
ANNUAL FINANCIAL REPORT WHITE COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2010



**ANNUAL FINANCIAL REPORT
WHITE 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
White County, Tennessee
For the Year Ended June 30, 2010

Scope

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

Results

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

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

Findings and Best Practice

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

OFFICE OF FINANCE DIRECTOR

- ◆ The Solid Waste Department's software did not have adequate application controls.

OTHER FINDING

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

BEST PRACTICE

White 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

White County Officials

June 30, 2010

Officials

Herd Sullivan, County Mayor
Abner Graham, Road Superintendent
Sandra Crouch, Director of Schools
Brenda Officer, Trustee
Paytina Miller, Assessor of Property
Connie Jolley, County Clerk
Beverly Templeton, Circuit and General Sessions Courts Clerk
Gena Brock, Clerk and Master
Gary Brodgen, Register
Oddie Shoupe, Sheriff
Mark Farley, Finance Director

Board of County Commissioners

Terry Alley, Chairman
Andy Alley
Jerry Austin
Wallace Austin
Marion Bumbalough
Hank Clark
Jerry Denton

Joe England
Milton Herren
Dewayne Howard
Richard Lane
B.K. Luna
Bruce Null
Denny Wayne Robinson

Financial Management Committee

Wallace Austin, Chairman
Herd Sullivan, County Mayor
Abner Graham, Road Superintendent
Sandra Crouch, Director of Schools

Andy Alley
Joe England
Dewayne Howard

Board of Education

Gary Sparkman, Chairman
Barbara Jared
Donna Jones
Richard McBride

Kenneth Robinson
Rebecca Tubb
Janet Webb

FINANCIAL SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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NASHVILLE, TENNESSEE 37243-1402
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INDEPENDENT AUDITOR'S REPORT

November 23, 2010

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

To the County Mayor and Board of County Commissioners:

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

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

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

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated November 23, 2010, on our consideration of White 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., White County has adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010.

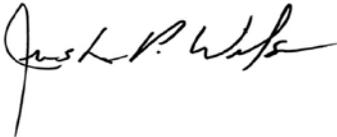
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 59 through 67 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 White 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 White 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 White County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Unit
	Governmental	Business-type	Total	White
	Activities	Activities		County School Department
<u>ASSETS</u>				
Cash	\$ 30,123	\$ 0	\$ 30,123	\$ 0
Equity in Pooled Cash and Investments	5,316,299	609,513	5,925,812	17,503,743
Accounts Receivable	1,298,752	90,000	1,388,752	0
Allowance for Uncollectibles	(512,248)	0	(512,248)	0
Due from Other Governments	712,734	0	712,734	598,369
Due from Primary Government	0	0	0	467
Property Taxes Receivable	4,429,249	0	4,429,249	3,232,674
Allowance for Uncollectible Property Taxes	(140,506)	0	(140,506)	(103,471)
Notes Receivable	350,226	0	350,226	0
Deferred Charges - Debt Issuance Costs	158,726	0	158,726	0
Capital Assets:				
Assets Not Depreciated:				
Land	1,004,978	580,078	1,585,056	693,842
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	7,946,650	900,764	8,847,414	19,666,644
Other Capital Assets	4,254,545	468,877	4,723,422	773,600
Infrastructure	990,164	0	990,164	0
Total Assets	<u>\$ 25,839,692</u>	<u>\$ 2,649,232</u>	<u>\$ 28,488,924</u>	<u>\$ 42,365,868</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 55,255	\$ 5,646	\$ 60,901	\$ 15,787
Payroll Deductions Payable	0	0	0	362,228
Accrued Interest Payable	88,384	0	88,384	0
Due to Litigants, Heirs, and Others	10,202	0	10,202	0
Due to Component Units	467	0	467	0
Deferred Revenue - Current Property Taxes	4,118,752	0	4,118,752	3,002,455
Unamortized Premium on Debt	86,068	0	86,068	0
Noncurrent Liabilities:				
Due Within One Year	1,566,191	206,184	1,772,375	64,643
Due in More Than One Year	11,901,429	840,839	12,742,268	472,978
Total Liabilities	<u>\$ 17,826,748</u>	<u>\$ 1,052,669</u>	<u>\$ 18,879,417</u>	<u>\$ 3,918,091</u>
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 7,161,915	\$ 1,135,721	\$ 8,297,636	\$ 0
Invested in Capital Assets	0	0	0	21,134,086
Restricted for:				
Industrial/Economic Development	551,424	0	551,424	0
Local Purpose Tax	1,159,843	0	1,159,843	0
Drug Control	37,381	0	37,381	0
Highway/Public Works	964,595	0	964,595	0
Debt Service	1,561,252	0	1,561,252	0
School Federal Projects	0	0	0	193,781
Central Cafeteria	0	0	0	539,835
Basic Education Program	0	0	0	8,984,479
Other Purposes	170,732	0	170,732	529,843
Unrestricted	(3,594,198)	460,842	(3,133,356)	7,065,753
Total Net Assets	<u>\$ 8,012,944</u>	<u>\$ 1,596,563</u>	<u>\$ 9,609,507</u>	<u>\$ 38,447,777</u>

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets										Component Unit	
	Program Revenues					Primary Government						White County School Department
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Business-type Activities	Total					
Primary Government:												
Governmental Activities:												
General Government	\$ 1,111,886	\$ 181,928	\$ 50,012	\$ 0	\$ (879,946)	\$ 0	\$ (879,946)	\$ 0	\$ (879,946)	\$ 0	\$ 0	0
Finance	824,300	485,740	8,226	0	(330,334)	0	(330,334)	0	(330,334)	0	(330,334)	0
Administration of Justice	695,453	514,478	9,000	0	(171,975)	0	(171,975)	0	(171,975)	0	(171,975)	0
Public Safety	3,497,930	1,255,941	34,407	1,635	(2,205,947)	0	(2,205,947)	0	(2,205,947)	0	(2,205,947)	0
Public Health and Welfare	1,295,526	1,282,474	38,730	0	25,678	0	25,678	0	25,678	0	25,678	0
Social, Cultural, and Recreational Services	400,646	0	159,730	0	(240,916)	0	(240,916)	0	(240,916)	0	(240,916)	0
Agriculture and Natural Resources	99,285	0	0	0	(99,285)	0	(99,285)	0	(99,285)	0	(99,285)	0
Other Operations	676,892	60,000	0	0	(616,892)	0	(616,892)	0	(616,892)	0	(616,892)	0
Highways/Public Works	1,575,344	0	1,595,894	237,673	258,223	0	258,223	0	258,223	0	258,223	0
Interest on Long-term Debt	578,626	0	0	0	(578,626)	0	(578,626)	0	(578,626)	0	(578,626)	0
Other Debt Service	36,465	0	120,700	0	84,235	0	84,235	0	84,235	0	84,235	0
Total Governmental Activities	\$ 10,792,353	\$ 3,780,561	\$ 2,016,699	\$ 239,308	\$ (4,755,785)	\$ 0	\$ (4,755,785)	\$ 0	\$ (4,755,785)	\$ 0	\$ (4,755,785)	\$ 0
Business-type Activities:												
Solid Waste Disposal	\$ 1,013,013	\$ 1,174,712	\$ 23,464	\$ 0	\$ 0	\$ 185,163	\$ 185,163	\$ 185,163	\$ 185,163	\$ 0	\$ 185,163	\$ 0
Total Primary Government	\$ 11,805,366	\$ 4,955,273	\$ 2,040,163	\$ 239,308	\$ (4,755,785)	\$ 185,163	\$ (4,570,622)	\$ 185,163	\$ (4,570,622)	\$ 0	\$ (4,570,622)	\$ 0
Component Unit:												
White County School Department	\$ 28,072,626	\$ 679,698	\$ 4,785,343	\$ 10,084	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (22,597,501)

(Continued)

