0	32,396
Payroll Deductions Payable	30,560	2,710	33,270	33,270
Retainage Payable	0	0	0	3,255
Due to Other Funds	0	0	0	19,553
Other Current Liabilities	351,006	0	351,006	526,509
Deferred Revenue - Current Property Taxes	29,574	0	29,574	38,022
Deferred Revenue - Delinquent Property Taxes	0	0	0	447,176
Total Liabilities	\$ 411,789	\$ 2,998	\$ 414,787	\$ 1,112,892
<u>Fund Balances</u>	\$ 161,995	\$ 817,835	\$ 979,830	\$ 1,035,138
Reserved for Encumbrances	161,305	(116,048)	45,257	1,381,530
Unreserved (Deficit)	323,300	701,787	1,025,087	2,416,668
Total Liabilities and Fund Balances	\$ 735,089	\$ 704,785	\$ 1,439,874	\$ 3,529,560

Exhibit F-2

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

	Special Revenue Funds						Total
	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	Constitu- tional Officers - Fees		
Revenues							
Local Taxes	\$ 63,724	\$ 152,591	\$ 0	\$ 0	\$ 0	\$ 0	\$ 216,315
Fines, Forfeitures, and Penalties	0	0	0	56,815	0	0	56,815
Charges for Current Services	1,839,948	0	0	0	27,101	0	1,867,049
Other Local Revenues	1,491	39,378	0	0	0	0	40,869
State of Tennessee	0	0	0	0	0	0	0
Federal Government	0	0	0	0	0	0	0
Other Governments and Citizens Groups	0	458,291	0	0	0	0	458,291
Total Revenues	\$ 1,905,163	\$ 650,260	\$ 0	\$ 56,815	\$ 27,101	\$ 0	\$ 2,639,339
Expenditures							
Current:							
General Government	\$ 0	\$ 75,523	\$ 0	\$ 0	\$ 0	\$ 0	\$ 75,523
Administration of Justice	0	0	0	0	27,101	0	27,101
Public Safety	0	0	0	87,291	0	0	87,291
Public Health and Welfare	1,905,748	0	0	0	0	0	1,905,748
Other Operations	11,439	552,275	4,434	0	0	0	568,148
Highways	0	0	2,993	0	0	0	2,993
Debt Service:							
Principal on Debt	28,333	0	0	0	0	0	28,333
Interest on Debt	1,908	0	0	0	0	0	1,908
Capital Projects	0	0	0	0	0	0	0
Total Expenditures	\$ 1,947,428	\$ 627,798	\$ 7,427	\$ 87,291	\$ 27,101	\$ 0	\$ 2,697,045
Excess (Deficiency) of Revenues Over Expenditures	\$ (42,265)	\$ 22,462	\$ (7,427)	\$ (30,476)	\$ 0	\$ 0	\$ (57,706)
Other Financing Sources (Uses)							
Notes Issued	\$ 85,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 85,000
Insurance Recovery	9,654	0	0	0	0	0	9,654
Transfers In	0	0	153,530	0	0	0	153,530
Transfers Out	(204,500)	(100,760)	0	0	0	0	(305,260)
Total Other Financing Sources (Uses)	\$ (109,846)	\$ (100,760)	\$ 153,530	\$ 0	\$ 0	\$ 0	\$ (57,076)
Net Change in Fund Balances	\$ (152,111)	\$ (78,298)	\$ 146,103	\$ (30,476)	\$ 0	\$ 0	\$ (114,782)
Fund Balance, July 1, 2009	859,533	340,891	267,926	38,013	0	0	1,506,363
Fund Balance, June 30, 2010	\$ 707,422	\$ 262,593	\$ 414,029	\$ 7,537	\$ 0	\$ 0	\$ 1,391,581

(Continued)

Exhibit F-2

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

	Capital Projects Funds			Total Nonmajor Governmental Funds
	General Capital Projects	Other Capital Projects	Total	
Revenues				
Local Taxes	\$ 519,079	\$ 0	\$ 519,079	\$ 735,394
Fines, Forfeitures, and Penalties	0	0	0	56,815
Charges for Current Services	0	0	0	1,867,049
Other Local Revenues	2,651	17,900	20,551	61,420
State of Tennessee	0	29,396	29,396	29,396
Federal Government	0	6,712	6,712	6,712
Other Governments and Citizens Groups	0	0	0	458,291
Total Revenues	\$ 521,730	\$ 54,008	\$ 575,738	\$ 3,215,077
Expenditures				
Current:				
General Government	0	0	0	75,523
Administration of Justice	0	0	0	27,101
Public Safety	0	0	0	87,291
Public Health and Welfare	0	0	0	1,905,748
Other Operations	0	0	0	568,148
Highways	0	0	0	2,993
Debt Service:				
Principal on Debt	0	0	0	28,333
Interest on Debt	0	0	0	1,908
Capital Projects	1,713,322	1,289,368	3,002,690	3,002,690
Total Expenditures	\$ 1,713,322	\$ 1,289,368	\$ 3,002,690	\$ 5,699,735
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,191,592)	\$ (1,235,360)	\$ (2,426,952)	\$ (2,484,658)
Other Financing Sources (Uses)				
Notes Issued	\$ 750,000	\$ 150,000	\$ 900,000	\$ 985,000
Insurance Recovery	0	0	0	9,654
Transfers In	104,409	570,583	674,992	828,522
Transfers Out	(244,776)	(4,409)	(249,185)	(554,445)
Total Other Financing Sources (Uses)	\$ 609,633	\$ 716,174	\$ 1,325,807	\$ 1,268,731
Net Change in Fund Balances	\$ (581,959)	\$ (519,186)	\$ (1,101,145)	\$ (1,215,927)
Fund Balance, July 1, 2009	905,259	1,220,973	2,126,232	3,632,595
Fund Balance, June 30, 2010	\$ 323,300	\$ 701,787	\$ 1,025,087	\$ 2,416,668

Exhibit F-3

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Ambulance Service 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	\$ 63,724	\$ 0	\$ 0	\$ 63,724	\$ 63,847	\$ 63,847	\$ (123)
Charges for Current Services	1,839,948	0	0	1,839,948	1,624,935	1,827,829	12,119
Other Local Revenues	1,491	0	0	1,491	0	6,000	(4,509)
Total Revenues	\$ 1,905,163	\$ 0	\$ 0	\$ 1,905,163	\$ 1,688,782	\$ 1,897,676	\$ 7,487
<u>Expenditures</u>							
Public Health and Welfare							
Ambulance/Emergency Medical Services	\$ 1,905,748	(4,263)	8,173	1,909,658	1,633,752	1,931,212	21,554
Other Operations							
Employee Benefits	11,439	0	0	11,439	16,001	17,345	5,906
Principal on Debt							
General Government	28,333	0	0	28,333	22,917	28,333	0
Interest on Debt							
General Government	1,908	0	0	1,908	1,112	1,912	4
Total Expenditures	\$ 1,947,428	(4,263)	8,173	\$ 1,951,338	\$ 1,673,782	\$ 1,978,802	\$ 27,464
Excess (Deficiency) of Revenues Over Expenditures	\$ (42,265)	\$ 4,263	(8,173)	\$ (46,175)	\$ 15,000	\$ (81,126)	\$ 34,951
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 85,000	\$ 0	\$ 0	\$ 85,000	\$ 50,000	\$ 85,000	\$ 0
Insurance Recovery	9,654	0	0	9,654	0	0	9,654
Transfers Out	(204,500)	0	0	(204,500)	(85,000)	(204,500)	0
Total Other Financing Sources (Uses)	\$ (109,846)	\$ 0	\$ 0	\$ (109,846)	\$ (35,000)	\$ (119,500)	\$ 9,654
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (152,111)	4,263	(8,173)	(156,021)	(20,000)	(200,626)	44,605
Fund Balance, July 1, 2009	859,533	(4,263)	0	855,270	777,820	777,820	77,450
Fund Balance, June 30, 2010	\$ 707,422	\$ 0	(8,173)	\$ 699,249	\$ 757,820	\$ 577,194	\$ 122,055

Exhibit F-4

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Industrial/Economic Development 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	\$ 152,591	\$ 0	\$ 0	\$ 152,591	\$ 159,562	\$ 159,562	\$ (6,971)
Other Local Revenues	39,378	0	0	39,378	47,253	47,253	(7,875)
Federal Government	0	0	0	0	440,945	0	0
Other Governments and Citizens Groups	458,291	0	0	458,291	25,400	595,634	(137,343)
Total Revenues	\$ 650,260	\$ 0	\$ 0	\$ 650,260	\$ 673,160	\$ 802,449	\$ (152,189)
<u>Expenditures</u>							
<u>General Government</u>							
Development	\$ 41,383	\$ (31,850)	\$ 12,414	\$ 21,947	\$ 40,000	\$ 40,000	\$ 18,053
Planning	23,056	(3,494)	10,813	30,375	35,687	35,687	5,312
Other Facilities	11,084	(130)	438	11,392	10,850	11,850	458
<u>Other Operations</u>							
Tourism	45,000	0	0	45,000	45,000	45,000	0
Industrial Development	72,593	0	15,953	88,546	99,534	97,254	8,708
Other Economic and Community Development	338,868	(2,996)	7,517	343,389	314,225	443,317	99,928
Employee Benefits	0	0	0	0	1,144	1,144	1,144
ARRA Grant No. 1	95,814	0	0	95,814	126,720	128,437	32,623
Total Expenditures	\$ 627,798	\$ (38,470)	\$ 47,135	\$ 636,463	\$ 673,160	\$ 802,689	\$ 166,226
Excess (Deficiency) of Revenues Over Expenditures	\$ 22,462	\$ 38,470	\$ (47,135)	\$ 13,797	\$ 0	\$ (240)	\$ 14,037
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (100,760)	\$ 0	\$ 0	\$ (100,760)	\$ (100,000)	\$ (100,760)	\$ 0
Total Other Financing Sources (Uses)	\$ (100,760)	\$ 0	\$ 0	\$ (100,760)	\$ (100,000)	\$ (100,760)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (78,298)	\$ 38,470	\$ (47,135)	\$ (86,963)	\$ (100,000)	\$ (101,000)	\$ 14,037
Fund Balance, July 1, 2009	340,891	(38,470)	0	302,421	330,814	330,814	(28,393)
Fund Balance, June 30, 2010	\$ 262,593	\$ 0	\$ (47,135)	\$ 215,458	\$ 230,814	\$ 229,814	\$ (14,356)

Exhibit F-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 152,718	\$ 0	\$ 0
Total Revenues	\$ 0	\$ 152,718	\$ 0	\$ 0
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 0	\$ 17,455	\$ 17,455	\$ 17,455
<u>Other Operations</u>				
Employee Benefits	4,434	57,072	57,072	52,638
<u>Highways</u>				
Employee Benefits	2,993	32,137	32,137	29,144
Total Expenditures	\$ 7,427	\$ 106,664	\$ 106,664	\$ 99,237
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,427)	\$ 46,054	\$ (106,664)	\$ 99,237
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 153,530	\$ 0	\$ 152,718	\$ 812
Total Other Financing Sources (Uses)	\$ 153,530	\$ 0	\$ 152,718	\$ 812
Net Change in Fund Balance	\$ 146,103	\$ 46,054	\$ 46,054	\$ 100,049
Fund Balance, July 1, 2009	267,926	266,199	266,199	1,727
Fund Balance, June 30, 2010	\$ 414,029	\$ 312,253	\$ 312,253	\$ 101,776

Exhibit F-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 56,815 \$	0 \$	56,815 \$	88,200 \$	64,200 \$	(7,385)
Other Local Revenues	0	0	0	9,000	1,000	(1,000)
Total Revenues	\$ 56,815 \$	0 \$	56,815 \$	97,200 \$	65,200 \$	(8,385)
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 87,291 \$	(738) \$	86,553 \$	97,200 \$	89,296 \$	2,743
Total Expenditures	\$ 87,291 \$	(738) \$	86,553 \$	97,200 \$	89,296 \$	2,743
Excess (Deficiency) of Revenues Over Expenditures	\$ (30,476) \$	738 \$	(29,738) \$	0 \$	(24,096) \$	(5,642)
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (30,476) \$	738 \$	(29,738) \$	0 \$	(24,096) \$	(5,642)
	38,013	(738)	37,275	31,426	31,426	5,849
Fund Balance, June 30, 2010	\$ 7,537 \$	0 \$	7,537 \$	31,426 \$	7,330 \$	207

Exhibit F-7

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General 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>Revenues</u>							
Local Taxes	\$ 519,079	\$ 0	\$ 0	\$ 519,079	\$ 522,927	\$ 522,927	\$ (3,848)
Other Local Revenues	2,651	0	0	2,651	0	10,000	(7,349)
State of Tennessee	0	0	0	0	116,050	116,050	(116,050)
Federal Government	0	0	0	0	0	171,000	(171,000)
Total Revenues	\$ 521,730	\$ 0	\$ 0	\$ 521,730	\$ 638,977	\$ 819,977	\$ (298,247)
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 65,174	\$ (35,673)	\$ 8,082	\$ 37,583	\$ 268,459	\$ 237,959	\$ 200,376
Public Safety Projects	67,452	0	0	67,452	67,500	67,500	48
Public Health and Welfare Projects	122,390	(16,175)	0	106,215	133,375	118,375	12,160
Social, Cultural, and Recreation Projects	672,988	(19,914)	36,165	689,239	690,299	690,299	1,060
Public Utility Projects	0	0	0	0	0	181,000	181,000
Highway and Street Capital Projects	13,945	(16,945)	117,748	114,748	220,000	185,000	70,252
Education Capital Projects	771,373	0	0	771,373	21,500	771,500	127
Total Expenditures	\$ 1,713,322	\$ (88,707)	\$ 161,995	\$ 1,786,610	\$ 1,401,133	\$ 2,251,633	\$ 465,023
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,191,592)	\$ 88,707	\$ (161,995)	\$ (1,264,880)	\$ (762,156)	\$ (1,431,656)	\$ 166,776
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 750,000	\$ 0	\$ 0	\$ 750,000	\$ 0	\$ 750,000	\$ 0
Transfers In	104,409	0	0	104,409	100,000	104,409	0
Transfers Out	(244,776)	0	0	(244,776)	(159,776)	(244,776)	0
Total Other Financing Sources (Uses)	\$ 609,633	\$ 0	\$ 0	\$ 609,633	\$ (59,776)	\$ 609,633	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (581,959)	\$ 88,707	\$ (161,995)	\$ (655,247)	\$ (821,932)	\$ (822,023)	\$ 166,776
Fund Balance, July 1, 2009	\$ 905,259	\$ (88,707)	\$ 0	\$ 816,552	\$ 821,932	\$ 822,023	\$ (5,471)
Fund Balance, June 30, 2010	\$ 323,300	\$ 0	\$ (161,995)	\$ 161,305	\$ 0	\$ 0	\$ 161,305

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

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,682,231	\$ 1,845,143	\$ 1,729,143	\$ (46,912)
Other Local Revenues	244,536	335,100	252,463	(7,927)
Other Governments and Citizens Groups	1,413,196	1,250,000	1,413,196	0
Total Revenues	<u>\$ 3,339,963</u>	<u>\$ 3,430,243</u>	<u>\$ 3,394,802</u>	<u>\$ (54,839)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 309,160	\$ 309,160	\$ 309,160	\$ 0
Highways and Streets	850,000	100,000	850,000	0
Education	1,287,507	1,162,507	1,287,507	0
<u>Interest on Debt</u>				
General Government	185,997	289,257	186,900	903
Highways and Streets	32,502	32,505	32,505	3
Education	1,318,713	1,283,509	1,321,705	2,992
<u>Other Debt Service</u>				
General Government	44,864	151,500	54,500	9,636
Total Expenditures	<u>\$ 4,028,743</u>	<u>\$ 3,328,438</u>	<u>\$ 4,042,277</u>	<u>\$ 13,534</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (688,780)</u>	<u>\$ 101,805</u>	<u>\$ (647,475)</u>	<u>\$ (41,305)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 588,625	\$ 0	\$ 588,625	\$ 0
Transfers Out	(40,807)	0	(40,807)	0
Total Other Financing Sources (Uses)	<u>\$ 547,818</u>	<u>\$ 0</u>	<u>\$ 547,818</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (140,962)	\$ 101,805	\$ (99,657)	\$ (41,305)
Fund Balance, July 1, 2009	<u>2,148,834</u>	<u>2,133,916</u>	<u>2,133,916</u>	<u>14,918</u>
Fund Balance, June 30, 2010	<u>\$ 2,007,872</u>	<u>\$ 2,235,721</u>	<u>\$ 2,034,259</u>	<u>\$ (26,387)</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 and general sessions courts clerk, clerk and master, register, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit H-1

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

	<u>Agency Funds</u>		
	Cities -	Constitu-	
	Sales	tional	
	Tax	Officers -	
		Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 3,807,804	\$ 3,807,804
Due from Other Governments	548,303	0	548,303
Total Assets	<u>\$ 548,303</u>	<u>\$ 3,807,804</u>	<u>\$ 4,356,107</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 548,303	\$ 0	\$ 548,303
Due to Litigants, Heirs, and Others	0	3,807,804	3,807,804
Total Liabilities	<u>\$ 548,303</u>	<u>\$ 3,807,804</u>	<u>\$ 4,356,107</u>