Exhibit B

White County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Primary Government- type Activities		Component Unit
						Total	White County School Department	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 3,920,069	\$ 0	\$ 3,920,069	\$ 3,141,459
Property Taxes Levied for Debt Service					295,884	0	295,884	0
Local Option Sales Taxes					1,103,159	0	1,103,159	1,344,769
Litigation Tax - General					66,434	0	66,434	0
Litigation Tax - Special Purpose					25,156	0	25,156	0
Litigation Tax - Jail, Workhouse, or Courthouse					54,517	0	54,517	0
Wholesale Beer Tax					123,377	0	123,377	0
Mineral Severance Tax					50,772	0	50,772	0
Business Tax					157,740	0	157,740	0
Other Local Taxes					11,164	0	11,164	3,511
Grants and Contributions Not Restricted to Specific Programs					524,670	0	524,670	20,138,456
Unrestricted Investment Earnings					426,216	0	426,216	0
Sale of Equipment					0	0	0	49,075
Sale of Land					49,762	0	49,762	0
Premium Amortization					8,694	0	8,694	0
Miscellaneous					62,902	0	62,902	4,671
Total General Revenues					\$ 6,880,516	\$ 0	\$ 6,880,516	\$ 24,681,941
Insurance Recovery					\$ 18,267	\$ 11,653	\$ 29,920	\$ 2,000
Change in Net Assets					\$ 2,142,998	\$ 196,816	\$ 2,339,814	\$ 2,086,440
Net Assets, July 1, 2009					5,869,946	1,399,747	7,269,693	36,361,337
Net Assets, June 30, 2010					\$ 8,012,944	\$ 1,596,563	\$ 9,609,507	\$ 38,447,777

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

Exhibit C-1

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Local Purpose Tax	Highway / Public Works	General Debt Service	Other	Governmental	
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,123	\$ 30,123
Equity in Pooled Cash and Investments	1,792,660	1,124,464	658,512	1,491,882	248,781	5,316,299	5,316,299
Accounts Receivable	1,297,880	0	0	0	872	1,298,752	1,298,752
Allowance for Uncollectibles	(512,248)	0	0	0	0	(512,248)	(512,248)
Due from Other Governments	224,980	35,379	306,550	145,825	0	712,734	712,734
Due from Other Funds	30,995	0	0	0	0	30,995	30,995
Property Taxes Receivable	4,099,160	0	0	330,089	0	4,429,249	4,429,249
Allowance for Uncollectible Property Taxes	(130,290)	0	0	(10,216)	0	(140,506)	(140,506)
Notes Receivable - Long-term	0	0	0	0	350,226	350,226	350,226
Total Assets	\$ 6,803,137	\$ 1,159,843	\$ 965,062	\$ 1,957,580	\$ 630,002	\$ 11,515,624	\$ 11,515,624

ASSETS

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

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>	\$ 55,255	\$ 0	\$ 0	\$ 0	\$ 0	\$ 55,255
Accounts Payable	0	0	0	0	30,995	30,995
Due to Other Funds	0	0	467	0	0	467
Due to Component Units	0	0	0	0	10,202	10,202
Due to Litigants, Heirs, and Others	3,810,808	0	0	307,944	0	4,118,752
Deferred Revenue - Current Property Taxes	142,214	0	0	10,733	0	152,947
Deferred Revenue - Delinquent Property Taxes	790,563	20,258	140,316	79,140	0	1,030,277
Total Liabilities	\$ 4,798,840	\$ 20,258	\$ 140,783	\$ 397,817	\$ 41,197	\$ 5,398,895
<u>Fund Balances</u>	\$ 451,803	\$ 0	\$ 49,471	\$ 0	\$ 0	\$ 501,274
Reserved for Encumbrances	21,125	0	0	0	0	21,125
Reserved for Alcohol and Drug Treatment	19,372	0	0	0	0	19,372

(Continued)

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Local Purpose Tax	Highway / Public Works	General Debt Service	Other			
					Governmental Funds	Other		
\$ 52,449	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 52,449	
2,394	0	0	0	0	0	0	2,394	
33,435	0	0	0	0	0	0	33,435	
2,540	0	0	0	0	0	0	2,540	
2,404	0	0	0	0	0	0	2,404	
0	0	0	0	0	0	551,424	551,424	
37,013	0	145,118	0	0	0	0	182,131	
1,381,762	0	0	0	0	0	0	1,381,762	
0	1,139,585	629,690	0	0	37,381	0	1,806,656	
0	0	0	1,559,763	0	0	0	1,559,763	
<u>\$ 2,004,297</u>	<u>\$ 1,139,585</u>	<u>\$ 824,279</u>	<u>\$ 1,559,763</u>	<u>\$ 588,805</u>	<u>\$ 0</u>	<u>\$ 6,116,729</u>		
<u>\$ 6,803,137</u>	<u>\$ 1,159,843</u>	<u>\$ 965,062</u>	<u>\$ 1,957,580</u>	<u>\$ 630,002</u>	<u>\$ 0</u>	<u>\$ 11,515,624</u>		

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)	
Reserved for Computer System - Register	
Reserved for Automation Purposes - Circuit Court	
Reserved for Automation Purposes - General Sessions Court	
Reserved for Automation Purposes - Chancery Court	
Reserved for Automation Purposes - County Clerk	
Reserved for Loan Program	
Reserved for Capital Outlay	
Unreserved, Reported In:	
General Fund	
Special Revenue Funds	
Debt Service Funds	
Total Fund Balances	
Total Liabilities and Fund Balances	

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

Exhibit C-2

White 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)		\$ 6,116,729
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,004,978	
Add: infrastructure net of accumulated depreciation	4,254,545	
Add: buildings and improvements net of accumulated depreciation	7,946,650	
Add: other capital assets net of accumulated depreciation	<u>990,164</u>	14,196,337
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (12,120,000)	
Less: notes payable	(1,347,620)	
Less: other deferred revenue - premium on debt	(86,068)	
Add: deferred charges - debt issuance charges	158,726	
Less: accrued interest on bonds and notes	<u>(88,384)</u>	(13,483,346)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,183,224</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 8,012,944</u>

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

Exhibit C-3

White 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	Local Purpose Tax	Highway / Public Works	General Debt Service	Other			
					Governmental Funds	Other		
Revenues								
Local Taxes	\$ 4,529,460	\$ 187,734	\$ 50,772	\$ 1,117,640	\$ 0	\$ 0	\$ 5,885,606	
Licenses and Permits	73,678	0	0	0	0	0	73,678	
Fines, Forfeitures, and Penalties	127,532	0	0	0	37,215	0	164,747	
Charges for Current Services	1,087,799	0	0	0	2,068	0	1,089,867	
Other Local Revenues	148,335	0	53,540	419,555	19,096	0	640,526	
Fees Received from County Officials	915,392	0	0	0	0	0	915,392	
State of Tennessee	1,648,648	0	1,834,583	23,434	0	0	3,506,665	
Federal Government	60,792	0	0	0	0	0	60,792	
Other Governments and Citizens Groups	254,630	0	0	120,700	0	0	375,330	
Total Revenues	\$ 8,846,266	\$ 187,734	\$ 1,938,895	\$ 1,681,329	\$ 58,379	\$ 0	\$ 12,712,603	
Expenditures								
Current:								
General Government	\$ 1,114,240	\$ 0	\$ 0	\$ 0	\$ 2,068	\$ 0	\$ 1,116,308	
Finance	796,026	0	0	0	0	0	796,026	
Administration of Justice	688,041	0	0	0	0	0	688,041	
Public Safety	3,392,849	0	0	0	54,601	0	3,447,450	
Public Health and Welfare	1,240,206	0	0	0	0	0	1,240,206	
Social, Cultural, and Recreational Services	376,565	0	0	0	0	0	376,565	
Agriculture and Natural Resources	99,285	0	0	0	0	0	99,285	
Other Operations	687,016	1,874	0	0	375	0	689,265	
Highways	0	0	2,070,572	0	0	0	2,070,572	
Debt Service:								
Principal on Debt	0	0	0	1,664,522	0	0	1,664,522	
Interest on Debt	0	0	0	590,195	0	0	590,195	
Other Debt Service	0	0	0	20,432	0	0	20,432	
Total Expenditures	\$ 8,394,228	\$ 1,874	\$ 2,070,572	\$ 2,275,149	\$ 57,044	\$ 0	\$ 12,798,867	