Exhibit H-2

Campbell 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	\$ 3,072,058	\$ 3,072,058	\$ 0
Due from Other Governments	557,592	548,303	557,592	548,303
Total Assets	\$ 557,592	\$ 3,620,361	\$ 3,629,650	\$ 548,303
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 557,592	\$ 3,620,361	\$ 3,629,650	\$ 548,303
Total Liabilities	\$ 557,592	\$ 3,620,361	\$ 3,629,650	\$ 548,303
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 3,700,623	\$ 8,460,355	\$ 8,353,174	\$ 3,807,804
Total Assets	\$ 3,700,623	\$ 8,460,355	\$ 8,353,174	\$ 3,807,804
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 3,700,623	\$ 8,460,355	\$ 8,353,174	\$ 3,807,804
Total Liabilities	\$ 3,700,623	\$ 8,460,355	\$ 8,353,174	\$ 3,807,804
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 3,700,623	\$ 8,460,355	\$ 8,353,174	\$ 3,807,804
Equity in Pooled Cash and Investments	0	3,072,058	3,072,058	0
Due from Other Governments	557,592	548,303	557,592	548,303
Total Assets	\$ 4,258,215	\$ 12,080,716	\$ 11,982,824	\$ 4,356,107
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 557,592	\$ 3,620,361	\$ 3,629,650	\$ 548,303
Due to Litigants, Heirs, and Others	3,700,623	8,460,355	8,353,174	3,807,804
Total Liabilities	\$ 4,258,215	\$ 12,080,716	\$ 11,982,824	\$ 4,356,107

Campbell County School Department

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

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

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

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

Exhibit I-1

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

Functions/Programs	Program Revenues			Charges for Services	Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions		Total Governmental Activities	
Governmental Activities:						
Instruction	\$ 25,270,551	\$ 5,279,248	\$ 0	\$ 630	\$ 0	\$ (19,990,673)
Support Services	16,756,601	1,867,946	1,548,584	25,887		(13,314,184)
Operation of Non-Instructional Services	4,868,182	2,442,725	11,002	688,188		(1,726,267)
Other Debt Service	1,413,196	0	0	0		(1,413,196)
Total Governmental Activities	\$ 48,308,530	\$ 9,589,919	\$ 1,559,586	\$ 714,705	\$ 1,559,586	\$ (36,444,320)
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$	\$ 3,595,518
Local Option Sales Taxes						3,216,626
Wheel Taxes						1,145,393
Coal Severance Taxes						202,614
Other Local Taxes						2,191
Grants and Contributions Not Restricted to Specific Programs						29,520,316
Unrestricted Investment Income						2,034
Miscellaneous						119,611
Gain on Disposal of Capital Assets						0
Total General Revenues					\$	\$ 37,804,303
Change in Net Assets					\$	\$ 1,359,983
Net Assets, July 1, 2009						49,136,499
Net Assets, June 30, 2010					\$	\$ 50,496,482

Exhibit I-2

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

	Major Funds			Total Govern- mental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>				
Cash	\$ 214	\$ 0	\$ 12,270	\$ 12,484
Equity in Pooled Cash and Investments	4,695,898	721,454	941,763	6,359,115
Accounts Receivable	6,256	0	0	6,256
Due from Other Governments	1,131,430	140,945	102,280	1,374,655
Due from Other Funds	0	19,191	0	19,191
Property Taxes Receivable	3,456,741	0	0	3,456,741
Allowance for Uncollectible Property Taxes	(381,092)	0	0	(381,092)
Total Assets	<u>\$ 8,909,447</u>	<u>\$ 881,590</u>	<u>\$ 1,056,313</u>	<u>\$ 10,847,350</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 50,367	\$ 1,426	\$ 1,063	\$ 52,856
Accrued Payroll	26,439	0	0	26,439
Payroll Deductions Payable	303,881	75,719	29,885	409,485
Contracts Payable	234,311	0	0	234,311
Retainage Payable	15,385	0	0	15,385
Due to Other Funds	19,191	0	0	19,191
Due to State of Tennessee	30	0	0	30
Deferred Revenue - Current Property Taxes	2,808,048	0	0	2,808,048
Deferred Revenue - Delinquent Property Taxes	240,820	0	0	240,820
Other Deferred Revenues	250,762	0	0	250,762
Total Liabilities	<u>\$ 3,949,234</u>	<u>\$ 77,145</u>	<u>\$ 30,948</u>	<u>\$ 4,057,327</u>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 830,568	\$ 0	\$ 9,707	\$ 840,275
Reserved for Career Ladder Program	21,512	0	0	21,512
Reserved for Title I Grants to Local Education Agencies	0	129,000	0	129,000
Reserved for Special Education - Grants to States	0	162,799	0	162,799
Other Federal Reserves	0	12,646	0	12,646
Unreserved, Reported In:				
General Fund	4,108,133	0	0	4,108,133
Special Revenue Funds	0	500,000	1,015,658	1,515,658
Total Fund Balances	<u>\$ 4,960,213</u>	<u>\$ 804,445</u>	<u>\$ 1,025,365</u>	<u>\$ 6,790,023</u>
Total Liabilities and Fund Balances	<u>\$ 8,909,447</u>	<u>\$ 881,590</u>	<u>\$ 1,056,313</u>	<u>\$ 10,847,350</u>

Exhibit I-3

Campbell County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
Discretely Presented Campbell 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)		\$ 6,790,023
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,129,742	
Add: construction in progress	270,421	
Add: buildings and improvements net of accumulated depreciation	43,995,828	
Add: other capital assets net of accumulated depreciation	<u>732,325</u>	46,128,316
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability		(2,913,439)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>491,582</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 50,496,482</u>

Exhibit I-4

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

	Major Funds			Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>Revenues</u>				
Local Taxes	\$ 8,214,145	\$ 0	\$ 0	\$ 8,214,145
Licenses and Permits	1,434	0	0	1,434
Charges for Current Services	25,879	0	688,826	714,705
Other Local Revenues	143,004	0	2,034	145,038
State of Tennessee	27,967,005	0	32,453	27,999,458
Federal Government	498,902	7,426,776	2,421,274	10,346,952
Other Governments and Citizens Groups	750,000	0	0	750,000
Total Revenues	<u>\$ 37,600,369</u>	<u>\$ 7,426,776</u>	<u>\$ 3,144,587</u>	<u>\$ 48,171,732</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 18,912,404	\$ 5,752,601	\$ 0	\$ 24,665,005
Support Services	13,245,096	1,404,718	0	14,649,814
Operation of Non-Instructional Services	1,582,355	62,583	3,134,684	4,779,622
Capital Outlay	689,990	0	0	689,990
Debt Service:				
Other Debt Service	1,413,196	0	0	1,413,196
Total Expenditures	<u>\$ 35,843,041</u>	<u>\$ 7,219,902</u>	<u>\$ 3,134,684</u>	<u>\$ 46,197,627</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,757,328</u>	<u>\$ 206,874</u>	<u>\$ 9,903</u>	<u>\$ 1,974,105</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 505,048	\$ 191,917	\$ 696,965
Transfers Out	(446,965)	0	(250,000)	(696,965)
Total Other Financing Sources (Uses)	<u>\$ (446,965)</u>	<u>\$ 505,048</u>	<u>\$ (58,083)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 1,310,363	\$ 711,922	\$ (48,180)	\$ 1,974,105
Fund Balance, July 1, 2009	3,649,850	92,523	1,073,545	4,815,918
Fund Balance, June 30, 2010	<u>\$ 4,960,213</u>	<u>\$ 804,445</u>	<u>\$ 1,025,365</u>	<u>\$ 6,790,023</u>

Exhibit I-5

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

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$	1,974,105
(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	\$	397,754	
Less: current-year depreciation expense		<u>(1,939,110)</u>	(1,541,356)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.			
Add: capital assets donated and capitalized			1,548,584
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2010	\$	491,582	
Less: deferred delinquent property taxes and other deferred June 30, 2009		<u>(543,385)</u>	(51,803)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in other postemployment benefits liability			<u>(569,547)</u>
Change in net assets of governmental activities (Exhibit B)		\$	<u>1,359,983</u>

Exhibit I-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 8,214,145	\$ 0	\$ 0	\$ 8,214,145	\$ 8,172,205	\$ 8,172,205	\$ 41,940
Licenses and Permits	1,434	0	0	1,434	2,500	2,500	(1,066)
Charges for Current Services	25,879	0	0	25,879	60,807	64,807	(38,928)
Other Local Revenues	143,004	0	0	143,004	201,015	165,322	(22,318)
State of Tennessee	27,967,005	0	0	27,967,005	27,403,569	27,888,582	78,423
Federal Government	498,902	0	0	498,902	364,955	580,878	(81,976)
Other Governments and Citizens Groups	750,000	0	0	750,000	0	1,370,000	(620,000)
Total Revenues	\$ 37,600,369	\$ 0	\$ 0	\$ 37,600,369	\$ 36,205,051	\$ 38,244,294	\$ (643,925)
Expenditures							
Instruction							
Regular Instruction Program	\$ 16,076,023	\$ (2,211)	\$ 11,611	\$ 16,085,423	\$ 16,457,574	\$ 16,243,791	\$ 158,368
Alternative Instruction Program	178,766	0	0	178,766	165,656	180,480	1,714
Special Education Program	1,227,203	(250)	311	1,227,264	1,314,063	1,246,957	19,693
Vocational Education Program	1,361,328	(105)	0	1,361,223	1,340,346	1,376,103	14,880
Adult Education Program	69,084	0	0	69,084	67,352	88,955	19,871
Support Services							
Attendance	81,233	0	0	81,233	85,877	85,877	4,644
Health Services	254,931	(569)	0	254,362	261,504	263,786	9,424
Other Student Support	1,075,549	(225)	755	1,076,079	1,026,456	1,091,804	15,725
Regular Instruction Program	1,453,753	(3,725)	20,695	1,470,723	1,346,040	1,562,391	91,668
Alternative Instruction Program	60,407	0	0	60,407	61,774	61,774	1,367
Special Education Program	382,868	0	0	382,868	389,574	387,399	4,531
Vocational Education Program	152,071	0	0	152,071	158,561	154,673	2,602

(Continued)

Exhibit I-6

Campbell County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Campbell 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	
Expenditures (Cont.)							
Support Services (Cont.)							
Adult Programs	\$ 51,981	\$ 0	\$ 168	\$ 52,149	\$ 45,748	\$ 54,555	\$ 2,406
Other Programs	307,287	0	0	307,287	0	307,287	0
Board of Education	813,971	(2,083)	91,458	903,346	926,605	1,032,460	129,114
Director of Schools	243,573	(2,989)	465	241,049	247,267	261,962	20,913
Office of the Principal	2,317,412	(90)	0	2,317,322	2,312,099	2,369,278	51,956
Fiscal Services	120,067	0	0	120,067	120,067	120,067	0
Operation of Plant	3,402,691	(5,641)	30,571	3,427,621	3,615,007	3,481,543	53,922
Maintenance of Plant	593,900	(85,106)	29,724	538,518	567,527	575,631	37,113
Transportation	1,349,560	(2,478)	2,653	1,349,735	1,349,107	1,364,623	14,888
Central and Other	583,842	0	107,961	691,803	734,947	734,947	43,144
Operation of Non-Instructional Services							
Community Services	625,792	0	124	625,916	725,750	694,381	68,465
Early Childhood Education	956,563	0	0	956,563	970,300	970,719	14,156
Capital Outlay							
Regular Capital Outlay	689,990	(46,078)	534,072	1,177,984	350,000	2,088,073	910,089
Principal on Debt							
Education	0	0	0	0	125,000	0	0
Interest on Debt	0	0	0	0	43,885	0	0
Other Debt Service							
Education	1,413,196	0	0	1,413,196	1,250,000	1,418,885	5,689
Total Expenditures	\$ 35,843,041	\$ (151,550)	\$ 830,568	\$ 36,522,059	\$ 36,058,086	\$ 38,218,401	\$ 1,696,342

(Continued)

Exhibit I-6

Campbell County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Campbell 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	
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,757,328	\$ 151,550	\$ (830,568)	\$ 1,078,310	\$ 146,965	\$ 25,893	\$ 1,052,417
Other Financing Sources (Uses)							
Transfers Out	\$ (446,965)	\$ 0	\$ 0	\$ (446,965)	\$ (196,965)	\$ (446,965)	\$ 0
Total Other Financing Sources (Uses)	\$ (446,965)	\$ 0	\$ 0	\$ (446,965)	\$ (196,965)	\$ (446,965)	\$ 0
Net Change in Fund Balance	\$ 1,310,363	\$ 151,550	\$ (830,568)	\$ 631,345	\$ (50,000)	\$ (421,072)	\$ 1,052,417
Fund Balance, July 1, 2009	3,649,850	(151,550)	0	3,498,300	2,809,585	2,809,585	688,715
Fund Balance, June 30, 2010	\$ 4,960,213	\$ 0	\$ (830,568)	\$ 4,129,645	\$ 2,759,585	\$ 2,388,513	\$ 1,741,132

Exhibit I-7

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Campbell 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	\$ 7,426,776	\$ 8,562,230	\$ 8,518,678	\$ (1,091,902)
Total Revenues	\$ 7,426,776	\$ 8,562,230	\$ 8,518,678	\$ (1,091,902)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,433,441	\$ 4,094,332	\$ 3,894,327	\$ 460,886
Special Education Program	2,225,275	2,495,661	2,549,458	324,183
Vocational Education Program	93,885	91,704	94,249	364
<u>Support Services</u>				
Health Services	43,839	51,390	44,892	1,053
Other Student Support	100,351	613,985	577,019	476,668
Regular Instruction Program	966,449	727,418	1,029,547	63,098
Special Education Program	152,024	169,868	186,618	34,594
Vocational Education Program	59,662	58,813	59,697	35
Operation of Plant	0	1,914	1,914	1,914
Transportation	82,393	199,941	263,325	180,932
<u>Operation of Non-Instructional Services</u>				
Early Childhood Education	62,583	62,252	64,794	2,211
Total Expenditures	\$ 7,219,902	\$ 8,567,278	\$ 8,765,840	\$ 1,545,938
Excess (Deficiency) of Revenues Over Expenditures	\$ 206,874	\$ (5,048)	\$ (247,162)	\$ 454,036
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 505,048	\$ 162,759	\$ 505,048	\$ 0
Transfers Out	0	(157,711)	0	0
Total Other Financing Sources (Uses)	\$ 505,048	\$ 5,048	\$ 505,048	\$ 0
Net Change in Fund Balance	\$ 711,922	\$ 0	\$ 257,886	\$ 454,036
Fund Balance, July 1, 2009	92,523	275,434	275,434	(182,911)
Fund Balance, June 30, 2010	\$ 804,445	\$ 275,434	\$ 533,320	\$ 271,125

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 688,826	\$ 0	\$ 0	\$ 688,826	\$ 787,912	\$ 651,426	\$ 37,400
Other Local Revenues	2,034	0	0	2,034	6,000	3,500	(1,466)
State of Tennessee	32,453	0	0	32,453	33,141	33,141	(688)
Federal Government	2,421,274	0	0	2,421,274	2,152,530	2,374,645	46,629
Total Revenues	\$ 3,144,587	\$ 0	\$ 0	\$ 3,144,587	\$ 2,979,583	\$ 3,062,712	\$ 81,875
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 3,134,684	\$ (88,528)	\$ 9,707	\$ 3,055,863	\$ 3,171,500	\$ 3,254,629	\$ 198,766
Total Expenditures	\$ 3,134,684	\$ (88,528)	\$ 9,707	\$ 3,055,863	\$ 3,171,500	\$ 3,254,629	\$ 198,766
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,903	\$ 88,528	\$ (9,707)	\$ 88,724	\$ (191,917)	\$ (191,917)	\$ 280,641
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 191,917	\$ 0	\$ 0	\$ 191,917	\$ 191,917	\$ 191,917	\$ 0
Transfers Out	(250,000)	0	0	(250,000)	0	(250,000)	0
Total Other Financing Sources (Uses)	\$ (58,083)	\$ 0	\$ 0	\$ (58,083)	\$ 191,917	\$ (58,083)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (48,180)	\$ 88,528	\$ (9,707)	\$ 30,641	\$ 0	\$ (250,000)	\$ 280,641
	1,073,545	(88,528)	0	985,017	951,168	951,168	33,849
Fund Balance, June 30, 2010	\$ 1,025,365	\$ 0	\$ (9,707)	\$ 1,015,658	\$ 951,168	\$ 701,168	\$ 314,490

MISCELLANEOUS SCHEDULES

Exhibit J-1

Campbell County, Tennessee
Schedule of Changes in Long-term Notes, Bonds, and Other Loans
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	Matured During Period	Outstanding 6-30-10
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Improvements	\$ 1,500,000	4.53 %	6-15-07	5-15-16	\$ 875,000	\$ 0	\$ 125,000	\$ 750,000
County Roads	1,000,000	3.94	11-20-07	11-15-17	850,000	0	850,000	0
School Improvements	500,000	4.23	12-18-08	11-15-20	479,167	0	41,667	437,500
School Improvements	750,000	3.85	6-28-10	6-15-16	0	750,000	0	750,000
Total Payable through General Debt Service Fund					\$ 2,204,167	\$ 750,000	\$ 1,016,667	\$ 1,937,500
<u>Payable through General Fund</u>								
Land Purchase	250,000	4.14	4-13-09	11-14-20	\$ 239,583	\$ 0	\$ 239,583	\$ 0
Jail Facility Improvements	150,000	3.5	11-3-09	12-3-09	0	150,000	150,000	0
Total Payable through General Fund					\$ 239,583	\$ 150,000	\$ 389,583	\$ 0
<u>Payable through Ambulance Service Fund</u>								
Ambulance Units	85,000	3.95	10-15-09	10-15-12	\$ 0	\$ 85,000	\$ 28,333	\$ 56,667
Total Payable through Ambulance Service Fund					\$ 0	\$ 85,000	\$ 28,333	\$ 56,667
Total Notes Payable					\$ 2,443,750	\$ 985,000	\$ 1,434,583	\$ 1,994,167
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Refunding	3,595,000	3.5 to 4.1	1-6-1999	4-1-10	\$ 130,000	\$ 0	\$ 130,000	\$ 0
Refunding	8,200,000	3.85 to 4	5-29-08	6-1-26	8,200,000	0	0	8,200,000
General Obligation Bonds, Series 2008A	3,025,000	3.5 to 5	4-23-08	6-1-27	3,025,000	0	50,000	2,975,000
Refunding	10,625,000	3 to 4	4-15-09	6-1-22	10,375,000	0	250,000	10,125,000
Total Bonds Payable					\$ 21,730,000	\$ 0	\$ 430,000	\$ 21,300,000
<u>OTHER LOANS PAYABLE</u>								
<u>Public Building Authority Loan Agreements</u>								
<u>Payable through General Debt Service Fund</u>								
Public Improvement and Refunding, Series B-6-A	12,550,000	4 to 5	7-27-04	6-1-19	\$ 12,550,000	\$ 0	\$ 1,000,000	\$ 11,550,000
Total Other Loans Payable					\$ 12,550,000	\$ 0	\$ 1,000,000	\$ 11,550,000

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 334,167	\$ 79,769	\$ 413,936
2012	305,833	66,239	372,072
2013	291,667	53,825	345,492
2014	291,667	41,588	333,255
2015	291,667	29,350	321,017
2016	291,667	17,119	308,786
2017	41,666	7,491	49,157
2018	41,667	5,728	47,395
2019	41,666	3,966	45,632
2020	41,667	2,203	43,870
2021	20,833	441	21,274
Total	\$ 1,994,167	\$ 307,719	\$ 2,301,886

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 325,000	\$ 836,063	\$ 1,161,063
2012	325,000	825,850	1,150,850
2013	375,000	815,637	1,190,637
2014	375,000	803,925	1,178,925
2015	400,000	792,088	1,192,088
2016	400,000	777,875	1,177,875
2017	425,000	763,537	1,188,537
2018	500,000	749,550	1,249,550
2019	1,155,000	729,088	1,884,088
2020	2,155,000	682,183	2,837,183
2021	2,305,000	595,276	2,900,276
2022	2,410,000	503,124	2,913,124
2023	2,300,000	406,775	2,706,775
2024	2,675,000	317,000	2,992,000
2025	2,825,000	209,938	3,034,938
2026	1,950,000	96,850	2,046,850
2027	400,000	16,600	416,600
Total	\$ 21,300,000	\$ 9,921,359	\$ 31,221,359

(Continued)

Exhibit J-2

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

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2011	\$ 1,100,000	\$ 559,938	\$ 1,659,938
2012	1,150,000	515,937	1,665,937
2013	1,200,000	458,438	1,658,438
2014	1,275,000	398,437	1,673,437
2015	1,325,000	334,688	1,659,688
2016	1,400,000	268,437	1,668,437
2017	1,475,000	198,438	1,673,438
2018	1,550,000	124,687	1,674,687
2019	1,075,000	51,063	1,126,063
Total	\$ 11,550,000	\$ 2,910,063	\$ 14,460,063

Exhibit J-3

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Special Purpose	Postemployment healthcare	\$ 94,228
General	General Debt Service	Retirement of debt	588,625
General	Other Capital Projects	Capital projects	185,000
Solid Waste/Sanitation	Special Purpose	Postemployment healthcare	26,626
Ambulance Service	General	Indirect costs	93,860
Ambulance Service	Special Purpose	Postemployment healthcare	10,640
Ambulance Service	Other Capital Projects	Capital projects	100,000
Industrial/Economic Development	General Capital Projects	Capital projects	100,000
Industrial/Economic Development	Special Purpose	Postemployment healthcare	760
Highway/Public Works	Special Purpose	Postemployment healthcare	21,276
General Debt Service	Other Capital Projects	Capital projects	40,807
General Capital Projects	Other Capital Projects	Capital projects	244,776
Other Capital Projects	General Capital Projects	Capital projects	4,409
Total Transfers Primary Government			<u>\$ 1,511,007</u>
<u>DISCRETELY PRESENTED CAMPBELL</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Central Cafeteria	Operations	\$ 191,917
General Purpose School	School Federal Projects	Indirect costs - rent reimbursement	5,048
General Purpose School	School Federal Projects	Cash flow	250,000
Central Cafeteria	School Federal Projects	Cash flow	250,000
Total Transfers Discretely Presented Campbell County School Department			<u>\$ 696,965</u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 79,276	\$ 50,000	Western Surety Company
Director of Schools	State Board of Education and County Board of Education	94,192	50,000	"
Road Superintendent	Section 8-24-102, TCA	75,500	100,000	Auto Owners (Mutual) Insurance Company
Trustee	Section 8-24-102, TCA	68,635	1,052,400	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, TCA and County Commission	70,196	10,000	Western Surety Company
County Clerk	Section 8-24-102, TCA	68,635	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	68,635	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	68,635 (1)	50,000	"
Register	Section 8-24-102, TCA	68,635	25,000	"
Sheriff	Section 8-24-102, TCA	75,500	25,000	"
Director of Finance	County Commission	86,932	50,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			150,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Department			150,000	Tennessee Risk Management Trust

(1) Does not include special commissioner fees of \$27,101.

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 4,511,572	\$ 1,941,661	\$ 57,166	\$ 57,166	\$ 0
Discount on Property Taxes	(42,170)	(18,149)	(534)	(534)	0
Trustee's Collections - Prior Year	297,675	122,797	3,727	3,727	0
Circuit/Clerk & Master Collections - Prior Years	159,581	65,827	1,995	1,995	0
Interest and Penalty	108,986	45,108	1,368	1,368	0
Pick-up Taxes	140	58	2	2	0
Payments in-Lieu-of Taxes - T.V.A.	13,388	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	231,112	0	0	0	0
Payments in-Lieu-of Taxes - Other	119,320	0	0	10,715	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	0
Hotel/Motel Tax	0	0	0	78,152	0
Litigation Tax - General	74,412	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	268,321	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
Other County Local Option Taxes	42,381	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	111,067	0	0	0	0
Wholesale Beer Tax	84,386	0	0	0	0
Coal Severance Tax	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0
Total Local Taxes	\$ 5,980,171	\$ 2,157,302	\$ 63,724	\$ 152,591	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,634	\$ 0	\$ 0	\$ 0	\$ 0
Animal Registration	5,045	0	0	0	0
Cable TV Franchise	125,824	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 1,011	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	2,252	0	0	0	0
Total Licenses and Permits	\$ 135,766	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 13,703	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	3,616	0	0	0	0
Game and Fish Fines	621	0	0	0	0
Drug Control Fines	0	0	0	0	18,273
Drug Court Fees	11,457	0	0	0	0
Jail Fees	10,548	0	0	0	0
Data Entry Fee - Circuit Court	439	0	0	0	0
<u>Criminal Court</u>					
DUI Treatment Fines	1,321	0	0	0	0
Data Entry Fee - Criminal Court	152	0	0	0	0
Courtroom Security Fee	448	0	0	0	0
<u>General Sessions Court</u>					
Fines	11,153	0	0	0	0
Officers Costs	36,995	0	0	0	0
Game and Fish Fines	1,323	0	0	0	0
Drug Control Fines	0	0	0	0	15,149
Drug Court Fees	27,643	0	0	0	0
Jail Fees	16,916	0	0	0	0
DUI Treatment Fines	6,264	0	0	0	0
Data Entry Fee - General Sessions Court	10,326	0	0	0	0
Courtroom Security Fee	306	0	0	0	0
<u>Juvenile Court</u>					
Fines	413	0	0	0	0
Officers Costs	792	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Chancery Court</u>					
Officers Costs	\$ 11,159	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Courts - In-county</u>					
Fines	215	0	0	0	0
Judicial District Drug Program	16	0	0	0	0
Courtroom Security Fee					
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	23,393
Other Fines, Forfeitures, and Penalties	154,775	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 320,601	\$ 0	\$ 0	\$ 0	\$ 56,815
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Commercial and Industrial Waste Collection Charge					
Surcharge - General	\$ 0	\$ 19,222	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fees	3,465	0	0	0	0
Patient Charges	0	34,376	0	0	0
Work Release Charges for Board	0	0	1,839,022	0	0
Other General Service Charges	1,680	0	0	0	0
Fees	0	20,822	926	0	0
Copy Fees	18,324	0	0	0	0
Telephone Commissions	10,886	0	0	0	0
Vending Machine Collections	100	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0
Data Processing Fee - Register	14,550	0	0	0	0
Data Processing Fee - Sheriff	16,602	0	0	0	0
Sexual Offender Registration Fees - Sheriff	4,570	0	0	0	0
Total Charges for Current Services	\$ 70,177	\$ 74,420	\$ 1,839,948	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 422	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	14,000	0	0	39,378	0
Sale of Materials and Supplies	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0
Sale of Maps	17,337	0	0	0	0
Sale of Recycled Materials	0	115,291	0	0	0
Miscellaneous Refunds	5,171	0	1,491	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	800	0	0	0	0
Damages Recovered from Individuals	191	0	0	0	0
Contributions and Gifts	595	100	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	398	0	0	0	0
Total Other Local Revenues	\$ 38,914	\$ 115,391	\$ 1,491	\$ 39,378	\$ 0
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 354,505	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	382,313	0	0	0	0
Clerk and Master	212,985	0	0	0	0
Register	171,056	0	0	0	0
Sheriff	8,433	0	0	0	0
Trustee	504,664	0	0	0	0
Total Fees Received from County Officials	\$ 1,633,956	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	11,386	0	0	0	0
Aging Programs	13,327	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>State of Tennessee (Cont.)</u>					
<u>General Government Grants (Cont.)</u>					
State Reappraisal Grant	\$ 14,617	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	20,000	0	0	0
Other General Government Grants	3,800	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	15,600	0	0	0	0
Drug Control Grants	49,545	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	616,595	0	0	0	0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	0
Litter Program	0	34,287	0	0	0
<u>Other State Revenues</u>					
Income Tax	69,547	0	0	0	0
Beer Tax	17,778	0	0	0	0
Alcoholic Beverage Tax	61,949	0	0	0	0
Mixed Drink Tax	2,890	0	0	0	0
State Revenue Sharing - T.V.A.	1,227,452	0	0	0	0
Contracted Prisoner Boarding	700,527	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0
Other State Grants	1,250	0	0	0	0
Other State Revenues	4,943	0	0	0	0
Total State of Tennessee	\$ 2,836,586	\$ 54,287	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Disaster Relief	\$ 12,292	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	90,188	0	0	0	0
ARRA Grant No. 2	46,329	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
ARRA Grant No. 3	\$ 16,053	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	0	0	0	0	0
Total Federal Government	\$ 164,862	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 120,067	\$ 0	\$ 0	\$ 14,886	\$ 0
Contracted Services	37,844	0	0	443,405	0
Other	18,411	0	0	0	0
Total Other Governments and Citizens Groups	\$ 176,322	\$ 0	\$ 0	\$ 458,291	\$ 0
Total	\$ 11,357,355	\$ 2,401,400	\$ 1,905,163	\$ 650,260	\$ 56,815

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	Other Capital Projects			
<u>Local Taxes</u>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 0	\$ 514,027	\$ 685,181	\$ 0	\$ 399,694	\$ 0	\$ 8,166,467		
Discount on Property Taxes	0	(4,804)	(6,406)	0	(3,737)	0	(76,334)		
Trustee's Collections - Prior Year	0	33,494	44,640	0	26,041	0	532,101		
Circuit/Clerk & Master Collections - Prior Years	0	17,953	23,937	0	13,963	0	285,251		
Interest and Penalty	0	12,277	16,352	0	9,542	0	195,001		
Pick-up Taxes	0	16	21	0	12	0	251		
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	13,388		
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	231,112		
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	130,035		
<u>County Local Option Taxes</u>									
Local Option Sales Tax	0	0	685,202	0	0	0	685,202		
Hotel/Motel Tax	0	0	50,000	0	50,000	0	178,152		
Litigation Tax - General	0	0	0	0	0	0	74,412		
Litigation Tax - Special Purpose	0	0	3,742	0	23,564	0	27,306		
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	176,103	0	0	0	176,103		
Business Tax	0	0	0	0	0	0	268,321		
Mineral Severance Tax	0	97,205	0	0	0	0	97,205		
Other County Local Option Taxes	0	0	0	0	0	0	42,381		
<u>Statutory Local Taxes</u>									
Bank Excise Tax	0	0	0	0	0	0	111,067		
Wholesale Beer Tax	0	0	0	0	0	0	84,386		
Coal Severance Tax	0	202,614	0	0	0	0	202,614		
Interstate Telecommunications Tax	0	0	3,459	0	0	0	3,459		
Total Local Taxes	\$ 0	\$ 872,782	\$ 1,682,231	\$ 0	\$ 519,079	\$ 0	\$ 11,427,880		
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,634		
Animal Registration	0	0	0	0	0	0	5,045		
Cable TV Franchise	0	0	0	0	0	0	125,824		

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General	General Capital Projects	Other Capital Projects		
<u>Licenses and Permits (Cont.)</u>								
<u>Permits</u>								
Beer Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,011
Building Permits	0	150	0	0	0	0	0	2,402
Total Licenses and Permits	0 \$	150 \$	0 \$	0 \$	0 \$	0 \$	0 \$	135,916
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	13,703
Officers Costs	0	0	0	0	0	0	0	3,616
Game and Fish Fines	0	0	0	0	0	0	0	621
Drug Control Fines	0	0	0	0	0	0	0	18,273
Drug Court Fees	0	0	0	0	0	0	0	11,457
Jail Fees	0	0	0	0	0	0	0	10,548
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	439
<u>Criminal Court</u>								
DUI Treatment Fines	0	0	0	0	0	0	0	1,321
Data Entry Fee - Criminal Court	0	0	0	0	0	0	0	152
Courtroom Security Fee	0	0	0	0	0	0	0	448
<u>General Sessions Court</u>								
Fines	0	0	0	0	0	0	0	11,153
Officers Costs	0	0	0	0	0	0	0	36,995
Game and Fish Fines	0	0	0	0	0	0	0	1,323
Drug Control Fines	0	0	0	0	0	0	0	15,149
Drug Court Fees	0	0	0	0	0	0	0	27,643
Jail Fees	0	0	0	0	0	0	0	16,916
DUI Treatment Fines	0	0	0	0	0	0	0	6,264
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	10,326
Courtroom Security Fee	0	0	0	0	0	0	0	306
<u>Juvenile Court</u>								
Fines	0	0	0	0	0	0	0	413
Officers Costs	0	0	0	0	0	0	0	792

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	Other Capital Projects	Other Capital Projects			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>									
<u>Chancery Court</u>									
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,159
<u>Other Courts - In-county</u>									
Fines	0	0	0	0	0	0	0	0	215
Judicial District Drug Program	0	0	0	0	0	0	0	0	16
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	0	0	0	0	0	0	0	0	23,393
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	0	154,775
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 377,416
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,222
Surcharge - General	0	0	0	0	0	0	0	0	3,465
Solid Waste Disposal Fees	0	0	0	0	0	0	0	0	34,376
Patient Charges	0	0	0	0	0	0	0	0	1,839,022
Work Release Charges for Board	0	0	0	0	0	0	0	0	1,680
Other General Service Charges	0	0	0	0	0	0	0	0	21,748
<u>Fees</u>									
Copy Fees	0	0	0	0	0	0	0	0	18,324
Telephone Commissions	0	0	0	0	0	0	0	0	10,886
Vending Machine Collections	0	0	0	0	0	0	0	0	100
Special Commissioner Fees/Special Master Fees	27,101	0	0	0	0	0	0	0	27,101
Data Processing Fee - Register	0	0	0	0	0	0	0	0	14,550
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	16,602
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	0	4,570
Total Charges for Current Services	\$ 27,101	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,011,646