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Local Purpose Tax	Highway / Public Works	General Debt Service	Other	Governmental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ 452,038	\$ 185,860	\$ (131,677)	\$ (593,820)	\$ 1,335	\$	(86,264)
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 18,267	\$ 0	\$ 0	\$ 0	\$ 0	\$	18,267
Transfers In	10,400	0	200,000	0	0	0	210,400
Transfers Out	0	(200,000)	(10,400)	0	0	0	(210,400)
Total Other Financing Sources (Uses)	\$ 28,667	\$ (200,000)	\$ 189,600	\$ 0	\$ 0	\$	18,267
Net Change in Fund Balances	\$ 480,705	\$ (14,140)	\$ 57,923	\$ (593,820)	\$ 1,335	\$	(67,997)
Fund Balance, July 1, 2009	1,523,592	1,153,725	766,356	2,153,583	587,470		6,184,726
Fund Balance, June 30, 2010	\$ 2,004,297	\$ 1,139,585	\$ 824,279	\$ 1,559,763	\$ 588,805	\$	6,116,729

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

Exhibit C-4

White 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)		\$ (67,997)
(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	\$ 931,303	
Less: current year depreciation expense	<u>(595,079)</u>	336,224
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Add: gain on disposal of capital assets	\$ 10,232	
Less: decrease of revenue for the sale or insurance recovery of disposed assets	<u>(18,472)</u>	(8,240)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2010	\$ 1,183,224	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(968,965)</u>	214,259
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on notes	\$ 709,522	
Add: principal payments on bonds	955,000	
Add: premium on debt proceeds	8,694	
Less: deferred debt issuance costs	<u>(16,033)</u>	1,657,183
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest on notes	\$ 5,803	
Change in accrued interest on bonds	<u>5,766</u>	<u>11,569</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 2,142,998</u>

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

Exhibit D-1

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

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 609,513
Accounts Receivable	90,000
Total Current Assets	<u>\$ 699,513</u>
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation):	
Land	\$ 580,078
Buildings and Improvements	900,764
Other Capital Assets	468,877
Total Noncurrent Assets	<u>\$ 1,949,719</u>
Total Assets	<u>\$ 2,649,232</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 5,646
Total Current Liabilities	<u>\$ 5,646</u>
Noncurrent Liabilities:	
Due Within One Year	\$ 206,184
Due in More Than One Year	840,839
Total Noncurrent Liabilities	<u>\$ 1,047,023</u>
Total Liabilities	<u>\$ 1,052,669</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 1,135,721
Unrestricted	460,842
Total Net Assets	<u>\$ 1,596,563</u>

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

Exhibit D-2

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

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>Operating Revenues</u>	
Charges for Current Services	\$ 1,105,303
Other Local Revenues	69,409
Total Operating Revenues	<u>\$ 1,174,712</u>
<u>Operating Expenses</u>	
Public Health and Welfare	\$ 843,104
Depreciation	118,445
Miscellaneous	11,054
Total Operating Expenses	<u>\$ 972,603</u>
Operating Income (Loss)	<u>\$ 202,109</u>
<u>Nonoperating Revenues (Expenses)</u>	
Grants	\$ 23,464
Insurance Recovery	11,653
Interest on Notes	(40,410)
Total Nonoperating Revenues (Expenses)	<u>\$ (5,293)</u>
Net Income	\$ 196,816
Net Assets, July 1, 2009	<u>1,399,747</u>
Net Assets, June 30, 2010	<u>\$ 1,596,563</u>

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

Exhibit D-3

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

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 1,174,712
Payments to Suppliers	(416,556)
Payments to Employees	(425,405)
Other Payments	<u>(11,055)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 321,696</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Grants Received	\$ 24,036
Insurance Recovery	<u>11,653</u>
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 35,689</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	\$ (62,400)
Interest Paid on Capital Outlay Notes	(141,967)
Principal Paid on Capital Outlay Notes	<u>(40,410)</u>
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (244,777)</u>
Net Increase (Decrease) in Cash	\$ 112,608
Cash, July 1, 2009	<u>496,905</u>
Cash, June 30, 2010	<u><u>\$ 609,513</u></u>
<u>Reconciliation of Net Operating Income (Loss) to Net Cash</u>	
<u>Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 202,109
Adjustment to Reconcile Net Operating Income	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	118,445
Change in Assets and Liabilities:	
Increase (Decrease) in Due from Other Funds	(1,620)
Increase (Decrease) in Landfill Closure/Postclosure Care Costs	<u>2,762</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 321,696</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 500,339
Due from Other Governments	<u>277,959</u>
Total Assets	<u><u>\$ 778,298</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 277,959
Due to Litigants, Heirs, and Others	<u>500,339</u>
Total Liabilities	<u><u>\$ 778,298</u></u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

White 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 White County:

A. Reporting Entity

White County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present White 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 White County School Department operates the public school system in the county, and the voters of White 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 White County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of White County, and the White County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the White County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The White County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the White County School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of

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

Administrative Office:

White County Emergency
Communications District
2677 Crossville Highway
P.O. Box 911
Sparta, TN 38583

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. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The White 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.

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

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

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

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

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

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

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

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period.

Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Proprietary funds and fiduciary funds 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.

White 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.

Local Purpose Tax Fund – This fund accounts for local sales tax collections. These funds are eventually disbursed to other county funds for their operations.

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.

White County reports the following major proprietary fund:

Solid Waste Disposal Fund – This fund accounts for solid waste disposal operations of the White County landfill.

Additionally, White County reports the following fund type:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in White 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 White 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 the cafeteria operations in each of the schools.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, a major enterprise fund, used to account for the operations of the county's landfill. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the county's enterprise fund is charges for services.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For the purposes of the Statement of Cash Flows, cash includes cash on deposit with the county trustee.

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 White 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. White 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. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance service and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.76 percent of total taxes levied.

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

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

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

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

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$20,000 or more and an estimated useful life exceeding five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20-40
Other Capital Assets	5-15
Infrastructure:	
Roads	40

4. Compensated Absences

It is the county’s policy not to allow for the accumulation of unused vacation days beyond year-end.

County employees may accumulate up to 60 days of sick leave. The granting of sick leave generally has no guaranteed payment attached and is not required to be accrued or recorded. However, county policy allows employees who retire with 30 years of continuous service to receive payment for 100 percent of their accumulated sick days based on their ending daily wage. The county did not determine and record the dollar value of these guaranteed payments for sick leave. Dollar values for compensated absences should be reported in the government-wide statements; however, due to the limited terms under which payment will be required for this leave, the amount would be immaterial to the financial statements of White County.

The general policy of the discretely presented School Department does not allow for the accumulation of vacation days beyond year-end for non-professional personnel. Professional personnel (teachers) receive two vacation days per year, which they are allowed to accumulate beyond year-end. Vacation pay is accrued when incurred in the government-wide financial statements for the discretely presented School Department. A liability for vacation pay is reported in governmental funds only if the amounts have matured, for example, as a result of employee resignations and retirements.

The School Department’s policy allows employees to accumulate sick days at varying rates depending upon their position. All professional personnel (teachers) of the School Department are allowed to accumulate unlimited sick leave days. The granting of sick leave for professional personnel has no guaranteed payment attached and therefore is not required to be accrued or recorded. Nonteaching personnel may accumulate up to 60 days sick leave. Based on their daily wage, nonteaching personnel resigning or retiring with ten or more years of service are paid for 50 percent of their accumulated sick leave, while those resigning or retiring with 30 or more years of service receive 100 percent of their accumulated sick leave. All sick days for nonteaching personnel are accrued when incurred in the government-wide statements for the School Department.

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

Vested or accumulated vacation leave is accrued when incurred in proprietary funds using the accrual basis of accounting. White County's proprietary fund did not have a policy for accruing vested or accumulated vacation leave when it was incurred. However, these amounts would be immaterial to the financial statements of White County.