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects				
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	\$ 0	\$ 0	200,171	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,593	
Lease/Rentals	0	0	0	0	14,400	0	0	67,778	
Sale of Materials and Supplies	0	32	0	0	0	0	0	32	
Sale of Gasoline	0	331,748	0	0	0	0	0	331,748	
Sale of Maps	0	0	0	0	0	0	0	17,337	
Sale of Recycled Materials	0	0	0	0	0	0	0	115,291	
Miscellaneous Refunds	0	1,138	44,365	0	0	0	0	52,165	
<u>Nonrecurring Items</u>									
Sale of Equipment	0	0	0	0	3,500	0	0	4,300	
Damages Recovered from Individuals	0	0	0	0	0	0	0	191	
Contributions and Gifts	0	0	0	2,651	0	0	0	3,346	
<u>Other Local Revenues</u>									
Other Local Revenues	0	15,610	0	0	0	0	0	16,008	
Total Other Local Revenues	\$ 0	\$ 348,528	\$ 244,536	\$ 2,651	\$ 17,900	\$ 0	\$ 0	\$ 808,789	
<u>Fees Received from County Officials</u>									
Fees in-Lieu-of Salary									
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 354,505	
Circuit Court Clerk	0	0	0	0	0	0	0	382,313	
Clerk and Master	0	0	0	0	0	0	0	212,985	
Register	0	0	0	0	0	0	0	171,056	
Sheriff	0	0	0	0	0	0	0	8,433	
Trustee	0	0	0	0	0	0	0	504,664	
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,633,956	
<u>State of Tennessee</u>									
General Government Grants									
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000	
Airport Maintenance Program	0	0	0	0	29,396	0	0	40,782	
Aging Programs	0	0	0	0	0	0	0	13,327	

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	Other Capital Projects			
<u>State of Tennessee (Cont.)</u>									
<u>General Government Grants (Cont.)</u>									
State Reappraisal Grant	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	14,617
Solid Waste Grants	0	0	0	0	0	0	0	0	20,000
Other General Government Grants	0	0	0	0	0	0	0	0	3,800
<u>Public Safety Grants</u>									
Law Enforcement Training Programs	0	0	0	0	0	0	0	0	15,600
Drug Control Grants	0	0	0	0	0	0	0	0	49,545
<u>Health and Welfare Grants</u>									
Health Department Programs	0	0	0	0	0	0	0	0	616,595
<u>Public Works Grants</u>									
State Aid Program	0	409,237	0	0	0	0	0	0	409,237
Litter Program	0	0	0	0	0	0	0	0	34,287
<u>Other State Revenues</u>									
Income Tax	0	0	0	0	0	0	0	0	69,547
Beer Tax	0	0	0	0	0	0	0	0	17,778
Alcoholic Beverage Tax	0	0	0	0	0	0	0	0	61,949
Mixed Drink Tax	0	0	0	0	0	0	0	0	2,890
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0	0	1,227,452
Contracted Prisoner Boarding	0	0	0	0	0	0	0	0	700,527
Gasoline and Motor Fuel Tax	0	1,798,843	0	0	0	0	0	0	1,798,843
Petroleum Special Tax	0	32,007	0	0	0	0	0	0	32,007
Registrar's Salary Supplement	0	0	0	0	0	0	0	0	16,380
Other State Grants	0	0	0	0	0	0	0	0	1,250
Other State Revenues	0	0	0	0	0	0	0	0	4,943
Total State of Tennessee	\$ 0	\$ 2,240,087	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,396	\$ 0	\$ 5,160,356
<u>Federal Government</u>									
<u>Federal Through State</u>									
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	12,292
Homeland Security Grants	0	0	0	0	0	0	0	0	90,188
ARRA Grant No. 2	0	0	0	0	0	0	0	0	46,329

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	Other Capital Projects	General Capital Projects	Other Capital Projects		
<u>Federal Government (Cont.)</u>									
<u>Federal Through State (Cont.)</u>									
ARRA Grant No. 3	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,053
Other Federal through State	0	0	0	0	0	0	6,712	0	6,712
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,712	\$ 6,712	\$ 171,574
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Contributions	\$ 0	\$ 0	\$ 1,413,196	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,548,149
Contracted Services	0	70,961	0	0	0	0	0	0	552,210
Other	0	0	0	0	0	0	0	0	18,411
Total Other Governments and Citizens Groups	\$ 0	\$ 70,961	\$ 1,413,196	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,118,770
Total	\$ 27,101	\$ 3,532,508	\$ 3,339,963	\$ 521,730	\$ 54,008	\$ 23,846,303			

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,255,087	\$ 0	\$ 0	\$ 3,255,087
Discount on Property Taxes	(30,427)	0	0	(30,427)
Trustee's Collections - Prior Year	212,088	0	0	212,088
Circuit/Clerk & Master Collections - Prior Years	113,701	0	0	113,701
Interest and Penalty	77,719	0	0	77,719
Pick-up Taxes	100	0	0	100
<u>County Local Option Taxes</u>				
Local Option Sales Tax	3,235,678	0	0	3,235,678
Wheel Tax	1,145,393	0	0	1,145,393
<u>Statutory Local Taxes</u>				
Coal Severance Tax	202,614	0	0	202,614
Interstate Telecommunications Tax	2,192	0	0	2,192
Total Local Taxes	\$ 8,214,145	\$ 0	\$ 0	\$ 8,214,145
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,434	\$ 0	\$ 0	\$ 1,434
Total Licenses and Permits	\$ 1,434	\$ 0	\$ 0	\$ 1,434
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other State Systems	\$ 1,967	\$ 0	\$ 0	\$ 1,967
Lunch Payments - Children	0	0	334,379	334,379
Lunch Payments - Adults	0	0	76,141	76,141
Income from Breakfast	0	0	139,669	139,669
A la carte Sales	0	0	136,032	136,032
Community Service Fees - Children	10,190	0	2,605	12,795
TBI Criminal Background Fees	13,092	0	0	13,092
<u>Other Charges for Services</u>				
Other Charges for Services	630	0	0	630
Total Charges for Current Services	\$ 25,879	\$ 0	\$ 688,826	\$ 714,705
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 2,034	\$ 2,034
Lease/Rentals	5,000	0	0	5,000
Refund of Telecommunication and Internet Fees (E-Rate)	29,398	0	0	29,398
Miscellaneous Refunds	80,291	0	0	80,291
<u>Nonrecurring Items</u>				
Sale of Property	9,560	0	0	9,560
Damages Recovered from Individuals	362	0	0	362
Contributions and Gifts	18,393	0	0	18,393
Total Other Local Revenues	\$ 143,004	\$ 0	\$ 2,034	\$ 145,038
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 307,287	\$ 0	\$ 0	\$ 307,287

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds</u>				
Basic Education Program	\$ 24,946,501	\$ 0	\$ 0	\$ 24,946,501
Basic Education Program - ARRA	1,062,500	0	0	1,062,500
School Food Service	0	0	32,453	32,453
Driver Education	16,323	0	0	16,323
Other State Education Funds	1,062,108	0	0	1,062,108
Coordinated School Health - ARRA	92,520	0	0	92,520
Internet Connectivity - ARRA	16,753	0	0	16,753
Family Resource Centers - ARRA	63,584	0	0	63,584
Statewide Student Management System (SSMS) - ARRA	14,736	0	0	14,736
Career Ladder Program	296,036	0	0	296,036
Career Ladder - Extended Contract - ARRA	69,141	0	0	69,141
<u>Other State Revenues</u>				
Safe Schools - ARRA	19,516	0	0	19,516
Total State of Tennessee	\$ 27,967,005	\$ 0	\$ 32,453	\$ 27,999,458
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,643,163	\$ 1,643,163
USDA - Commodities	0	0	178,808	178,808
Breakfast	0	0	552,258	552,258
USDA - Other	0	0	36,043	36,043
USDA Food Service Equipment Grant - ARRA	0	0	11,002	11,002
Adult Education State Grant Program	92,089	0	0	92,089
Vocational Education - Basic Grants to States	0	184,901	0	184,901
Other Vocational	0	7,946	0	7,946
Title I Grants to Local Education Agencies	0	3,491,488	0	3,491,488
Innovative Education Program Strategies	0	3,245	0	3,245
Special Education - Grants to States	64,534	2,490,318	0	2,554,852
Special Education Preschool Grants	0	83,143	0	83,143
Safe and Drug-free Schools - State Grants	0	30,192	0	30,192
Rural Education	0	110,581	0	110,581
Eisenhower Professional Development State Grants	0	526,568	0	526,568
Other Federal through State	120,000	498,394	0	618,394
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	65,206	0	0	65,206
Other Direct Federal Revenue	157,073	0	0	157,073
Total Federal Government	\$ 498,902	\$ 7,426,776	\$ 2,421,274	\$ 10,346,952
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 750,000	\$ 0	\$ 0	\$ 750,000
Total Other Governments and Citizens Groups	\$ 750,000	\$ 0	\$ 0	\$ 750,000
Total	\$ 37,600,369	\$ 7,426,776	\$ 3,144,587	\$ 48,171,732

Exhibit J-7

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

General Fund

General Government

County Commission

Assistant(s)	\$	38,343	
Other Salaries and Wages		3,500	
Board and Committee Members Fees		94,971	
Social Security		7,629	
State Retirement		6,545	
Life Insurance		673	
Medical Insurance		50,343	
Employer Medicare		1,784	
Architects		46,300	
Audit Services		11,956	
Communication		2,357	
Contracts with Government Agencies		948	
Dues and Memberships		1,800	
Operating Lease Payments		2,899	
Legal Services		45,956	
Legal Notices, Recording, and Court Costs		203	
Maintenance and Repair Services - Office Equipment		500	
Postal Charges		493	
Travel		8,153	
Other Contracted Services		13,667	
Office Supplies		469	
Specialized Medical Treatment		573	
Other Charges		103	
Office Equipment		<u>2,551</u>	
Total County Commission			\$ 342,716

Board of Equalization

Board and Committee Members Fees	\$	3,360	
Social Security		40	
Employer Medicare		9	
Travel		<u>726</u>	
Total Board of Equalization			4,135

County Mayor/Executive

County Official/Administrative Officer	\$	79,276	
Assistant(s)		55,699	
Deputy(ies)		38,613	
Other Salaries and Wages		2,450	
Social Security		10,362	
State Retirement		11,689	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Life Insurance	\$	237	
Medical Insurance		21,244	
Employer Medicare		2,423	
Communication		5,225	
Dues and Memberships		2,755	
Legal Notices, Recording, and Court Costs		853	
Maintenance and Repair Services - Office Equipment		2,058	
Maintenance and Repair Services - Vehicles		574	
Postal Charges		628	
Travel		3,092	
Data Processing Supplies		1,016	
Office Supplies		3,229	
Premiums on Corporate Surety Bonds		175	
In Service/Staff Development		625	
Specialized Medical Treatment		138	
Other Charges		1,703	
Office Equipment		10,033	
Total County Mayor/Executive			\$ 254,097

County Attorney

County Official/Administrative Officer	\$	26,945	
Social Security		1,363	
State Retirement		1,789	
Life Insurance		71	
Medical Insurance		12,293	
Employer Medicare		319	
Legal Notices, Recording, and Court Costs		3,000	
Specialized Medical Treatment		36	
Total County Attorney			45,816

Election Commission

County Official/Administrative Officer	\$	63,177	
Supervisor/Director		30,654	
Data Processing Personnel		26,284	
Overtime Pay		475	
Election Commission		16,804	
Social Security		7,046	
State Retirement		8,008	
Life Insurance		162	
Medical Insurance		13,467	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Employer Medicare	\$	1,648	
Communication		3,001	
Data Processing Services		16,165	
Legal Notices, Recording, and Court Costs		526	
Maintenance and Repair Services - Office Equipment		4,431	
Postal Charges		1,270	
Travel		13,673	
Office Supplies		3,425	
Utilities		5,210	
Specialized Medical Treatment		108	
Office Equipment		10,855	
Voting Machines		880	
Total Election Commission			\$ 227,269

Register of Deeds

County Official/Administrative Officer	\$	68,635	
Deputy(ies)		37,662	
Data Processing Personnel		56,160	
Social Security		9,207	
State Retirement		10,787	
Life Insurance		282	
Medical Insurance		37,892	
Employer Medicare		2,153	
Communication		2,829	
Contracts with Private Agencies		7,480	
Dues and Memberships		537	
Maintenance and Repair Services - Office Equipment		445	
Postal Charges		1,976	
Rentals		10,476	
Data Processing Supplies		942	
Office Supplies		1,461	
Premiums on Corporate Surety Bonds		100	
Specialized Medical Treatment		144	
Office Equipment		4,950	
Total Register of Deeds			254,118

County Buildings

Supervisor/Director	\$	39,993
Custodial Personnel		63,223
Social Security		5,887

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

State Retirement	\$	6,853	
Life Insurance		233	
Medical Insurance		25,678	
Employer Medicare		1,377	
Communication		611	
Contracts with Private Agencies		1,375	
Maintenance and Repair Services - Buildings		12,897	
Maintenance and Repair Services - Equipment		9,444	
Custodial Supplies		13,446	
Electricity		13,967	
Uniforms		2,646	
Water and Sewer		4,842	
Specialized Medical Treatment		144	
Total County Buildings			\$ 202,616

Other Facilities

Other Salaries and Wages	\$	8,454	
Social Security		522	
State Retirement		561	
Employer Medicare		122	
Utilities		5,429	
Building and Contents Insurance		751	
Total Other Facilities			15,839

Preservation of Records

Postal Charges	\$	59	
Rentals		4,800	
Office Supplies		1,545	
Other Equipment		1,800	
Total Preservation of Records			8,204

Finance

Accounting and Budgeting

Supervisor/Director	\$	86,932	
Accountants/Bookkeepers		504,146	
Overtime Pay		513	
Social Security		34,066	
State Retirement		37,790	
Life Insurance		873	
Medical Insurance		89,242	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Employer Medicare	\$	7,967	
Communication		8,320	
Data Processing Services		6,468	
Dues and Memberships		678	
Legal Services		281	
Maintenance and Repair Services - Equipment		4,326	
Postal Charges		8,906	
Travel		877	
Data Processing Supplies		9,200	
Office Supplies		3,993	
Premiums on Corporate Surety Bonds		175	
Specialized Medical Treatment		536	
Office Equipment		12,610	
Total Accounting and Budgeting			\$ 817,899

Property Assessor's Office

County Official/Administrative Officer	\$	70,196	
Assessment Personnel		153,369	
Salary Supplements		1,250	
Part-time Personnel		2,561	
Social Security		13,137	
State Retirement		14,911	
Life Insurance		495	
Medical Insurance		39,619	
Employer Medicare		3,072	
Communication		5,654	
Consultants		7,525	
Data Processing Services		50	
Dues and Memberships		1,808	
Maintenance and Repair Services - Office Equipment		5,576	
Maintenance and Repair Services - Vehicles		3,242	
Postal Charges		4,674	
Travel		1,195	
Gasoline		1,764	
Office Supplies		7,206	
Vehicle and Equipment Insurance		775	
Specialized Medical Treatment		270	
Other Charges		3,077	
Motor Vehicles		4,300	
Total Property Assessor's Office			345,726

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Assessment Personnel	\$	25,578	
Social Security		1,586	
State Retirement		1,699	
Employer Medicare		371	
Postal Charges		6,820	
Other Charges		6,296	
Office Equipment		<u>2,397</u>	
Total Reappraisal Program			\$ 44,747

County Trustee's Office

County Official/Administrative Officer	\$	68,635	
Supervisor/Director		30,492	
Deputy(ies)		37,662	
Data Processing Personnel		27,740	
Clerical Personnel		15,172	
Social Security		10,510	
State Retirement		11,932	
Life Insurance		323	
Medical Insurance		29,297	
Employer Medicare		2,458	
Communication		2,912	
Contracts with Private Agencies		415	
Data Processing Services		4,736	
Dues and Memberships		637	
Legal Notices, Recording, and Court Costs		83	
Maintenance and Repair Services - Office Equipment		795	
Postal Charges		9,950	
Rentals		900	
Travel		179	
Office Supplies		3,432	
Premiums on Corporate Surety Bonds		4,892	
Specialized Medical Treatment		168	
Office Equipment		<u>3,708</u>	
Total County Trustee's Office			267,028

County Clerk's Office

County Official/Administrative Officer	\$	68,635
Supervisor/Director		95,366
Deputy(ies)		40,980
Data Processing Personnel		47,654

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Clerical Personnel	\$	100,426	
Other Salaries and Wages		15,779	
Social Security		21,765	
State Retirement		23,131	
Life Insurance		656	
Medical Insurance		50,115	
Employer Medicare		5,090	
Communication		7,110	
Data Processing Services		7,553	
Dues and Memberships		662	
Maintenance and Repair Services - Office Equipment		9,301	
Postal Charges		10,860	
Rentals		6,000	
Travel		3,816	
Office Supplies		4,361	
Utilities		1,776	
Premiums on Corporate Surety Bonds		350	
Specialized Medical Treatment		396	
Total County Clerk's Office			\$ 521,782

Other Finance

Contracts with Government Agencies	\$	15,443	
Data Processing Services		15,175	
Legal Notices, Recording, and Court Costs		2,350	
Maintenance and Repair Services - Office Equipment		3,799	
Postal Charges		400	
Printing, Stationery, and Forms		1,590	
Rentals		4,800	
Data Processing Supplies		17,372	
Utilities		4,578	
Other Supplies and Materials		974	
Building and Contents Insurance		17,677	
Liability Insurance		52,878	
Trustee's Commission		129,516	
Other Charges		425	
Office Equipment		9,428	
Total Other Finance			276,405

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	68,635	
Supervisor/Director		149,961	
Deputy(ies)		37,662	
Data Processing Personnel		46,580	
Clerical Personnel		31,866	
Part-time Personnel		40,712	
Overtime Pay		2,806	
Jury and Witness Expense		27,055	
Social Security		22,523	
State Retirement		20,295	
Life Insurance		629	
Medical Insurance		42,539	
Employer Medicare		5,268	
Communication		7,783	
Data Processing Services		4,150	
Dues and Memberships		602	
Operating Lease Payments		4,830	
Maintenance and Repair Services - Office Equipment		5,598	
Postal Charges		6,040	
Travel		4,334	
Data Processing Supplies		345	
Office Supplies		8,769	
Uniforms		1,098	
Premiums on Corporate Surety Bonds		350	
Specialized Medical Treatment		500	
Office Equipment		2,890	
Total Circuit Court			\$ 543,820

General Sessions Court

Judge(s)	\$	138,675
Assistant(s)		27,237
Social Security		8,508
State Retirement		11,017
Life Insurance		125
Employer Medicare		2,406
Communication		2,447
Dues and Memberships		495
Maintenance and Repair Services - Office Equipment		569
Postal Charges		125
Travel		1,353

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Library Books/Media	\$	595	
Office Supplies		103	
Specialized Medical Treatment		72	
Total General Sessions Court			\$ 193,727

Drug Court

Other Salaries and Wages	\$	37,744	
Social Security		2,211	
State Retirement		2,506	
Life Insurance		71	
Employer Medicare		517	
Communication		4,605	
Contracts with Private Agencies		9,642	
Maintenance and Repair Services - Office Equipment		185	
Postal Charges		176	
Rentals		4,200	
Travel		11,200	
Drugs and Medical Supplies		4,064	
Office Supplies		1,521	
Other Supplies and Materials		5,238	
Workers' Compensation Insurance		112	
In Service/Staff Development		1,200	
Specialized Medical Treatment		36	
Other Charges		972	
Total Drug Court			86,200

Chancery Court

County Official/Administrative Officer	\$	68,635	
Supervisor/Director		31,110	
Deputy(ies)		37,546	
Data Processing Personnel		53,622	
Overtime Pay		953	
Social Security		11,003	
State Retirement		12,740	
Life Insurance		320	
Medical Insurance		30,765	
Employer Medicare		2,573	
Communication		2,037	
Dues and Memberships		602	
Maintenance and Repair Services - Office Equipment		428	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Postal Charges	\$	2,000	
Travel		82	
Office Supplies		3,545	
Specialized Medical Treatment		180	
Office Equipment		7,194	
Total Chancery Court			\$ 265,335

District Attorney General

Clerical Personnel	\$	18,847	
Social Security		1,169	
State Retirement		1,251	
Employer Medicare		273	
Specialized Medical Treatment		33	
Total District Attorney General			21,573

Office of Public Defender

Contracts with Government Agencies	\$	18,500	
Total Office of Public Defender			18,500

Other Administration of Justice

Rentals	\$	710	
Total Other Administration of Justice			710

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	75,500	
Assistant(s)		15,913	
Supervisor/Director		55,582	
Deputy(ies)		388,393	
Detective(s)		227,570	
Sergeant(s)		132,659	
Data Processing Personnel		24,626	
Part-time Personnel		29,703	
Overtime Pay		69,238	
Other Salaries and Wages		19,876	
Other Per Diem and Fees		21,035	
Social Security		60,650	
State Retirement		67,679	
Life Insurance		1,848	
Medical Insurance		263,893	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Employer Medicare	\$	14,190	
Communication		22,534	
Contracts with Private Agencies		1,290	
Dues and Memberships		2,000	
Evaluation and Testing		580	
Legal Services		2,770	
Legal Notices, Recording, and Court Costs		202	
Maintenance and Repair Services - Equipment		5,268	
Maintenance and Repair Services - Vehicles		37,052	
Postal Charges		1,420	
Rentals		3,336	
Tow-in Services		840	
Travel		4,427	
Gasoline		120,901	
Law Enforcement Supplies		1,783	
Office Supplies		2,435	
Uniforms		12,030	
Liability Insurance		22,017	
Premiums on Corporate Surety Bonds		3,375	
Vehicle and Equipment Insurance		29,493	
In Service/Staff Development		8,257	
Specialized Medical Treatment		1,025	
Other Charges		500	
Communication Equipment		16,649	
Motor Vehicles		36,067	
Total Sheriff's Department			\$ 1,804,606

Special Patrols

Sergeant(s)	\$	197	
School Resource Officer		68,946	
Social Security		3,753	
State Retirement		4,591	
Life Insurance		176	
Medical Insurance		27,035	
Employer Medicare		878	
Gasoline		4,345	
Uniforms		245	
In Service/Staff Development		2,300	
Specialized Medical Treatment		87	
Total Special Patrols			112,553

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Traffic Control

Contracts with Private Agencies	\$	650	
Electricity		103	
Total Traffic Control			\$ 753

Administration of the Sexual Offender Registry

Remittance of Revenue Collected	\$	550	
Other Charges		3,250	
Total Administration of the Sexual Offender Registry			3,800

Jail

Assistant(s)	\$	15,913	
Lieutenant(s)		40,892	
Sergeant(s)		62,106	
Data Processing Personnel		24,626	
Guards		582,916	
Cafeteria Personnel		21,930	
Part-time Personnel		23,975	
Overtime Pay		28,345	
Other Salaries and Wages		12,219	
Other Per Diem and Fees		21,142	
Social Security		47,704	
State Retirement		53,146	
Life Insurance		1,715	
Medical Insurance		194,126	
Employer Medicare		11,157	
Communication		3,885	
Data Processing Services		9,460	
Evaluation and Testing		3,000	
Maintenance and Repair Services - Buildings		19,628	
Maintenance and Repair Services - Equipment		2,975	
Maintenance and Repair Services - Office Equipment		2,247	
Medical and Dental Services		297,796	
Pest Control		823	
Postal Charges		76	
Travel		12,257	
Electricity		85,581	
Food Preparation Supplies		54,990	
Food Supplies		172,246	
Natural Gas		31,003	
Office Supplies		4,268	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Prisoners Clothing	\$	3,657	
Uniforms		12,526	
Water and Sewer		42,773	
Other Supplies and Materials		8,293	
Building and Contents Insurance		9,594	
Liability Insurance		91,884	
Vehicle and Equipment Insurance		2,867	
Workers' Compensation Insurance		23,758	
In Service/Staff Development		2,120	
Specialized Medical Treatment		1,138	
Communication Equipment		327	
Total Jail			\$ 2,041,084

Juvenile Services

Probation Officer(s)	\$	2,925	
Youth Service Officer(s)		17,699	
Social Security		1,279	
State Retirement		194	
Employer Medicare		299	
Contracts with Government Agencies		5,505	
Travel		495	
Specialized Medical Treatment		36	
Total Juvenile Services			28,432

Fire Prevention and Control

Contributions	\$	81,650	
Building and Contents Insurance		7,845	
Liability Insurance		4,318	
Vehicle and Equipment Insurance		37,251	
Workers' Compensation Insurance		12,432	
Total Fire Prevention and Control			143,496

Civil Defense

Supervisor/Director	\$	21,345	
Social Security		1,318	
State Retirement		1,417	
Employer Medicare		308	
Communication		2,516	
Licenses		35	
Maintenance and Repair Services - Equipment		1,347	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Maintenance and Repair Services - Vehicles	\$	6,047	
Matching Share		3,916	
Travel		698	
Diesel Fuel		147	
Gasoline		3,139	
Law Enforcement Supplies		52,386	
Office Supplies		251	
Other Supplies and Materials		1,462	
Vehicle and Equipment Insurance		6,196	
Other Charges		16,091	
Other Equipment		71,149	
Other Capital Outlay		2,740	
Total Civil Defense			\$ 192,508

Rescue Squad

Contributions	\$	30,000	
Building and Contents Insurance		6,681	
Liability Insurance		1,526	
Vehicle and Equipment Insurance		17,125	
Workers' Compensation Insurance		4,744	
Total Rescue Squad			60,076

Other Emergency Management

Communication	\$	1,500	
Contracts with Government Agencies		186,955	
Total Other Emergency Management			188,455

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	10,975	
Social Security		499	
Life Insurance		71	
Medical Insurance		9,599	
Employer Medicare		117	
Contracts with Private Agencies		48,100	
Contracts with Vehicle Owners		12,096	
Specialized Medical Treatment		36	
Total County Coroner/Medical Examiner			81,493

Other Public Safety

Deputy(ies)	\$	14,024	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety (Cont.)

Salary Supplements	\$	15,600	
Guards		113,273	
Overtime Pay		21,715	
Other Salaries and Wages		444	
Social Security		9,863	
State Retirement		2,290	
Employer Medicare		2,307	
Postal Charges		7,250	
Uniforms		499	
Specialized Medical Treatment		36	
Law Enforcement Equipment		2,551	
Total Other Public Safety			\$ 189,852

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	13,452	
Social Security		652	
State Retirement		893	
Life Insurance		71	
Medical Insurance		9,599	
Employer Medicare		153	
Communication		4,969	
Contracts with Private Agencies		31	
Dues and Memberships		375	
Operating Lease Payments		2,930	
Maintenance and Repair Services - Buildings		6,578	
Maintenance and Repair Services - Office Equipment		1,998	
Pest Control		420	
Postal Charges		100	
Custodial Supplies		3,888	
Drugs and Medical Supplies		2,150	
Electricity		14,030	
Natural Gas		3,071	
Office Supplies		8,086	
Water and Sewer		2,067	
Building and Contents Insurance		1,712	
In Service/Staff Development		350	
Specialized Medical Treatment		36	
Office Equipment		240	
Total Local Health Center			77,851

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control

Supervisor/Director	\$	18,334	
Deputy(ies)		28,495	
Attendants		24,318	
Overtime Pay		82	
Social Security		4,125	
State Retirement		3,115	
Life Insurance		125	
Medical Insurance		14,045	
Employer Medicare		965	
Communication		2,427	
Licenses		11	
Maintenance and Repair Services - Buildings		2,337	
Maintenance and Repair Services - Equipment		1,270	
Maintenance and Repair Services - Vehicles		1,058	
Medical and Dental Services		605	
Disposal Fees		1,416	
Animal Food and Supplies		94	
Custodial Supplies		2,289	
Diesel Fuel		692	
Drugs and Medical Supplies		2,430	
Gasoline		4,498	
Law Enforcement Supplies		1,365	
Office Supplies		846	
Uniforms		377	
Utilities		11,599	
Building and Contents Insurance		621	
Vehicle and Equipment Insurance		1,335	
Specialized Medical Treatment		182	
Site Development		675	
Total Rabies and Animal Control			\$ 129,731

Dental Health Program

Drugs and Medical Supplies	\$	4,542	
Health Equipment		2,430	
Total Dental Health Program			6,972

Alcohol and Drug Programs

Contracts with Private Agencies	\$	7,585	
Total Alcohol and Drug Programs			7,585

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Crippled Children Services

Contributions	\$ 2,763	
Total Crippled Children Services		\$ 2,763

Other Local Health Services

Social Workers	\$ 133,695	
Medical Personnel	151,810	
Clerical Personnel	91,435	
Overtime Pay	54	
Other Salaries and Wages	387	
Social Security	21,485	
State Retirement	23,289	
Life Insurance	806	
Medical Insurance	86,358	
Employer Medicare	5,025	
Travel	18,329	
Other Contracted Services	9,321	
Other Supplies and Materials	1,121	
Liability Insurance	856	
Workers' Compensation Insurance	1,302	
Specialized Medical Treatment	462	
Other Charges	400	
Total Other Local Health Services		546,135

Appropriation to State

Contracts with Other Public Agencies	\$ 24,500	
Total Appropriation to State		24,500

General Welfare Assistance

Pauper Burials	\$ 7,600	
Other Charges	60,000	
Total General Welfare Assistance		67,600

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$ 23,484	
Social Security	1,456	
Employer Medicare	341	
Contributions	15,300	
Office Supplies	991	
Other Supplies and Materials	2,500	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Specialized Medical Treatment	\$ 64	
Total Senior Citizens Assistance		\$ 44,136

Libraries

Contributions	\$ 38,000	
Total Libraries		38,000

Other Social, Cultural, and Recreational

Contributions	\$ 19,600	
Utilities	1,183	
Total Other Social, Cultural, and Recreational		20,783

Agriculture and Natural Resources

Agriculture Extension Service

Communication	\$ 1,968	
Contracts with Government Agencies	44,575	
Dues and Memberships	240	
Maintenance and Repair Services - Office Equipment	881	
Postal Charges	150	
Travel	653	
Office Equipment	524	
Total Agriculture Extension Service		48,991

Soil Conservation

Contributions	\$ 1,033	
Dues and Memberships	250	
Total Soil Conservation		1,283

Other Operations

Airport

Supervisor/Director	\$ 20,400	
Medical Insurance	4,528	
Communication	1,240	
Contracts with Private Agencies	4,800	
Maintenance and Repair Services - Buildings	25,602	
Electricity	9,978	
Water and Sewer	316	
Liability Insurance	2,715	
Total Airport		69,579

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

Supervisor/Director	\$	39,504	
Secretary(ies)		24,995	
Clerical Personnel		13,277	
Social Security		4,725	
State Retirement		5,164	
Life Insurance		212	
Medical Insurance		21,893	
Employer Medicare		1,105	
Communication		2,271	
Data Processing Services		700	
Maintenance and Repair Services - Office Equipment		948	
Postal Charges		1,859	
Travel		4,528	
Office Supplies		1,905	
Uniforms		878	
Specialized Medical Treatment		108	
Office Equipment		<u>1,149</u>	
Total Veterans' Services			\$ 125,221

Contributions to Other Agencies

Contributions	\$	68,118	
Other Supplies and Materials		<u>4,237</u>	
Total Contributions to Other Agencies			72,355

Employee Benefits

Salary Supplements	\$	4,599	
Other Salaries and Wages		56,355	
Social Security		3,571	
State Retirement		78	
Unemployment Compensation		45,516	
Employer Medicare		835	
Consultants		11,321	
Judgments		2,919	
Workers' Compensation Insurance		<u>41,075</u>	
Total Employee Benefits			166,269

ARRA Grant No. 2

Assistant(s)	\$	30,391	
Social Security		1,860	
State Retirement		2,018	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

ARRA Grant No. 2 (Cont.)

Life Insurance	\$	50	
Employer Medicare		435	
Rentals		3,000	
Travel		980	
Other Supplies and Materials		2,606	
Workers' Compensation Insurance		70	
In Service/Staff Development		2,713	
Specialized Medical Treatment		6	
Other Capital Outlay		<u>2,200</u>	
Total ARRA Grant No. 2			\$ 46,329

ARRA Grant No. 3

Probation Officer(s)	\$	13,535	
Social Security		839	
State Retirement		899	
Life Insurance		53	
Employer Medicare		196	
Travel		125	
Workers' Compensation Insurance		379	
Specialized Medical Treatment		<u>27</u>	
Total ARRA Grant No. 3			16,053

Miscellaneous

Part-time Personnel	\$	27,622	
Social Security		1,713	
State Retirement		178	
Employer Medicare		401	
Consultants		5,000	
Travel		959	
Other Supplies and Materials		168	
Other Charges		<u>9,657</u>	
Total Miscellaneous			45,698

Principal on Debt

General Government

Principal on Notes	\$	<u>389,583</u>	
Total General Government			389,583

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Interest on Debt

General Government

Interest on Notes

\$ 10,209

Total General Government

\$ 10,209

Total General Fund

\$ 11,562,996

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director

\$ 48,960

Data Processing Personnel

51,165

Social Security

5,654

State Retirement

6,648

Life Insurance

212

Medical Insurance

26,647

Unemployment Compensation

322

Employer Medicare

1,322

Communication

498

Maintenance and Repair Services - Office Equipment

300

Medical and Dental Services

472

Postal Charges

500

Disposal Fees

35,417

Office Supplies

994

Uniforms

667

Building and Contents Insurance

2,736

Liability Insurance

17,172

Trustee's Commission

43,464

Vehicle and Equipment Insurance

27,063

Workers' Compensation Insurance

64,415

Specialized Medical Treatment

108

Total Sanitation Management

\$ 334,736

Sanitation Education/Information

Deputy(ies)

\$ 56,961

Other Salaries and Wages

4,800

Social Security

3,518

State Retirement

4,101

Life Insurance

141

Medical Insurance

12,294

Employer Medicare

823

Communication

1,938

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

Maintenance and Repair Services - Vehicles	\$	725	
Gasoline		7,445	
Instructional Supplies and Materials		1,913	
Specialized Medical Treatment		72	
Motor Vehicles		3,750	
Other Equipment		<u>777</u>	
Total Sanitation Education/Information	\$		99,258

Convenience Centers

Foremen	\$	38,041	
Mechanic(s)		25,160	
Truck Drivers		128,046	
Attendants		326,415	
Overtime Pay		15,853	
Other Salaries and Wages		15,542	
Other Per Diem and Fees		12,609	
Social Security		32,480	
State Retirement		34,692	
Life Insurance		1,512	
Medical Insurance		127,381	
Employer Medicare		7,596	
Communication		7,148	
Contracts with Private Agencies		411,086	
Maintenance and Repair Services - Equipment		2,481	
Maintenance and Repair Services - Vehicles		28,372	
Rentals		7,190	
Custodial Supplies		750	
Diesel Fuel		64,936	
Gasoline		2,509	
Office Supplies		374	
Uniforms		10,975	
Utilities		8,796	
Specialized Medical Treatment		<u>1,046</u>	
Total Convenience Centers			1,310,990

Transfer Stations

Foremen	\$	4,814	
Equipment Operators		23,673	
Overtime Pay		1,294	
Other Salaries and Wages		192	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Transfer Stations (Cont.)