5. Long-term Obligations

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

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

6. Net Assets and Fund Equity

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

- a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any

bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

On the government-wide Statement of Net Assets (Exhibit A), the account Restricted for Other Purposes for the primary government consists of various restrictions totaling \$170,732, with the primary restrictions being for: (1) computer systems for various offices (\$93,222); (2) drug and alcohol treatment (\$21,125); and (3) drug court (\$19,372). For the discretely presented School Department, the account balance in Restricted for Other Purposes (\$529,843) consists of restrictions for various programs, primarily vocational projects (\$500,000).

As of June 30, 2010, White County has \$6,402,500 in outstanding debt for capital purposes for the discretely presented White County School Department. This debt is a liability of White County; however, the capital assets acquired are reported in the financial statements of the School Department. Therefore, White 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.

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 White County School Department

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

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

Primary Government

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

Discretely Presented White County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

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

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

White County and the White 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, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net assets represents nonpooled amounts held separately by individual funds.

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government

sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

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

B. Notes Receivable

Notes receivable of \$350,226 in the Industrial/Economic Development Fund represent the outstanding balances of loans due White County from local industries at June 30, 2010.

C. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets				
Not Depreciated:				
Land	\$ 1,004,978	\$ 0	\$ 0	\$ 1,004,978
Total Capital Assets				
Not Depreciated	\$ 1,004,978	\$ 0	\$ 0	\$ 1,004,978
Capital Assets				
Buildings and				
Improvements	\$ 10,907,818	\$ 66,473	\$ 0	\$ 10,974,291
Infrastructure	3,959,834	677,694	0	4,637,528
Other Capital Assets	2,805,552	187,136	(114,607)	2,878,081
Total Capital Assets				
Depreciated	\$ 17,673,204	\$ 931,303	\$ (114,607)	\$ 18,489,900

Governmental Activities: (Cont.)

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,760,860	\$ 266,781	\$ 0	\$ 3,027,641
Infrastructure	273,695	109,288	0	382,983
Other Capital Assets	1,775,274	219,010	(106,367)	1,887,917
Total Accumulated Depreciation	<u>\$ 4,809,829</u>	<u>\$ 595,079</u>	<u>\$ (106,367)</u>	<u>\$ 5,298,541</u>
Total Capital Assets Depreciated, Net	<u>\$ 12,863,375</u>	<u>\$ 336,224</u>	<u>\$ (8,240)</u>	<u>\$ 13,191,359</u>
Governmental Activities Capital Assets, Net	<u>\$ 13,868,353</u>	<u>\$ 336,224</u>	<u>\$ (8,240)</u>	<u>\$ 14,196,337</u>

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

Governmental Activities:

General Government	\$ 266,781
Public Safety	80,108
Public Health and Welfare	64,720
Other Operations	1,004
Highways/Public Works	<u>182,466</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 595,079</u>

Business-type Activities:

	Balance 7-1-09	Increases	Balance 6-30-10
Capital Assets			
Not Depreciated:			
Land	\$ 580,078	\$ 0	\$ 580,078
Total Capital Assets			
Not Depreciated	\$ 580,078	\$ 0	\$ 580,078
Capital Assets Depreciated:			
Buildings and			
Improvements	\$ 1,775,853	\$ 0	\$ 1,775,853
Other Capital Assets	1,426,702	62,400	1,489,102
Total Capital Assets			
Depreciated	\$ 3,202,555	\$ 62,400	\$ 3,264,955
Less Accumulated			
Depreciation For:			
Buildings and			
Improvements	\$ 841,018	\$ 34,071	\$ 875,089
Other Capital Assets	935,851	84,374	1,020,225
Total Accumulated			
Depreciation	\$ 1,776,869	\$ 118,445	\$ 1,895,314
Total Capital Assets			
Depreciated, Net	\$ 1,425,686	\$ (56,045)	\$ 1,369,641
Business-type Activities			
Capital Assets, Net	\$ 2,005,764	\$ (56,045)	\$ 1,949,719

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

Business-type Activities:

Public Health and Welfare	\$ 118,445
Total Depreciation Expense - Business-type Activities	\$ 118,445

Discretely Presented White County School Department

Governmental Activities:

	Balance 7-1-09	Increases	Balance 6-30-10
Capital Assets Not Depreciated:			
Land	\$ 693,842	\$ 0	\$ 693,842
Total Capital Assets Not Depreciated	<u>\$ 693,842</u>	<u>\$ 0</u>	<u>\$ 693,842</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 27,284,982	\$ 909,341	\$ 28,194,323
Other Capital Assets	1,825,061	205,008	2,030,069
Total Capital Assets Depreciated	<u>\$ 29,110,043</u>	<u>\$ 1,114,349</u>	<u>\$ 30,224,392</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 7,853,235	\$ 674,444	\$ 8,527,679
Other Capital Assets	1,130,123	126,346	1,256,469
Total Accumulated Depreciation	<u>\$ 8,983,358</u>	<u>\$ 800,790</u>	<u>\$ 9,784,148</u>
Total Capital Assets Depreciated, Net	<u>\$ 20,126,685</u>	<u>\$ 313,559</u>	<u>\$ 20,440,244</u>
Governmental Activities Capital Assets, Net	<u>\$ 20,820,527</u>	<u>\$ 313,559</u>	<u>\$ 21,134,086</u>

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

Governmental Activities:

Instruction	\$ 674,444
Support Services	<u>126,346</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 800,790</u>

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General	Nonmajor governmental	\$ 30,995

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

Due to/from Primary Government and Component Units:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component Unit: White County School Department: General Purpose School	Primary Government: Highway/Public Works	\$ 467

Interfund Transfers:

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

Primary Government

<u>Transfers Out</u>	<u>Transfers In</u>	
	General Fund	Highway/ Public Works Fund
Highway/Public Works Fund	\$ 10,400	\$ 0
Local Purpose Tax Fund	0	200,000

Discretely Presented White County School Department

<u>Transfer Out</u>	<u>Transfer In</u>
	General Purpose School Fund
School Federal Projects Fund	\$ 9,646

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 and Notes

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

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

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

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-10</u>
General Obligation Bonds	4 to 4.4 %	\$ 1,000,000	\$ 840,000
General Obligation Bonds - Refunding	3.85 to 4.24	13,245,000	11,280,000
Capital Outlay Notes	3.95 to 4.15	2,700,000	1,347,620

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 990,000	\$ 483,760	\$ 1,473,760
2012	1,030,000	447,860	1,477,860
2013	1,065,000	409,548	1,474,548
2014	1,095,000	370,898	1,465,898
2015	1,145,000	329,123	1,474,123
2016-2020	6,460,000	910,103	7,370,103
2021-2025	335,000	45,343	380,343
Total	\$ 12,120,000	\$ 2,996,635	\$ 15,116,635

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 576,191	\$ 45,771	\$ 621,962
2012	342,857	27,554	370,411
2013	142,857	17,786	160,643
2014	142,857	11,857	154,714
2015	142,858	5,928	148,786
Total	\$ 1,347,620	\$ 108,896	\$ 1,456,516

There is \$1,559,763 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$525, based on the 2000 federal census. Debt per capita, including bonds and notes totaled \$583, 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	\$ 13,075,000	\$ 2,057,142
Deductions	(955,000)	(709,522)
Balance, June 30, 2010	\$ 12,120,000	\$ 1,347,620
Balance Due Within One Year	\$ 990,000	\$ 576,191

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 13,467,620
Less: Balance Due Within One Year	<u>(1,566,191)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 11,901,429</u>

Solid Waste Disposal Fund (Enterprise Fund)

Capital outlay notes outstanding as of June 30, 2010, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
Capital Outlay Notes	4.48 to 4.5 %	\$ 1,628,000	\$ 813,998

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

Year Ending June 30	<u>Notes</u>		
	Principal	Interest	Total
2011	\$ 141,967	\$ 34,172	\$ 176,139
2012	141,967	27,804	169,771
2013	141,967	21,436	163,403
2014	141,967	15,069	157,036
2015	141,967	8,701	150,668
2016	104,163	2,333	106,496
Total	<u>\$ 813,998</u>	<u>\$ 109,515</u>	<u>\$ 923,513</u>

Changes in Long-term Liabilities

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

Business-type Activities:	Notes	Closure/ Postclosure Care Costs
Balance, July 1, 2009	\$ 955,965	\$ 230,262
Additions	0	2,763
Deductions	(141,967)	0
Balance, June 30, 2010	<u>\$ 813,998</u>	<u>\$ 233,025</u>
Balance Due Within One Year	<u>\$ 141,967</u>	<u>\$ 64,217</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 1,047,023
Less: Balance Due Within One Year	<u>(206,184)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 840,839</u>

Debt per capita of the enterprise fund for the notes totaled \$35, based on the 2000 federal census.

Discretely Presented White County School Department

Changes in Long-term Liabilities

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

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2009	\$ 170,590	\$ 353,671
Additions	80,152	229,840
Deductions	(67,875)	(228,757)
Balance, June 30, 2010	<u>\$ 182,867</u>	<u>\$ 354,754</u>
Balance Due Within One Year	<u>\$ 64,643</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 14,514,643
Less: Balance Due Within One Year	<u>(1,772,375)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 12,742,268</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the White 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 \$112,726 and \$23,411, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

White County issued tax anticipation notes in advance of property tax collections. The proceeds of these notes were deposited in the General Fund. These notes were necessary to provide temporary operating funds before current collections. Short-term debt activity for the year ended June 30, 2010, was as follows:

	Balance			Balance
	7-1-09	Issued	Paid	6-30-10
Tax Anticipation Notes	\$ 0	\$ 1,500,000	\$ (1,500,000)	\$ 0
Revenue Anticipation Notes	150,000	0	(150,000)	0

The beginning balance noted above represents a revenue anticipation note that had not been repaid as of June 30, 2009, in compliance with state statutes. During the year examined, the School Federal Projects Fund remitted this amount to the General Purpose School Fund to retire the debt.

V. OTHER INFORMATION

A. Risk Management

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

White County offers its general government employees a select benefits limited health plan purchased through a commercial carrier. This is a fully insured fixed rate limited plan in which all employees are eligible to participate; however, pre-65 age retirees are not allowed to remain on the program. Settled claims have not exceeded this commercial coverage.

The School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, 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.

B. Accounting Changes

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

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the cost of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. For the same reasons, derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with White 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. White County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that White County may enter into derivative transactions in subsequent years.

C. Subsequent Events

On August 31, 2010, Abner Graham left the Office of Road Superintendent and was succeeded by Clay Parker.

In September 2010, the county's General Purpose School Fund issued revenue anticipation notes totaling \$1,000,000 to the General Fund and \$150,000 for the School Federal Projects Fund for temporary operating funds.

D. Contingent Liabilities

The attorney representing White County was not aware of pending or threatened litigation involving the county or any of its departments.

E. Change in Administration

On June 1, 2010, Donny Haley retired from the Office of Director of Schools and was succeeded by Sandra Crouch.

F. Landfill Closure and Postclosure Care Costs

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

State and federal laws and regulations require White County to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$233,025 reported as landfill closure and postclosure care liability at June 30, 2010, represents the cumulative amount reported to date based on the use of 15 percent of the estimated capacity of the landfill. The county will recognize the remaining estimated costs of closure and postclosure care of \$1,320,477 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2010. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Joint Venture

The Upper Cumberland Regional Airport was established as a joint venture between White County, Putnam County, the City of Cookeville, and the City of Sparta. The Upper Cumberland Regional Airport operates the regional airport for the two-county area. The five-member board of the airport is comprised of one member appointed by each of the four participating governments with the fifth member of the board being the chief executive of one of the participating governments. This fifth board position serves a one-year term and rotates among the four participating governments in a prescribed order. Each participant retains a 25 percent ownership in the airport; however, the participant does not retain an equity interest in the airport. During the year ended June 30, 2010, the county contributed \$28,000 to the operations of the airport. Complete financial statements for the Upper Cumberland Regional Airport can be obtained from the Upper Cumberland Regional Airport's administrative office at 750 Airport Road, Sparta, Tennessee 38583-8077, or from the County Clerk's Office at the White County Courthouse.

H. Jointly Governed Organization

The Tri-County Railroad Authority was jointly created by White, Coffee, and Warren counties. The Tri-County Railroad Authority's board comprises the county executive/mayor of each county and one member selected by the

governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity.

I. Retirement Commitments

Plan Description

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

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

Funding Policy

White 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 4.54 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2010, the county’s annual pension cost of \$373,405 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), and (c) projected 3.5 percent annual increase in the Social Security wage base. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. The county’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was 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	\$373,405	100%	\$0
6-30-09	358,874	100	0
6-30-08	365,392	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 85.25 percent funded. The actuarial accrued liability for benefits was \$14.57 million, and the actuarial value of assets was \$12.42 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.15 million. The covered payroll (annual payroll of active employees covered by the plan) was \$7.65 million, and the ratio of the UAAL to the covered payroll was 28.07 percent.

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

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information

about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

School Teachers

Plan Description

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

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

Funding Policy

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

June 30, 2010, 2009, and 2008, were \$898,552, \$883,658, and \$835,736, respectively, equal to the required contributions for each year.

J. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state 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 White County School Department provides postretirement benefits, in accordance with contract provisions, to certified employees who retire from the School Department. The School Department pays each retiree \$1,500 per year until the retiree is eligible for Medicare. This benefit is available to employees who retire after July 1, 1998, with a minimum of 30 years service. During the year examined, 35 retirees met those eligibility requirements, and the School Department contributed \$228,757 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 229,000
Interest on the NPO	15,915
Adjustment to the ARC	(15,075)
	<hr/>
Annual OPEB cost	\$ 229,840
Amount of contribution	(228,757)
	<hr/>
Increase/decrease in NPO	\$ 1,083
Net OPEB obligation, 7-1-09	<hr/> 353,671 <hr/>
 Net OPEB obligation, 6-30-10	 \$ 354,754 <hr/> <hr/>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group	\$ 339,935	51 %	\$ 167,490
6-30-09	"	338,386	43	353,671
6-30-10	"	229,840	100	354,754

Funded Status and Funding Progress

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

	Local Education Group Plan
	<hr/>
Actuarial valuation date	7-1-09
Actuarial accrued liability (AAL)	\$ 2,397,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 2,397,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 10,363,587
UAAL as a % of covered payroll	23%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual

results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

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

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

K. Office of Central Accounting and Budgeting

Office of Director of Finance

White County operates under 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 provides for the creation of a Finance Department operated under the direction of the finance director.

L. Purchasing Law

Purchasing procedures for all offices are governed by provisions of the County Financial Management System of 1981, Section 5-21-119, Tennessee Code Annotated. Pursuant to provisions of this statute, the Financial Management Committee, together with the finance director, established purchasing procedures for White County. These procedures require a purchase order system and competitive bids for all purchases exceeding \$10,000.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

White 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	\$ 4,529,460	\$ 0	\$ 0	\$ 4,529,460	\$ 4,736,300	\$ 4,736,300	\$ (206,840)
Licenses and Permits	73,678	0	0	73,678	29,000	29,000	44,678
Fines, Forfeitures, and Penalties	127,532	0	0	127,532	134,000	134,000	(6,468)
Charges for Current Services	1,087,799	0	0	1,087,799	1,034,000	1,034,000	53,799
Other Local Revenues	148,335	0	0	148,335	176,000	176,000	(27,665)
Fees Received from County Officials	915,392	0	0	915,392	983,500	983,500	(68,108)
State of Tennessee	1,648,648	0	0	1,648,648	1,466,039	1,621,339	27,309
Federal Government	60,792	0	0	60,792	128,530	167,083	(106,291)
Other Governments and Citizens Groups	254,630	0	0	254,630	223,645	236,645	17,985
Total Revenues	\$ 8,846,266	\$ 0	\$ 0	\$ 8,846,266	\$ 8,911,014	\$ 9,117,867	\$ (271,601)
Expenditures							
<u>General Government</u>							
County Commission	\$ 60,016	\$ 0	\$ 0	\$ 60,016	\$ 66,621	\$ 66,621	\$ 6,605
County Mayor/Executive	137,374	(924)	0	136,450	140,372	140,372	3,922
County Attorney	24,682	0	0	24,682	25,000	25,000	318
Election Commission	128,479	(3,500)	585	125,564	152,966	152,966	27,402
Register of Deeds	165,913	(16,025)	12,772	162,660	175,793	175,793	13,133
Development	11,250	0	0	11,250	11,250	11,250	0
County Buildings	456,252	(10,706)	2,119	447,665	569,045	569,045	121,380
Other General Administration	55,000	0	0	55,000	55,000	55,000	0
Preservation of Records	75,274	(1,532)	249	73,991	85,674	85,674	11,683
<u>Finance</u>							
Accounting and Budgeting	211,010	(6,007)	12,564	217,567	225,798	225,798	8,231
Property Assessor's Office	200,540	(3,950)	850	197,440	203,791	203,791	6,351