Other Per Diem and Fees	\$	671	
Social Security		1,560	
State Retirement		2,030	
Life Insurance		81	
Medical Insurance		13,736	
Employer Medicare		370	
Licenses		1,000	
Rentals		610	
Uniforms		494	
Specialized Medical Treatment		36	
Total Transfer Stations			\$ 50,561

Recycling Center

Foremen	\$	32,334	
Equipment Operators		39,296	
Truck Drivers		51,093	
Laborers		27,401	
Overtime Pay		727	
Other Salaries and Wages		260	
Other Per Diem and Fees		964	
Social Security		8,835	
State Retirement		10,098	
Life Insurance		446	
Medical Insurance		45,576	
Employer Medicare		2,066	
Communication		2,440	
Maintenance and Repair Services - Buildings		767	
Maintenance and Repair Services - Equipment		6,762	
Maintenance and Repair Services - Vehicles		10,929	
Pest Control		360	
Custodial Supplies		1,033	
Diesel Fuel		8,921	
Gasoline		3,520	
Office Supplies		834	
Propane Gas		347	
Uniforms		4,449	
Utilities		12,692	
Wire		2,958	
Specialized Medical Treatment		249	
Total Recycling Center			275,357

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Disposal

Foremen	\$	27,520	
Equipment Operators		39,083	
Nightwatchmen		27,768	
Overtime Pay		2,246	
Other Salaries and Wages		3,821	
Other Per Diem and Fees		2,104	
Social Security		5,667	
State Retirement		6,809	
Life Insurance		309	
Medical Insurance		31,301	
Employer Medicare		1,325	
Licenses		2,951	
Maintenance and Repair Services - Equipment		13,000	
Uniforms		1,389	
Utilities		2,881	
Specialized Medical Treatment		180	
Total Other Waste Disposal			\$ 168,354

Other Operations

Employee Benefits

Other Salaries and Wages	\$	13,846	
Social Security		858	
Employer Medicare		201	
Total Employee Benefits			14,905

Total Solid Waste/Sanitation Fund \$ 2,254,161

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$	64,556	
Medical Personnel		557,101	
Paraprofessionals		71,131	
Clerical Personnel		36,549	
Maintenance Personnel		14,652	
Part-time Personnel		61,674	
Overtime Pay		76,750	
Other Salaries and Wages		39,188	
In-Service Training		2,335	
Other Per Diem and Fees		15,084	

(Continued)

Exhibit J-7

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Social Security	\$	55,329
State Retirement		47,484
Life Insurance		1,463
Medical Insurance		132,184
Unemployment Compensation		3,208
Employer Medicare		12,946
Communication		12,468
Contracts with Government Agencies		68,535
Data Processing Services		12,765
Dues and Memberships		410
Operating Lease Payments		1,228
Legal Services		20,000
Licenses		4,250
Maintenance and Repair Services - Buildings		2,396
Maintenance and Repair Services - Equipment		7,595
Maintenance and Repair Services - Office Equipment		572
Maintenance and Repair Services - Vehicles		30,575
Medical and Dental Services		18,000
Postal Charges		3,911
Rentals		360
Travel		225
Other Contracted Services		35,180
Custodial Supplies		1,887
Diesel Fuel		49,648
Drugs and Medical Supplies		61,634
Gasoline		2,610
Office Supplies		12,436
Uniforms		4,496
Utilities		16,596
Building and Contents Insurance		2,735
Liability Insurance		14,011
Refunds		2,362
Trustee's Commission		19,732
Vehicle and Equipment Insurance		6,554
Workers' Compensation Insurance		78,002
In Service/Staff Development		3,434
Specialized Medical Treatment		1,160
Other Charges		27,017
Building Improvements		1,166
Motor Vehicles		171,220

(Continued)

Exhibit J-7

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Office Equipment	\$	8,026	
Health Equipment		10,918	
Total Ambulance/Emergency Medical Services			\$ 1,905,748

Other Operations

Employee Benefits

Other Salaries and Wages	\$	10,626	
Social Security		659	
Employer Medicare		154	
Total Employee Benefits			11,439

Principal on Debt

General Government

Principal on Notes	\$	28,333	
Total General Government			28,333

Interest on Debt

General Government

Interest on Notes	\$	1,908	
Total General Government			1,908

Total Ambulance Service Fund \$ 1,947,428

Industrial/Economic Development Fund

General Government

Development

Board and Committee Members Fees	\$	3,471	
Social Security		88	
State Retirement		92	
Employer Medicare		21	
Engineering Services		19,436	
Travel		215	
Other Contracted Services		5,000	
Other Charges		13,060	
Total Development			\$ 41,383

Planning

Board and Committee Members Fees	\$	8,300	
Social Security		149	
State Retirement		59	

(Continued)

Exhibit J-7

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

Industrial/Economic Development Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Employer Medicare	\$	35	
Contributions		8,438	
Legal Services		6,075	
Total Planning			\$ 23,056

Other Facilities

Contracts with Private Agencies	\$	10,345	
Maintenance and Repair Services - Buildings		572	
Maintenance and Repair Services - Equipment		167	
Total Other Facilities			11,084

Other Operations

Tourism

Contributions	\$	45,000	
Total Tourism			45,000

Industrial Development

Contributions	\$	52,000	
Data Processing Services		4,703	
Dues and Memberships		4,056	
Legal Notices, Recording, and Court Costs		22	
Travel		123	
Utilities		4,980	
Other Supplies and Materials		140	
Building and Contents Insurance		3,544	
Trustee's Commission		2,152	
Other Charges		873	
Total Industrial Development			72,593

Other Economic and Community Development

Supervisor/Director	\$	38,132	
Part-time Personnel		20,852	
Other Salaries and Wages		52,893	
Social Security		7,854	
State Retirement		4,948	
Life Insurance		125	
Medical Insurance		9,599	
Employer Medicare		1,837	
Other Fringe Benefits		16,271	
Fiscal Agent Charges		19,404	

(Continued)

Exhibit J-7

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

Industrial/Economic Development Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development (Cont.)

Postal Charges	\$	246	
Travel		6,351	
Workers' Compensation Insurance		341	
Specialized Medical Treatment		108	
Other Charges		159,907	
Total Other Economic and Community Development			\$ 338,868

ARRA Grant No. 1

Part-time Personnel	\$	41,891	
Other Salaries and Wages		35,267	
Social Security		4,823	
State Retirement		41	
Employer Medicare		1,128	
Fiscal Agent Charges		4,937	
Other Charges		7,727	
Total ARRA Grant No. 1			<u>95,814</u>

Total Industrial/Economic Development Fund \$ 627,798

Special Purpose Fund

Other Operations

Employee Benefits

Medical Insurance	\$	4,434	
Total Employee Benefits			\$ 4,434

Highways

Employee Benefits

Medical Insurance	\$	2,993	
Total Employee Benefits			<u>2,993</u>

Total Special Purpose Fund 7,427

Drug Control Fund

Public Safety

Drug Enforcement

Detective(s)	\$	2,663	
Overtime Pay		12,699	
Social Security		952	
State Retirement		1,020	
Employer Medicare		223	

(Continued)

Exhibit J-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Communication	\$	3,053	
Confidential Drug Enforcement Payments		7,500	
Operating Lease Payments		9,521	
Maintenance and Repair Services - Vehicles		2,329	
Rentals		875	
Tow-in Services		350	
Diesel Fuel		691	
Gasoline		3,832	
Law Enforcement Supplies		11,026	
Other Supplies and Materials		42	
Workers' Compensation Insurance		252	
In Service/Staff Development		310	
Motor Vehicles		29,953	
Total Drug Enforcement			\$ 87,291

Total Drug Control Fund \$ 87,291

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	27,101	
Total Chancery Court			\$ 27,101

Total Constitutional Officers - Fees Fund 27,101

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	75,500	
Assistant(s)		64,183	
Social Security		8,385	
State Retirement		9,275	
Life Insurance		179	
Medical Insurance		14,088	
Employer Medicare		1,961	
Dues and Memberships		3,971	
Postal Charges		298	
Printing, Stationery, and Forms		55	
Travel		540	
Office Supplies		1,570	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Specialized Medical Treatment	\$	108	
Office Equipment		1,115	
Total Administration			\$ 181,228

Highway and Bridge Maintenance

Supervisor/Director	\$	43,351	
Foremen		57,712	
Equipment Operators		132,227	
Truck Drivers		177,037	
Laborers		163,025	
Overtime Pay		42,989	
Other Salaries and Wages		1,599	
Social Security		35,825	
State Retirement		40,184	
Life Insurance		1,339	
Medical Insurance		125,330	
Employer Medicare		8,378	
Contracts with Private Agencies		19,932	
Asphalt - Hot Mix		437,061	
Asphalt - Liquid		98,233	
Concrete		7,352	
Fertilizer, Lime, and Seed		1,866	
General Construction Materials		600	
Pipe - Metal		18,482	
Road Signs		4,860	
Structural Steel		1,880	
Specialized Medical Treatment		763	
Other Charges		2,635	
Total Highway and Bridge Maintenance			1,422,660

Operation and Maintenance of Equipment

Mechanic(s)	\$	56,230	
Laborers		52,334	
Overtime Pay		2,972	
Other Salaries and Wages		205	
Social Security		6,081	
State Retirement		7,420	
Life Insurance		266	
Medical Insurance		37,140	
Employer Medicare		1,422	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Diesel Fuel	\$	232,995	
Equipment and Machinery Parts		90,535	
Garage Supplies		647	
Gasoline		248,313	
Lubricants		9,262	
Natural Gas		5,574	
Tires and Tubes		19,381	
Specialized Medical Treatment		147	
Highway Equipment		<u>17,905</u>	
Total Operation and Maintenance of Equipment	\$		788,829

Quarry Operations

Foremen	\$	24,526	
Truck Drivers		24,200	
Laborers		45,456	
Overtime Pay		3,666	
Other Salaries and Wages		313	
Social Security		5,490	
State Retirement		6,444	
Life Insurance		270	
Medical Insurance		28,354	
Employer Medicare		1,284	
Explosive and Drilling Services		37,610	
Licenses		1,194	
Diesel Fuel		22,554	
Electricity		37,100	
Specialized Medical Treatment		<u>135</u>	
Total Quarry Operations			238,596

Other Charges

Communication	\$	14,560	
Electricity		7,583	
Uniforms		18,065	
Water and Sewer		822	
Building and Contents Insurance		4,384	
Liability Insurance		31,251	
Trustee's Commission		32,369	
Vehicle and Equipment Insurance		21,846	
Office Equipment		<u>1,500</u>	
Total Other Charges			132,380

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Other Salaries and Wages	\$	13,828	
Social Security		857	
Unemployment Compensation		8,189	
Employer Medicare		201	
Medical and Dental Services		784	
Workers' Compensation Insurance		<u>52,323</u>	
Total Employee Benefits	\$		76,182

Capital Outlay

Bridge Construction	\$	51,000	
Highway Equipment		110,842	
State Aid Projects		<u>263,565</u>	
Total Capital Outlay			<u>425,407</u>

Total Highway/Public Works Fund \$ 3,265,282

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	<u>309,160</u>	
Total General Government	\$		309,160

Highways and Streets

Principal on Notes	\$	<u>850,000</u>	
Total Highways and Streets			850,000

Education

Principal on Bonds	\$	120,840	
Principal on Notes		166,667	
Principal on Other Loans		<u>1,000,000</u>	
Total Education			1,287,507

Interest on Debt

General Government

Interest on Bonds	\$	<u>185,997</u>	
Total General Government			185,997

Highways and Streets

Interest on Notes	\$	<u>32,502</u>	
Total Highways and Streets			32,502

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Education

Interest on Bonds	\$	660,751	
Interest on Notes		58,024	
Interest on Other Loans		599,938	
Total Education			\$ 1,318,713

Other Debt Service

General Government

Trustee's Commission	\$	37,273	
Other Debt Service		7,591	
Total General Government			44,864

Total General Debt Service Fund \$ 4,028,743

General Capital Projects Fund

Capital Projects

General Administration Projects

Engineering Services	\$	25,617	
Trustee's Commission		9,714	
Building Improvements		29,843	
Total General Administration Projects			\$ 65,174

Public Safety Projects

Motor Vehicles	\$	67,452	
Total Public Safety Projects			67,452

Public Health and Welfare Projects

Site Development	\$	25,493	
Solid Waste Equipment		88,498	
Other Construction		8,399	
Total Public Health and Welfare Projects			122,390

Social, Cultural, and Recreation Projects

Engineering Services	\$	18,812	
Other Charges		42,975	
Building Construction		386,101	
Site Development		150,100	
Other Equipment		24,000	
Other Construction		36,000	
Other Capital Outlay		15,000	
Total Social, Cultural, and Recreation Projects			672,988

(Continued)

Exhibit J-7

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Highway and Street Capital Projects

Engineering Services	\$	12,000	
Quarry Equipment		85	
Site Development		1,860	
Total Highway and Street Capital Projects			\$ 13,945

Education Capital Projects

Contributions	\$	760,000	
Furniture and Fixtures		11,373	
Total Education Capital Projects			<u>771,373</u>

Total General Capital Projects Fund \$ 1,713,322

Other Capital Projects Fund

Capital Projects

Public Safety Projects

Architects	\$	48,600	
Engineering Services		1,000	
Evaluation and Testing		500	
Matching Share		14,370	
Other Charges		143	
Airport Improvement		7,237	
Other Capital Outlay		4,498	
Total Public Safety Projects			\$ 76,348

Public Health and Welfare Projects

Contracts with Government Agencies	\$	6,772	
Contracts with Private Agencies		11,675	
Engineering Services		12,600	
Matching Share		17,810	
Other Charges		22,992	
Building Improvements		9,600	
Site Development		72,920	
Other Construction		163,047	
Other Capital Outlay		107,490	
Total Public Health and Welfare Projects			424,906

Highway and Street Capital Projects

Other Equipment	\$	10,903	
Total Highway and Street Capital Projects			10,903

(Continued)

Exhibit J-7

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

<u>Other Capital Projects Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Education Capital Projects</u>		
Architects	\$	11,334
Other Charges		2,323
Building Construction		553,881
Building Improvements		23,140
Other Construction		186,514
Other Capital Outlay		19
Total Education Capital Projects		<u>777,211</u>
Total Other Capital Projects Fund		<u>\$ 1,289,368</u>
Total Governmental Funds - Primary Government		<u>\$ 26,810,917</u>

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 10,632,865	
Career Ladder Program	187,572	
Career Ladder Extended Contracts	85,860	
Homebound Teachers	36,006	
Educational Assistants	368,394	
Other Salaries and Wages	100,570	
Certified Substitute Teachers	75,184	
Non-certified Substitute Teachers	249,410	
Social Security	681,530	
State Retirement	716,442	
Life Insurance	25,155	
Medical Insurance	2,224,276	
Unemployment Compensation	36,904	
Employer Medicare	159,390	
Instructional Supplies and Materials	136,997	
Textbooks	339,552	
Other Supplies and Materials	4,921	
Regular Instruction Equipment	14,995	
Total Regular Instruction Program		\$ 16,076,023

Alternative Instruction Program

Teachers	\$ 126,367	
Career Ladder Program	1,000	
Educational Assistants	9,334	
Social Security	8,096	
State Retirement	8,177	
Life Insurance	188	
Medical Insurance	23,711	
Employer Medicare	1,893	
Total Alternative Instruction Program		178,766

Special Education Program

Teachers	\$ 729,927
Career Ladder Program	19,330
Career Ladder Extended Contracts	12,300
Homebound Teachers	26,329
Educational Assistants	65,575
Non-certified Substitute Teachers	32,258
Social Security	51,786

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

State Retirement	\$	54,833	
Life Insurance		1,931	
Medical Insurance		160,561	
Employer Medicare		12,112	
Contracts with Private Agencies		48,189	
Instructional Supplies and Materials		10,000	
Special Education Equipment		2,072	
Total Special Education Program			\$ 1,227,203

Vocational Education Program

Teachers	\$	954,096	
Career Ladder Program		11,980	
Career Ladder Extended Contracts		1,000	
Non-certified Substitute Teachers		21,340	
Social Security		58,103	
State Retirement		62,087	
Life Insurance		2,226	
Medical Insurance		182,586	
Employer Medicare		13,589	
Maintenance and Repair Services - Equipment		5,325	
Instructional Supplies and Materials		24,996	
Vocational Instruction Equipment		24,000	
Total Vocational Education Program			1,361,328