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Reappraisal Program	\$ 30,628	\$ 0	\$ 31	\$ 30,659	\$ 37,358	\$ 37,358	\$ 6,699
County Trustee's Office	150,718	0	1,050	151,768	154,295	154,295	2,527
County Clerk's Office	203,130	(568)	0	202,562	210,904	210,904	8,342
<u>Administration of Justice</u>							
Circuit Court	291,346	(1,930)	0	289,416	309,582	309,582	20,166
General Sessions Court	192,952	(50)	58	192,960	196,042	196,042	3,082
Drug Court	20,706	0	0	20,706	35,000	35,000	14,294
Chancery Court	127,920	(624)	843	128,139	144,499	144,499	16,360
Judicial Commissioners	46,941	0	0	46,941	45,948	47,021	80
Other Administration of Justice	8,176	0	0	8,176	19,600	19,600	11,424
<u>Public Safety</u>							
Sheriff's Department	1,338,563	(34,267)	2,056	1,306,352	1,272,885	1,340,415	34,063
Special Patrols	85,939	(150)	354	86,143	93,319	93,319	7,176
Traffic Control	19,647	0	0	19,647	28,077	28,077	8,430
Jail	1,529,687	(13,543)	15,399	1,531,543	1,506,852	1,586,852	55,309
Juvenile Services	48,001	(72)	0	47,929	48,558	48,558	629
Fire Prevention and Control	132,119	0	0	132,119	147,520	147,520	15,401
Civil Defense	17,704	(150)	2,838	20,392	26,214	30,831	10,439
Rescue Squad	9,000	0	0	9,000	9,000	9,000	0
County Coroner/Medical Examiner	29,807	0	0	29,807	20,000	30,000	193
Other Public Safety	182,382	0	493	182,875	86,950	221,060	38,185
<u>Public Health and Welfare</u>							
Local Health Center	78,061	(129)	0	77,932	72,617	147,917	69,985
Rabies and Animal Control	37,064	(100)	8,050	45,014	68,836	68,836	23,822

(Continued)

Exhibit F-1

White 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 Health and Welfare (Cont.)</u>							
Ambulance/Emergency Medical Services	\$ 1,084,974	\$ (31,212)	\$ 21,008	\$ 1,074,770	\$ 1,071,088	\$ 1,101,088	\$ 26,318
Crippled Children Services	4,712	0	0	4,712	4,720	4,720	8
Other Local Health Services	1,250	0	0	1,250	1,250	1,250	0
General Welfare Assistance	3,085	0	0	3,085	4,800	4,800	1,715
Other Local Welfare Services	961	0	0	961	1,250	1,250	289
Sanitation Education/Information	30,099	0	0	30,099	33,494	33,494	3,395
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	130,931	(500)	530	130,961	182,748	182,748	51,787
Libraries	163,416	(586)	0	162,830	159,774	164,774	1,944
Parks and Fair Boards	54,218	(10,050)	7,100	51,268	91,000	91,000	39,732
Other Social, Cultural, and Recreational	28,000	0	0	28,000	28,000	28,000	0
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	76,904	0	0	76,904	78,143	78,143	1,239
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	20,381	0	0	20,381	20,387	20,387	6
<u>Other Operations</u>							
Tourism	6,000	0	0	6,000	6,000	6,000	0
Industrial Development	139,546	0	355,668	495,214	420,570	780,570	285,356
Housing and Urban Development	0	0	0	0	50,000	50,000	50,000
Airport	28,000	0	0	28,000	33,000	33,000	5,000
Veterans' Services	37,788	0	696	38,484	41,238	41,238	2,754
Other Charges	275,645	(3,942)	3,318	275,021	292,244	292,244	17,223
Contributions to Other Agencies	41,583	0	0	41,583	47,651	47,651	6,068
Employee Benefits	26,980	0	0	26,980	30,000	30,000	3,020

(Continued)

Exhibit F-1

White 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. 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 67,530	\$ 0	\$ 0
ARRA Grant No. 2	5,169	0	0	5,169	0	8,050	2,881
ARRA Grant No. 3	22,714	0	3,172	25,886	0	25,886	0
Miscellaneous	103,591	0	0	103,591	120,000	120,000	16,409
Total Expenditures	\$ 8,394,228	\$ (140,517)	\$ 451,803	\$ 8,705,514	\$ 9,032,253	\$ 9,766,289	\$ 1,060,775
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 452,038	\$ 140,517	\$ (451,803)	\$ 140,752	\$ (121,239)	\$ (648,422)	\$ 789,174
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 360,000	\$ (360,000)
Notes Issued	0	0	0	0	0	109,000	(109,000)
Insurance Recovery	18,267	0	0	18,267	1,000	1,000	17,267
Transfers In	10,400	0	0	10,400	123,400	110,400	(100,000)
Total Other Financing Sources (Uses)	\$ 28,667	\$ 0	\$ 0	\$ 28,667	\$ 124,400	\$ 580,400	\$ (551,733)
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2009	\$ 480,705	\$ 140,517	\$ (451,803)	\$ 169,419	\$ 3,161	\$ (68,022)	\$ 237,441
	1,523,592	(140,517)	0	1,383,075	1,204,036	1,204,036	179,039
<u>Fund Balance, June 30, 2010</u>	\$ 2,004,297	\$ 0	\$ (451,803)	\$ 1,552,494	\$ 1,207,197	\$ 1,136,014	\$ 416,480

Exhibit F-2

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 187,734	\$ 175,000	\$ 175,000	\$ 12,734
Total Revenues	\$ 187,734	\$ 175,000	\$ 175,000	\$ 12,734
<u>Expenditures</u>				
<u>Other Operations</u>				
Miscellaneous	\$ 1,874	\$ 3,000	\$ 3,000	\$ 1,126
Total Expenditures	\$ 1,874	\$ 3,000	\$ 3,000	\$ 1,126
Excess (Deficiency) of Revenues Over Expenditures	\$ 185,860	\$ 172,000	\$ 172,000	\$ 13,860
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (200,000)	\$ (300,000)	\$ (300,000)	\$ 100,000
Total Other Financing Sources (Uses)	\$ (200,000)	\$ (300,000)	\$ (300,000)	\$ 100,000
Net Change in Fund Balance	\$ (14,140)	\$ (128,000)	\$ (128,000)	\$ 113,860
Fund Balance, July 1, 2009	1,153,725	1,070,035	1,070,035	83,690
Fund Balance, June 30, 2010	\$ 1,139,585	\$ 942,035	\$ 942,035	\$ 197,550

Exhibit F-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 50,772	\$ 0	\$ 0	\$ 50,772	\$ 90,000	\$ 90,000	\$ (39,228)
Other Local Revenues	53,540	0	0	53,540	30,000	30,000	23,540
State of Tennessee	1,834,583	0	0	1,834,583	3,685,245	3,685,245	(1,850,662)
Total Revenues	\$ 1,938,895	\$ 0	\$ 0	\$ 1,938,895	\$ 3,805,245	\$ 3,805,245	\$ (1,866,350)
Expenditures							
<u>Highways</u>							
Administration	\$ 137,909	\$ 0	\$ 0	\$ 137,909	\$ 150,346	\$ 150,346	\$ 12,437
Highway and Bridge Maintenance	1,326,783	(228)	271	1,326,826	1,706,607	1,706,607	379,781
Operation and Maintenance of Equipment	180,731	0	563	181,294	230,000	230,000	48,706
Other Charges	100,531	0	0	100,531	114,600	114,600	14,069
Employee Benefits	0	0	0	0	10,000	10,000	10,000
Capital Outlay	324,618	0	48,637	373,255	2,193,400	2,193,400	1,820,145
Total Expenditures	\$ 2,070,572	\$ (228)	\$ 49,471	\$ 2,119,815	\$ 4,404,953	\$ 4,404,953	\$ 2,285,138
Excess (Deficiency) of Revenues Over Expenditures	\$ (131,677)	\$ 228	\$ (49,471)	\$ (180,920)	\$ (599,708)	\$ (599,708)	\$ 418,788
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,000	\$ 200,000	\$ (200,000)
Transfers In	200,000	0	0	200,000	200,000	200,000	0
Transfers Out	(10,400)	0	0	(10,400)	(10,400)	(10,400)	0
Total Other Financing Sources (Uses)	\$ 189,600	\$ 0	\$ 0	\$ 189,600	\$ 389,600	\$ 389,600	\$ (200,000)
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 57,923	\$ 228	\$ (49,471)	\$ 8,680	\$ (210,108)	\$ (210,108)	\$ 218,788
Fund Balance, June 30, 2010	\$ 824,279	\$ 0	\$ (49,471)	\$ 774,808	\$ 168,340	\$ 168,340	\$ 606,468

Exhibit F-4

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-09	\$ 12,421	\$ 14,570	\$ 2,149	85.25 %	\$ 7,654	28.07 %
7-1-07	11,547	12,548	1,001	92.02	7,072	14.15

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

Exhibit F-5

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

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date*	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-07	\$ 0	\$ 4,869	\$ 4,869	0 %	\$ 10,015	49 %
"	7-1-09	0	2,397	2,397	0	10,364	23

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

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

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

Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for transactions involving notes receivable from corporations.

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.

Exhibit G-1

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

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 30,123	\$ 30,123
Equity in Pooled Cash and Investments	201,198	47,583	0	248,781
Accounts Receivable	0	0	872	872
Notes Receivable - Long-term	350,226	0	0	350,226
Total Assets	<u>\$ 551,424</u>	<u>\$ 47,583</u>	<u>\$ 30,995</u>	<u>\$ 630,002</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Due to Other Funds	\$ 0	\$ 0	\$ 30,995	\$ 30,995
Due to Litigants, Heirs, and Others	0	10,202	0	10,202
Total Liabilities	<u>\$ 0</u>	<u>\$ 10,202</u>	<u>\$ 30,995</u>	<u>\$ 41,197</u>
<u>Fund Balances</u>				
Reserved for Loan Program	\$ 551,424	\$ 0	\$ 0	\$ 551,424
Unreserved	0	37,381	0	37,381
Total Fund Balances	<u>\$ 551,424</u>	<u>\$ 37,381</u>	<u>\$ 0</u>	<u>\$ 588,805</u>
Total Liabilities and Fund Balances	<u>\$ 551,424</u>	<u>\$ 47,583</u>	<u>\$ 30,995</u>	<u>\$ 630,002</u>

Exhibit G-2

White 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 Nonmajor Governmental Funds
	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 0	\$ 37,215	\$ 0	\$ 37,215
Charges for Current Services	0	0	2,068	2,068
Other Local Revenues	6,724	12,372	0	19,096
Total Revenues	\$ 6,724	\$ 49,587	\$ 2,068	\$ 58,379
<u>Expenditures</u>				
Current:				
General Government	\$ 0	\$ 0	\$ 2,068	\$ 2,068
Public Safety	0	54,601	0	54,601
Other Operations	0	375	0	375
Total Expenditures	\$ 0	\$ 54,976	\$ 2,068	\$ 57,044
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,724	\$ (5,389)	\$ 0	\$ 1,335
Net Change in Fund Balances	\$ 6,724	\$ (5,389)	\$ 0	\$ 1,335
Fund Balance, July 1, 2009	544,700	42,770	0	587,470
Fund Balance, June 30, 2010	\$ 551,424	\$ 37,381	\$ 0	\$ 588,805

Exhibit G-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 6,724	\$ 10,000	\$ 10,000	\$ (3,276)
Total Revenues	\$ 6,724	\$ 10,000	\$ 10,000	\$ (3,276)
Excess (Deficiency) of Revenues Over Expenditures				
	\$ 6,724	\$ 10,000	\$ 10,000	\$ (3,276)
Net Change in Fund Balance				
Fund Balance, July 1, 2009	\$ 544,700	\$ 546,119	\$ 546,119	\$ (1,419)
Fund Balance, June 30, 2010	\$ 551,424	\$ 556,119	\$ 556,119	\$ (4,695)

Exhibit G-4

White 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	\$ 37,215 \$	0 \$	37,215 \$	50,000 \$	76,522 \$	(39,307)
Other Local Revenues	12,372	0	12,372	1,000	1,000	11,372
State of Tennessee	0	0	0	10,000	10,000	(10,000)
Total Revenues	\$ 49,587 \$	0 \$	49,587 \$	61,000 \$	87,522 \$	(37,935)
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 54,601 \$	(123) \$	54,478 \$	59,513 \$	86,035 \$	31,557
Other Operations	375	0	375	1,000	1,000	625
Miscellaneous						
Total Expenditures	\$ 54,976 \$	(123) \$	54,853 \$	60,513 \$	87,035 \$	32,182
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,389) \$	123 \$	(5,266) \$	487 \$	487 \$	(5,753)
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (5,389) \$	123 \$	(5,266) \$	487 \$	487 \$	(5,753)
	42,770	(123)	42,647	50,476	50,476	(7,829)
Fund Balance, June 30, 2010	\$ 37,381 \$	0 \$	37,381 \$	50,963 \$	50,963 \$	(13,582)

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

White 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	\$ 1,117,640	\$ 1,090,000	\$ 1,090,000	\$ 27,640
Other Local Revenues	419,555	500,000	500,000	(80,445)
State of Tennessee	23,434	12,000	12,000	11,434
Other Governments and Citizens Groups	120,700	50,000	120,700	0
Total Revenues	<u>\$ 1,681,329</u>	<u>\$ 1,652,000</u>	<u>\$ 1,722,700</u>	<u>\$ (41,371)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 775,073	\$ 800,074	\$ 781,093	\$ 6,020
Highways and Streets	366,999	367,000	367,000	1
Education	522,450	522,450	522,450	0
<u>Interest on Debt</u>				
General Government	299,696	299,547	299,696	0
Highways and Streets	23,115	22,899	23,115	0
Education	267,384	267,385	267,385	1
<u>Other Debt Service</u>				
General Government	20,432	2,000	20,616	184
Total Expenditures	<u>\$ 2,275,149</u>	<u>\$ 2,281,355</u>	<u>\$ 2,281,355</u>	<u>\$ 6,206</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (593,820)</u>	<u>\$ (629,355)</u>	<u>\$ (558,655)</u>	<u>\$ (35,165)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 250,000	\$ 179,300	\$ (179,300)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 250,000</u>	<u>\$ 179,300</u>	<u>\$ (179,300)</u>
Net Change in Fund Balance	\$ (593,820)	\$ (379,355)	\$ (379,355)	\$ (214,465)
Fund Balance, July 1, 2009	<u>2,153,583</u>	<u>2,862,845</u>	<u>2,862,845</u>	<u>(709,262)</u>
Fund Balance, June 30, 2010	<u>\$ 1,559,763</u>	<u>\$ 2,483,490</u>	<u>\$ 2,483,490</u>	<u>\$ (923,727)</u>

Fiduciary Funds

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

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

Community Development - Agency Fund – The Community Development - Agency Fund is used to account for transactions related to pass-through community development grant funds.