Adult Education Program

Teachers	\$	44,578	
Other Salaries and Wages		13,570	
Social Security		3,598	
State Retirement		103	
Life Insurance		3	
Medical Insurance		364	
Employer Medicare		842	
Instructional Supplies and Materials		1,170	
Other Charges		4,856	
Total Adult Education Program			69,084

Support Services

Attendance

Supervisor/Director	\$	38,541	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Career Ladder Program	\$	3,000	
Clerical Personnel		14,331	
Social Security		3,416	
State Retirement		3,619	
Life Insurance		82	
Medical Insurance		2,300	
Employer Medicare		799	
Data Processing Services		14,736	
Travel		409	
Total Attendance			\$ 81,233

Health Services

Medical Personnel	\$	124,104	
Other Salaries and Wages		52,844	
Social Security		10,531	
State Retirement		10,814	
Life Insurance		520	
Medical Insurance		25,375	
Employer Medicare		2,463	
Travel		7,001	
Other Supplies and Materials		21,279	
Total Health Services			254,931

Other Student Support

Career Ladder Program	\$	11,000	
Guidance Personnel		563,486	
Career Ladder Extended Contracts		7,069	
Social Workers		17,217	
Attendants		51,401	
Other Salaries and Wages		164,750	
Social Security		48,281	
State Retirement		50,435	
Life Insurance		1,277	
Medical Insurance		108,887	
Employer Medicare		11,292	
Evaluation and Testing		15,399	
Other Contracted Services		25,055	
Total Other Student Support			1,075,549

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	151,072	
Career Ladder Program		15,800	
Career Ladder Extended Contracts		1,000	
Librarians		368,683	
Materials Supervisor		43,365	
Instructional Computer Personnel		66,673	
Secretary(ies)		58,899	
Educational Assistants		54,250	
Other Salaries and Wages		35,160	
Social Security		47,078	
State Retirement		51,075	
Life Insurance		1,460	
Medical Insurance		114,842	
Employer Medicare		11,010	
Maintenance and Repair Services - Equipment		23,654	
Travel		26,413	
Other Contracted Services		26,799	
Library Books/Media		42,543	
Other Supplies and Materials		6,161	
Other Charges		91,250	
Other Equipment		216,566	
Total Regular Instruction Program			\$ 1,453,753

Alternative Instruction Program

Supervisor/Director	\$	44,131	
Social Security		2,506	
State Retirement		2,833	
Life Insurance		92	
Medical Insurance		10,259	
Employer Medicare		586	
Total Alternative Instruction Program			60,407

Special Education Program

Supervisor/Director	\$	77,081	
Career Ladder Program		3,000	
Psychological Personnel		48,613	
Assessment Personnel		100,822	
Clerical Personnel		57,046	
Social Security		17,324	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

State Retirement	\$	18,523	
Life Insurance		424	
Medical Insurance		21,387	
Employer Medicare		4,052	
Maintenance and Repair Services - Equipment		90	
Travel		20,674	
Other Supplies and Materials		1,216	
Other Charges		<u>12,616</u>	
Total Special Education Program			\$ 382,868

Vocational Education Program

Supervisor/Director	\$	77,081	
Career Ladder Program		2,000	
Secretary(ies)		28,663	
Social Security		6,541	
State Retirement		6,980	
Life Insurance		143	
Medical Insurance		14,199	
Employer Medicare		1,530	
Travel		13,220	
Other Charges		<u>1,714</u>	
Total Vocational Education Program			152,071

Adult Programs

Clerical Personnel	\$	27,942	
Social Security		1,617	
State Retirement		1,855	
Life Insurance		71	
Medical Insurance		3,875	
Employer Medicare		378	
Travel		3,280	
In Service/Staff Development		1,007	
Other Charges		<u>11,956</u>	
Total Adult Programs			51,981

Other Programs

On-Behalf Payments to OPEB	\$	<u>307,287</u>	
Total Other Programs			307,287

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Secretary to Board	\$	6,000	
Other Salaries and Wages		29,725	
Board and Committee Members Fees		63,032	
Social Security		6,097	
State Retirement		1,491	
Life Insurance		342	
Medical Insurance		142,258	
Employer Medicare		1,426	
Audit Services		10,900	
Dues and Memberships		6,346	
Legal Services		41,260	
Travel		24,181	
Liability Insurance		79,698	
Premiums on Corporate Surety Bonds		175	
Trustee's Commission		199,304	
Workers' Compensation Insurance		188,656	
Criminal Investigation of Applicants - TBI		13,080	
Total Board of Education			\$ 813,971

Director of Schools

County Official/Administrative Officer	\$	94,192	
Secretary(ies)		28,663	
Clerical Personnel		27,706	
Other Salaries and Wages		9,350	
Social Security		9,792	
State Retirement		10,636	
Life Insurance		223	
Medical Insurance		3,388	
Unemployment Compensation		19,791	
Employer Medicare		2,290	
Communication		12,636	
Dues and Memberships		2,916	
Maintenance and Repair Services - Equipment		1,188	
Postal Charges		2,729	
Travel		13,188	
Office Supplies		4,885	
Total Director of Schools			243,573

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	763,665	
Career Ladder Program		21,000	
Career Ladder Extended Contracts		8,000	
Assistant Principals		508,450	
Secretary(ies)		406,009	
Other Salaries and Wages		65,922	
Social Security		103,979	
State Retirement		113,995	
Life Insurance		2,950	
Medical Insurance		292,194	
Employer Medicare		24,319	
Other Charges		6,929	
Total Office of the Principal			\$ 2,317,412

Fiscal Services

Other Charges	\$	120,067	
Total Fiscal Services			120,067

Operation of Plant

Custodial Personnel	\$	870,180	
Other Salaries and Wages		21,433	
Social Security		49,967	
State Retirement		57,380	
Life Insurance		2,791	
Medical Insurance		257,537	
Employer Medicare		11,686	
Other Contracted Services		14,817	
Custodial Supplies		72,446	
Electricity		1,248,026	
Natural Gas		227,941	
Water and Sewer		177,997	
Other Supplies and Materials		4,454	
Building and Contents Insurance		211,686	
Other Charges		174,350	
Total Operation of Plant			3,402,691

Maintenance of Plant

Supervisor/Director	\$	42,541	
Maintenance Personnel		285,339	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Social Security	\$	18,869	
State Retirement		21,199	
Life Insurance		689	
Medical Insurance		69,964	
Employer Medicare		4,413	
Maintenance and Repair Services - Buildings		127,617	
Maintenance and Repair Services - Vehicles		423	
Other Contracted Services		8,416	
Gasoline		9,892	
Other Supplies and Materials		4,358	
Other Charges		180	
Total Maintenance of Plant			\$ 593,900

Transportation

Supervisor/Director	\$	37,206	
Bus Drivers		19,815	
Clerical Personnel		14,332	
Other Salaries and Wages		3,900	
Social Security		4,604	
State Retirement		3,340	
Life Insurance		239	
Medical Insurance		20,893	
Employer Medicare		1,077	
Contracts with Vehicle Owners		1,162,817	
Maintenance and Repair Services - Vehicles		5,577	
Medical and Dental Services		1,567	
Diesel Fuel		2,650	
Gasoline		8,280	
Vehicle and Equipment Insurance		61,661	
Other Charges		1,602	
Total Transportation			1,349,560

Central and Other

Other Contracted Services	\$	28,617	
Other Supplies and Materials		100,774	
In Service/Staff Development		91,595	
Other Charges		16,717	
Data Processing Equipment		195,787	
Other Equipment		150,352	
Total Central and Other			583,842

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	48,406	
Part-time Personnel		21,636	
Other Salaries and Wages		294,885	
Non-certified Substitute Teachers		1,650	
Social Security		22,266	
State Retirement		16,694	
Life Insurance		141	
Medical Insurance		21,893	
Employer Medicare		5,208	
Travel		13,429	
Other Contracted Services		4,435	
Instructional Supplies and Materials		6,551	
Other Supplies and Materials		132,461	
In Service/Staff Development		2,853	
Other Charges		33,284	
Total Community Services			\$ 625,792

Early Childhood Education

Teachers	\$	427,177	
Career Ladder Program		6,000	
Educational Assistants		117,183	
Other Salaries and Wages		13,033	
Non-certified Substitute Teachers		5,582	
Social Security		32,988	
State Retirement		35,088	
Life Insurance		1,728	
Medical Insurance		125,949	
Employer Medicare		7,715	
Travel		3,393	
Other Supplies and Materials		133,178	
In Service/Staff Development		8,863	
Other Charges		38,686	
Total Early Childhood Education			956,563

Capital Outlay

Regular Capital Outlay

Architects	\$	31,203	
Other Contracted Services		900	
Building Improvements		22,410	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Capital Outlay (Cont.)

Regular Capital Outlay (Cont.)

Site Development	\$	39,000	
Other Capital Outlay		<u>596,477</u>	
Total Regular Capital Outlay	\$		689,990

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	<u>1,413,196</u>	
Total Education			<u>1,413,196</u>

Total General Purpose School Fund \$ 35,843,041

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,169,113	
Educational Assistants		177,866	
Other Salaries and Wages		32,613	
Non-certified Substitute Teachers		17,545	
Social Security		82,289	
State Retirement		81,280	
Life Insurance		3,134	
Medical Insurance		236,050	
Employer Medicare		19,245	
Instructional Supplies and Materials		307,656	
Other Supplies and Materials		436,879	
Regular Instruction Equipment		<u>869,771</u>	
Total Regular Instruction Program	\$		3,433,441

Special Education Program

Teachers	\$	829,463	
Educational Assistants		364,712	
Other Salaries and Wages		17,004	
Certified Substitute Teachers		8,755	
Non-certified Substitute Teachers		12,430	
Social Security		70,046	
State Retirement		73,390	
Life Insurance		3,055	
Medical Insurance		323,758	
Employer Medicare		16,382	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Contracts with Private Agencies	\$	64,204	
Instructional Supplies and Materials		55,402	
Textbooks		46,815	
Other Supplies and Materials		88,000	
Special Education Equipment		<u>251,859</u>	
Total Special Education Program			\$ 2,225,275

Vocational Education Program

Educational Assistants	\$	23,398	
Social Security		1,156	
State Retirement		1,554	
Life Insurance		125	
Medical Insurance		14,331	
Employer Medicare		270	
Other Supplies and Materials		44,629	
Vocational Instruction Equipment		<u>8,422</u>	
Total Vocational Education Program			93,885

Support Services

Health Services

Medical Personnel	\$	34,907	
Social Security		1,875	
State Retirement		1,450	
Life Insurance		35	
Medical Insurance		5,134	
Employer Medicare		<u>438</u>	
Total Health Services			43,839

Other Student Support

Social Workers	\$	29,717	
Other Salaries and Wages		27,942	
Social Security		3,472	
State Retirement		2,999	
Life Insurance		125	
Medical Insurance		9,671	
Employer Medicare		812	
Other Contracted Services		13,015	
Other Supplies and Materials		851	
In Service/Staff Development		4,129	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Charges	\$ 7,618	
Total Other Student Support		\$ 100,351

Regular Instruction Program

Supervisor/Director	\$ 82,821	
Secretary(ies)	27,010	
Other Salaries and Wages	338,469	
In-Service Training	13,500	
Non-certified Substitute Teachers	3,135	
Social Security	27,498	
State Retirement	27,820	
Life Insurance	693	
Medical Insurance	78,182	
Employer Medicare	6,431	
Consultants	47,282	
Maintenance and Repair Services - Equipment	2,500	
Travel	25,322	
Other Contracted Services	15,000	
Other Supplies and Materials	84,960	
Refunds	13,402	
In Service/Staff Development	159,594	
Other Charges	8,670	
Other Equipment	4,160	
Total Regular Instruction Program		966,449

Special Education Program

Psychological Personnel	\$ 53,168	
Clerical Personnel	28,663	
Social Security	4,831	
State Retirement	1,903	
Life Insurance	71	
Medical Insurance	10,552	
Employer Medicare	1,130	
Other Supplies and Materials	5,400	
In Service/Staff Development	31,306	
Other Equipment	15,000	
Total Special Education Program		152,024

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

In-Service Training	\$	4,500	
Social Security		279	
State Retirement		291	
Employer Medicare		65	
Travel		39,968	
In Service/Staff Development		14,559	
Total Vocational Education Program			\$ 59,662

Transportation

Bus Drivers	\$	43,515	
Other Salaries and Wages		13,102	
Social Security		3,511	
State Retirement		1,633	
Employer Medicare		821	
Contracts with Vehicle Owners		66	
Maintenance and Repair Services - Vehicles		6,171	
Diesel Fuel		2,500	
Gasoline		11,074	
Total Transportation			82,393

Operation of Non-Instructional Services

Early Childhood Education

Teachers	\$	34,847	
Educational Assistants		10,856	
Social Security		2,622	
State Retirement		2,958	
Life Insurance		165	
Medical Insurance		10,522	
Employer Medicare		613	
Total Early Childhood Education			62,583

Total School Federal Projects Fund \$ 7,219,902

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	74,411	
Accountants/Bookkeepers		24,601	
Clerical Personnel		51,126	

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Cafeteria Personnel	\$	890,686	
Other Salaries and Wages		79,184	
Social Security		64,640	
State Retirement		62,120	
Life Insurance		4,250	
Medical Insurance		230,698	
Employer Medicare		15,118	
Communication		9,410	
Maintenance and Repair Services - Equipment		27,808	
Travel		4,384	
Other Contracted Services		27,267	
Food Preparation Supplies		120,069	
Food Supplies		1,077,748	
Uniforms		23,045	
USDA - Commodities		178,808	
Other Supplies and Materials		8,622	
In Service/Staff Development		1,297	
Other Charges		44,773	
Food Service Equipment		114,619	
Total Food Service			\$ 3,134,684

Total Central Cafeteria Fund \$ 3,134,684

Total Governmental Funds - Campbell County School Department \$ 46,197,627

Exhibit J-9

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

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,072,058
Total Cash Receipts	<u>\$ 3,072,058</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,041,336
Trustee's Commission	30,722
Total Cash Disbursements	<u>\$ 3,072,058</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

March 4, 2011

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Campbell County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Campbell County's basic financial statements and have issued our report thereon dated March 4, 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 Campbell County Emergency Communications District as described in our report on Campbell 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 Campbell 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 Campbell County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Campbell County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency in internal control over financial reporting: 10.03. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

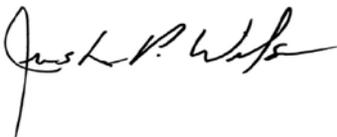
As part of obtaining reasonable assurance about whether Campbell County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 10.01 and 10.02.

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

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

This report is intended solely for the information and use of management, the county mayor, director of schools, road superintendent, director of finance, Financial Management Committee, Board of County Commissioners, Board of Education, others within Campbell 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/sb



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

March 4, 2011

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

To the County Mayor and Board of County Commissioners:

Compliance

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

As described in items 10.01 and 10.04 in the accompanying Schedule of Findings and Questioned Costs, Campbell County did not comply with requirements regarding allowable costs/cost principles and procurement, suspension, and debarment that are applicable to its Title I Cluster and Special Education Cluster programs. Compliance with such requirements is necessary, in our opinion, for Campbell County to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, Campbell 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 Campbell 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 Campbell 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 Campbell 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

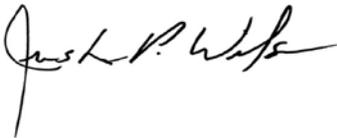
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Campbell County as of and for the year ended June 30, 2010, and have issued our report thereon dated March 4, 2011. Our audit was performed for the purpose of

forming our opinions on the financial statements that collectively comprise Campbell 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.

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

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

Yours very truly,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Campbell 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	\$ 178,808 (3)
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	11,002
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	552,258
National School Lunch Program	10.555	N/A	1,679,206 (3)
Total U.S. Department of Agriculture			<u>\$ 2,421,274</u>
U.S. Department of Justice:			
Passed-through State Department of Finance Administration:			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to State and Territories	16.803	(2)	\$ 62,382
Total U.S. Department of Justice			<u>\$ 62,382</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	N/A	\$ 92,089
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	2,317,602
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	1,426,105
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,366,870
Special Education - Grants to States, Recovery Act	84.391	N/A	1,135,500
Special Education - Preschool Grants	84.173	N/A	51,615
Special Education - Preschool Grants, Recovery Act	84.392	N/A	14,017
Career and Technical Education - Basic Grants to States	84.048	N/A	147,578
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	30,253
State Grants for Innovative Programs	84.298	N/A	3,245
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	N/A	36,217
Education Technology State Grants, Recovery Act	84.386	N/A	56,097
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	120,000
Rural Education	84.358	N/A	105,686
Literacy through School Libraries	84.364	(2)	157,073
Improving Teacher Quality State Grants	84.367	N/A	439,354
School Improvement Grants	84.377	(2)	132,606
Education of Homeless Children and Youth, Recovery Act	84.387	N/A	164
State Fiscal Stabilization Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	N/A	1,062,500
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	N/A	276,250
Total U.S. Department of Education			<u>\$ 8,970,821</u>
Corporation for National and Community Service:			
Passed-through State Department of Education:			
Learn and Service America - Higher Education	94.005	(2)	\$ 5,970
Total Corporation for National and Community Service			<u>\$ 5,970</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	GG-08-241148-00	\$ 90,188
Emergency Management Performance Grants	97.042	(4)	12,292
Total U.S. Department of Homeland Security			<u>\$ 102,480</u>
Total Expenditures of Federal Awards			<u>\$ 11,562,927</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 14,617
Waste Tire Program - State Department of Environment and Conservation	N/A	(2)	20,000
Litter Program - State Department of Transportation	N/A	(2)	34,827
Airport Maintenance - State Department of Transportation	N/A	(2)	40,782
Aging Program - State Commission on Aging	N/A	(2)	13,327
Local Health Services - State Department of Health	N/A	(2)	616,595
Juvenile Service Program - State Commission on Children and Youth	N/A	(2)	9,000
Driver's Education - State Department of Education	N/A	(2)	16,323
Safe Schools Act - State Department of Education	N/A	(2)	3,987
Early Childhood Education Program - State Department of Education	N/A	(2)	661,851
Drug Grant - State Department of Finance and Administration	N/A	(2)	49,545
Lottery for Education: After School Program - State Department of Education	N/A	(2)	<u>337,500</u>
 Total State Grants			 <u>\$ 1,818,354</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Total for CFDA No. 10.555 is \$1,858,014.
(4) DG-09-24430-00: \$2,292; 34101-21410: \$10,000.

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

OTHER FINDING

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.02	205	Duties were not segregated adequately in the Offices of County Clerk, Clerk and Master, and Register

CAMPBELL 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 Campbell County is unqualified.
2. The audit of the financial statements of Campbell County disclosed one significant deficiency in internal control. This deficiency was not considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that is material to the financial statements of Campbell County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. A qualified opinion was issued on compliance for the Title I Cluster: Title I Grants to Local Education Agencies and Title I Grants to Local Education Agencies – Recovery Act (CFDA Nos. 84.101 and 84.389); the Special Education Cluster: Special Education Grants to States, Special Education Grants to States – Recovery Act, Special Education Preschool Grants, Special Education Preschool Grants – Recovery Act (CFDA Nos. 84.027, 84.391, 84.173, and 84.392) for major programs.
6. The audit revealed one finding that is required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); the Title I Cluster: Title I Grants to Local Education Agencies and Title I Grants to Local Education Agencies – Recovery Act (CFDA Nos. 84.101 and 84.389); the Special Education Cluster: Special Education Grants to States, Special Education Grants to States – Recovery Act, Special Education Preschool Grants, Special Education Preschool Grants – Recovery Act (CFDA Nos. 84.027, 84.391, 84.173, and 84.392); Improving Teacher Quality State Grants (CFDA No. 84.367); and State Fiscal Stabilization Cluster: State Fiscal Stabilization Fund – Education State Grants, Recovery Act and State Fiscal Stabilization Fund – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397) were determined to be major programs.
8. A \$346,888 threshold was used to distinguish between Type A and Type B federal programs.
9. Campbell County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The former Title I director provided a written response on certain findings, which are paraphrased in this report.

DIRECTOR OF SCHOOLS

FINDING 10.01 **THE OFFICE HAD DEFICIENCIES IN THE ADMINISTRATION OF FEDERAL GRANTS, RESULTING IN QUESTIONED COSTS** (Material Noncompliance Under Government Auditing Standards and OMB Circular A-133)

Our investigation disclosed the following deficiencies related to the administration of federal grants:

- A. A review of reimbursements to the Title I director revealed questionable costs under Title I ARRA (\$7,986.66) and Title I (\$725.84) programs.
 - 1) In several instances, the Title I director purchased gifts totaling \$7,986.66 for students who invested the most time using Curriculum Advantage, a computer-based instruction program. The value of the gift a student could select was based exclusively on the time each student had accumulated. Examples of some of the gifts purchased include: iPods, DSI games, iTunes cards, radios, cameras, bikes, and a home theatre system. No documentation was on file to reflect the disbursement of the gifts to students. OMB Circular A-87, Attachment B, Section (1)(f)(3) states that “costs of promotional items and memorabilia, including models, gifts, and souvenirs” are unallowable.
 - 2) In two instances, the Title I director was reimbursed for the purchase of white shirts totaling \$433.49 for a principal in-service-training and polo shirts totaling \$292.35 for staff. OMB Circular A-87, Attachment B, Section (1)(f)(3) states that “costs of promotional items and memorabilia, including models, gifts, and souvenirs” are unallowable. Also, OMB Circular A-87, Attachment B, Section 20, states that “costs of goods or services for personal use of the governmental unit's employees are unallowable regardless of whether the cost is reported as taxable income to the employees.”
- B. Competitive bids were not solicited for the purchase of computer-based instruction for students, resulting in questioned costs of \$55,200 under Title I (CFDA No. 84.010) and \$50,300 under IDEA B (CFDA No. 84.027) for the year ended June 30, 2010. In addition, Race-to-the-Top Incentive (CFDA No. 84.395) programs spent \$62,570 for this instruction program subsequent to June 30, 2010. The director of schools and the Title I director used federal

monies to enter into a contract with Classworks/Curriculum Advantage. A sole source declaration was provided to the School Department by Curriculum Advantage; however, the School Department failed to explore other vendors to match curriculum goals, and to validate Curriculum Advantage's declaration as a sole source.

RECOMMENDATION

The United States Office of Management and Budget establishes compliance requirements for federal grants. Management should review allowable costs guidance under federal cost principles and Education General Administrative Regulations to ensure that purchases are in compliance with federal guidelines. Campbell County purchasing guidelines require competitive bids, for purchases exceeding \$10,000, to be made after public advertisement and solicitation of competitive bids.

MANAGEMENT'S RESPONSE – FORMER TITLE I DIRECTOR KAREN BUNDREN

A.(1.) There were no gifts purchased for using Curriculum Advantage, a computer-based instruction program. Based on direction from the state Department of Education, it is allowable for federal monies to be used to purchase incentives for students. This was confirmed also during a webinar with the state Department of Education. Dr. Julie McCarger, then assistant commissioner for federal programs, told federal programs directors it is indeed allowable for federal monies to be used to provide incentives to students. (As an example of the long-term nature of this process: In 2004, when I arrived at Campbell County, Jellico High School was offering gift cards to students to take tests. I was shocked and questioned it. Dr. McCarger's office said it was within the guidelines).

As federal programs supervisor in Campbell County, it was my responsibility to appropriate the funding for a student incentive program. This program was administered by Meredith Arnold, then acting principal of LaFollette Elementary School.

In order to qualify, students were required to participate in an after-school environment for TCAP preparation. Campbell County schools missed around 20 days of school in 2009 due to inclement weather, severely impacting student preparation and instruction time.

To address the loss of instruction, central office personnel and principals decided to use Classworks, an existing computer-based instructional technology in all K-8 schools, to provide after school tutoring.

Assessments were given to students and prescriptive instruction individualized to address each student's deficiencies, with regard to grade-level performance on the new Tennessee standards, was administered. It was a voluntary program, and incentives were offered to build participation. The students earned the incentives based upon successful completion of tasks and hours on tasks. Prizes were categorized based on price of incentive. The least expensive prizes were offered for

students with the fewest hours, and it built upward from there with the grand prizes contingent on student choice.

Documentation was filed in the office of the federal programs supervisor for Campbell County. Principals also kept records of participating students' performance. Teachers were compensated incrementally to their existing wages, using federal monies, to provide oversight in the weeks leading up to TCAP testing. TCAP tests were administered in mid-April 2010.

Student incentives were awarded at the end of the school year. The ceremony took place at the May 2010 Board of Education meeting held at the Campbell County Courthouse. All students were recognized and honored for their hard work. Parents were recognized for participating and providing transportation to take their children back to school for important instruction. Students, parents, teachers, principals, and all school administration, including our school board members who were well aware of the program, were invited to participate.

For the first time in the central office personnel's memory, based on their own comments, Campbell County met its federal requirements at every Campbell County school relative to AYP and other measures. It is important to note this success occurred under the framework of the new, more rigorous, Tennessee State Curriculum Standards.

- A.(2.) As part of Tennessee's application and subsequent award of federal Race-to-the-Top monies in January 2009, legislation was created to introduce rigorous new standards for Tennessee educators to be effective in the 2010 school year.

Federal monies were set aside to provide professional development and training for administrators and teachers to prepare them for this aggressive initiative. Campbell County initiated an aggressive agenda to get our professionals on board, motivated, and united to take on these tough standards.

Federal monies were used to cover the costs, and packages were provided for every participant based on the session's agenda.

Over the course of history, the state department has allowed – even encouraged – central office personnel to use props to engage session participants. These props include training materials, logo'd artifacts like shirts, mugs, pens, pads, calculators, trophies, and the like.

Campbell chose to provide shirts with Campbell County Board of Education logos as a show of focus and unity. Participants wore these shirts – with black slacks or skirts – to the training sessions.

Photographs are available.

- B. Classworks/Curriculum Advantage was vetted in March 2010 as an approved vendor for the State of Tennessee's Race-to-the-Top program.

Prior to that, no approved vendor list had been created by the state Department of Education. Individual school systems reviewed and selected their instructional-based technology programs independently. The first computer program, River Deep, was introduced in Campbell County prior to my arrival in 2004.

As educators, we were always looking for tools to provide consistent instruction and teacher engagement to improve student achievement.

At the beginning of the 2008-2009 school year, a new director of schools was hired. Several schools within Campbell County's system were targeted by the state for not meeting minimum federal guidelines relative to student achievement and other measures. Dr. Michael Martin ordered an audit of all existing technology in the district.

While I don't have access to the documentation at present, memory serves that these programs were already in use: Classworks/Curriculum Advantage, Compass, Fast ForWord by Scientific Learning, Plato, E2020, River Deep, Pearson's Destination Series, Hatch PreSchool, Orchard, E4TN, Writing Sample/ETS, ThinkLink, Discovery and EduSoft.

It is my recollection and belief each of these companies provided a sole source declaration. It is a common practice to maximize the uniqueness of technology's features and benefits to drive student achievement. In fact, the State of Tennessee signed multi-million dollar agreements with Battelle for Kids and ENA in the past few years based on sole source declarations.

In Campbell County, we reviewed the technology audit and made the decision to go with the program, which was already in use at most locations (chosen by the principals and on-site educators, not the central office) and offered the opportunity to provide training, performance review and tracking independent of our own system so we could maximize student achievement scores. Classworks was in five of ten locations and had the most use and the best track record.

A review was indeed done and sole source declaration was provided in 2008, 2009, and 2010.

It is the belief of administration, this initiative contributed to our district's 2010 TCAP/AYP performance, which mentioned earlier, was the first time in recent history all of Campbell County schools met their minimum federal requirements.

REBUTTAL PROVIDED BY OFFICIALS WITH THE STATE DEPARTMENT OF EDUCATION

- A. The Tennessee Department of Education Division of LEA Support and Improvement is responsible for the fiscal accountability and oversight for Elementary and Secondary Education Act (ESEA) funds. Primary responsibilities of the division are to provide technical assistance, guidance, and monitoring to insure the appropriate use of ESEA funds. Multiple training opportunities are made available to local education agencies (LEAs) with emphasis on informing the federal program

directors who hold the leadership position in the local school systems and the bookkeepers responsible for the ESEA funds. Examples of training materials are posted on the Federal Programs website at <http://tn.gov/education/fedprog/fppresentations.stml>.

Three examples of specific training sessions that Ms. Bundren would be expected to attend are the Federal Program Directors' Conference (October 2009), Fiscal Requirements (October 22, 2009), and the School Improvement Grant Rollout Meeting, April 27, 2010. At these sessions, allowable and unallowable uses of Title I funds were discussed. Similar topics are discussed annually in large group meetings **and as the assigned ESEA consultants work one-on-one with their districts.**

- (1) Day 2 – October 22, 2009 NCLB/ARRA: Continuing the Journey – ARRA: Using Title I Funds and Reporting Requirements – Dr. Debra Owens – See link <http://tn.gov/education/fedprog/doc/T1ARRAUseNRpt-DebO2109.pdf> Dr. Owen's presentation utilized the U.S. Department of Education Title I ARRA guidance. ESEA guidance (NCLB, ARRA, etc.) are also posted on the Federal Program website. <http://tn.gov/education/fedprog/fpguidance.shtml>.
- (2) October 22, 2009 Fiscal Requirements – Eve Carney specifically Slide 13 – COMPLIANCE – include a discussion of expectations of compliance and resources available. The presentation can be viewed at http://tn.gov/education/fedprog/archive_pres.shtml.
- (3) School Improvement Grant Rollout Meeting – April 27, 2010 – One topic was SIG Fiscal, which included a discussion on allowable and unallowable expenditures. See the presentation at http://tn.gov/education/fedprog/doc/SIG_Fiscal.ppt.

“Props” have not been encouraged or permitted as an allowable use of federal funds. In fact, school systems have been found out of compliance and required to pay back money when unallowable activities or items were identified through compliance monitoring, official complaints, or other memos. Most recently, a system purchased shirts, leather portfolios, and other items with the system logo and were required to reimburse the federal funds from state/local dollars.

- B. The inclusion of Classworks/Curriculum Advantage did not imply that competitive bids were not necessary. Multiple vendors are included on the Tennessee Department of Education list.

FINDING 10.02 THE DIRECTOR OF SCHOOLS AND TITLE I DIRECTOR HAVE BEEN INDICTED BY THE CAMPBELL COUNTY GRAND JURY
(Noncompliance Under Government Auditing Standards)

It should be noted that prior to the beginning of our audit work, Director of Schools Dr. Michael Martin and Title I Director Karen Bundren were indicted by a Campbell County Grand Jury on December 3, 2010. The indictments stem from the director of schools

and Title I director allegedly falsifying transcripts of Ms. Bundren indicating she had a Doctor of Education Degree. The alleged falsified degree was presented to the Campbell County Finance Office and the State of Tennessee in December 2009. The director of schools and the Title I director were both indicted on one count of theft - \$1,000-\$10,000, two counts of official misconduct, two counts of forgery, two counts of tampering with governmental records, and two counts of falsifying educational and academic records. The director of schools and Title I director both resigned their positions subsequent to June 30, 2010, and are awaiting trial on these charges. Ms. Bundren repaid Campbell County \$4,778.12 on October 28, 2010.

MANAGEMENT'S RESPONSE – FORMER TITLE I DIRECTOR KAREN BUNDREN

I take strong exception to the detailed inclusion of my indictment in Campbell County as part of the Comptroller's Office audit findings. The inclusion of this inflammatory statement, in gross detail, has the strong potential to negatively influence the readers' perception and interpretation of the audit.

It is not an essential component of the audit. It should be sufficient to state that I have retired. I retired on October 8, 2010.

On the recommendation of my attorney, I cannot even publicly defend myself against this indictment; hence, given the timing of this audit, I am not able to comment.

AUDITOR'S COMMENT

The inclusion of this finding reports public information on actions taken by the Campbell County Grand Jury.

OTHER FINDING

FINDING 10.03 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF COUNTY CLERK, CLERK AND MASTER, AND REGISTER**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

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

RECOMMENDATION

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

BEST PRACTICE

CAMPBELL COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE

Campbell County does not have an Audit Committee. Sound business practices dictate that establishing an Audit Committee would significantly improve management oversight and accountability. The absence of an Audit Committee has been a management decision by the County Commission. The Division of County Audit strongly believes that an Audit Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

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

Federal Agency	Finding Number	Federal CFDA Number	Criteria	Explanation	Amount Questioned
U.S. Department of Education: Passed-through State Department of Education: Title I Cluster: Title I Grants to Local Educational Agencies Title I Grants to Local Educational Agencies - Recovery Act	10.04	84-010 84-389	<u>Circular A-133, Compliance Supplement</u> Part 3(B).	Noncompliance - See Finding 10.01(A). Gifts and shirts were purchased with program funds.	\$ 726 7,987
U.S. Department of Education: Passed-through State Department of Education: Title I Cluster: Title I Grants to Local Educational Agencies Title I Grants to Local Educational Agencies - Recovery Act Special Education Cluster: Special Education - Grants to States Special Education - Grants to States, Recovery Act Special Education - Preschool Grants Special Education - Preschool Grants, Recovery Act	10.04	84-010 84-389 84-027 84-391 84-173 84-392	<u>Circular A-133, Compliance Supplement</u> Parts 3(B), (I).	Material Noncompliance - See Finding 10.01(B). Competitive bids were not solicited for computer based instruction.	55,200 50,300

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

There were no audit findings relative to federal awards presented in the prior-year's Schedule of Findings and Questioned Costs. There were audit findings relative to federal awards presented in the current-year's Schedule of Findings and Questioned Costs.

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

FINDINGS 10.01 and 10.04

Contact person: Sharon M. Ridenour

Corrective action planned: The Campbell County School System will develop and implement internal controls to ensure the expenditure of all federal funds are compliant with all applicable federal guidelines, including but not limited to OMB Circular A-87. Further, the Campbell County School System will comply with all locally established purchasing policies and procedures, including but not limited to obtaining and providing appropriate documentation to support purchases from sole source providers. Lastly, if a final determination is made by the state Department of Education and/or the United States Department of Education that any portion of the questioned costs noted within Finding 10.01 are to be reimbursed or otherwise replenished, such reimbursement and/or replenishment shall be made from the General Purpose School Fund at the time such a determination is made.

Anticipated completion date: 2010-11