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 I-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 500,339	\$ 500,339
Due from Other Governments	277,959	0	277,959
Total Assets	<u>\$ 277,959</u>	<u>\$ 500,339</u>	<u>\$ 778,298</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 277,959	\$ 0	\$ 277,959
Due to Litigants, Heirs, and Others	0	500,339	500,339
Total Liabilities	<u>\$ 277,959</u>	<u>\$ 500,339</u>	<u>\$ 778,298</u>

Exhibit I-2

White County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,582,255	\$ 1,582,255	\$ 0
Due from Other Governments	270,901	277,959	270,901	277,959
Total Assets	\$ 270,901	\$ 1,860,214	\$ 1,853,156	\$ 277,959
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 270,901	\$ 1,860,214	\$ 1,853,156	\$ 277,959
Total Liabilities	\$ 270,901	\$ 1,860,214	\$ 1,853,156	\$ 277,959
<u>Community Development - Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 201,085	\$ 201,085	\$ 0
Total Assets	\$ 0	\$ 201,085	\$ 201,085	\$ 0
<u>Liabilities</u>				
Contracts Payable	\$ 0	\$ 201,085	\$ 201,085	\$ 0
Total Liabilities	\$ 0	\$ 201,085	\$ 201,085	\$ 0
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 497,823	\$ 3,609,141	\$ 3,606,625	\$ 500,339
Investments	1,261,388	0	1,261,388	0
Total Assets	\$ 1,759,211	\$ 3,609,141	\$ 4,868,013	\$ 500,339
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,759,211	\$ 3,609,141	\$ 4,868,013	\$ 500,339
Total Liabilities	\$ 1,759,211	\$ 3,609,141	\$ 4,868,013	\$ 500,339
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 497,823	\$ 3,609,141	\$ 3,606,625	\$ 500,339
Equity in Pooled Cash and Investments	0	201,085	201,085	0
Investments	1,261,388	0	1,261,388	0
Due from Other Governments	270,901	277,959	270,901	277,959
Total Assets	\$ 2,030,112	\$ 4,088,185	\$ 5,339,999	\$ 778,298
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 270,901	\$ 1,860,214	\$ 1,853,156	\$ 277,959
Contracts Payable	0	201,085	201,085	0
Due to Litigants, Heirs, and Others	1,759,211	3,609,141	4,868,013	500,339
Total Liabilities	\$ 2,030,112	\$ 5,670,440	\$ 6,922,254	\$ 778,298

White County School Department

This section presents combining and individual fund financial statements for the White County School Department, a discretely presented component unit. The White County 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 J-1

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions Capital Grants and Contributions	
Governmental Activities:				
Instruction	\$ 18,378,847	\$ 350	\$ 2,926,530	\$ 0
Support Services	7,361,561	6,600	1,604,830	0
Operation of Non-Instructional Services	2,261,518	672,748	253,983	10,084
Capital Outlay	70,700	0	0	0
Total Governmental Activities	\$ 28,072,626	\$ 679,698	\$ 4,785,343	\$ 10,084
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 3,141,459
Local Option Sales Taxes				1,344,769
Other Local Taxes				3,511
Grants and Contributions Not Restricted to Specific Programs				20,138,456
Sale of Equipment				49,075
Miscellaneous				4,671
Total General Revenues				\$ 24,681,941
Insurance Recovery				\$ 2,000
Change in Net Assets				\$ 2,086,440
Net Assets, July 1, 2009				36,361,337
Net Assets, June 30, 2010				\$ 38,447,777

Exhibit J-2

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

	Major Funds			Total Govern- mental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 16,857,060	\$ 109,014	\$ 537,669	\$ 17,503,743
Due from Other Governments	511,436	84,767	2,166	598,369
Due from Primary Government	467	0	0	467
Property Taxes Receivable	3,232,674	0	0	3,232,674
Allowance for Uncollectible Property Taxes	(103,471)	0	0	(103,471)
Total Assets	<u>\$ 20,498,166</u>	<u>\$ 193,781</u>	<u>\$ 539,835</u>	<u>\$ 21,231,782</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 15,787	\$ 0	\$ 0	\$ 15,787
Payroll Deductions Payable	362,228	0	0	362,228
Deferred Revenue - Current Property Taxes	3,002,455	0	0	3,002,455
Deferred Revenue - Delinquent Property Taxes	114,040	0	0	114,040
Other Deferred Revenues	127,895	0	0	127,895
Total Liabilities	<u>\$ 3,622,405</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,622,405</u>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 65,393	\$ 0	\$ 0	\$ 65,393
Reserved for Vocational Projects	500,000	0	0	500,000
Reserved for Driver Education	23,214	0	0	23,214
Reserved for Career Ladder - Extended Contract	4,237	0	0	4,237
Reserved for Career Ladder Program	2,392	0	0	2,392
Reserved for Basic Education Program	8,984,479	0	0	8,984,479
Reserved for Title I Grants to Local Education Agencies	0	9,064	0	9,064
Reserved for Special Education - Grants to States	0	184,717	0	184,717
Unreserved, Reported In:				
General Fund	7,296,046	0	0	7,296,046
Special Revenue Funds	0	0	539,835	539,835
Total Fund Balances	<u>\$ 16,875,761</u>	<u>\$ 193,781</u>	<u>\$ 539,835</u>	<u>\$ 17,609,377</u>
Total Liabilities and Fund Balances	<u>\$ 20,498,166</u>	<u>\$ 193,781</u>	<u>\$ 539,835</u>	<u>\$ 21,231,782</u>

Exhibit J-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 17,609,377
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 693,842	
Add: buildings and improvements net of accumulated depreciation	19,666,644	
Add: other capital assets net of accumulated depreciation	<u>773,600</u>	21,134,086
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (182,867)	
Less: other postemployment benefits liability	<u>(354,754)</u>	(537,621)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>241,935</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 38,447,777</u></u>

Exhibit J-4

White County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented White 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	\$ 4,557,574	\$ 0	\$ 0	\$ 4,557,574
Licenses and Permits	2,369	0	0	2,369
Charges for Current Services	69,449	0	580,123	649,572
Other Local Revenues	60,210	0	11,534	71,744
State of Tennessee	19,703,204	0	22,935	19,726,139
Federal Government	160,533	3,586,349	1,277,412	5,024,294
Total Revenues	<u>\$ 24,553,339</u>	<u>\$ 3,586,349</u>	<u>\$ 1,892,004</u>	<u>\$ 30,031,692</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 14,536,884	\$ 2,883,825	\$ 0	\$ 17,420,709
Support Services	6,965,471	619,558	0	7,585,029
Operation of Non-Instructional Services	367,468	0	1,770,061	2,137,529
Capital Outlay	1,040,351	0	0	1,040,351
Debt Service:				
Other Debt Service	70,700	0	0	70,700
Total Expenditures	<u>\$ 22,980,874</u>	<u>\$ 3,503,383</u>	<u>\$ 1,770,061</u>	<u>\$ 28,254,318</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,572,465</u>	<u>\$ 82,966</u>	<u>\$ 121,943</u>	<u>\$ 1,777,374</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 2,000	\$ 0	\$ 0	\$ 2,000
Transfers In	9,646	0	0	9,646
Transfers Out	0	(9,646)	0	(9,646)
Total Other Financing Sources (Uses)	<u>\$ 11,646</u>	<u>\$ (9,646)</u>	<u>\$ 0</u>	<u>\$ 2,000</u>
Net Change in Fund Balances	\$ 1,584,111	\$ 73,320	\$ 121,943	\$ 1,779,374
Fund Balance, July 1, 2009	<u>15,291,650</u>	<u>120,461</u>	<u>417,892</u>	<u>15,830,003</u>
Fund Balance, June 30, 2010	<u>\$ 16,875,761</u>	<u>\$ 193,781</u>	<u>\$ 539,835</u>	<u>\$ 17,609,377</u>

Exhibit J-5

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

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 1,779,374
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 1,114,349	
Less: current-year depreciation expense	<u>(800,790)</u>	313,559
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2010	\$ 241,935	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(235,068)</u>	6,867
<p>(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in other postemployment benefits liability	\$ (12,277)	
Change in compensated absences payable	<u>(1,083)</u>	<u>(13,360)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 2,086,440</u>

Exhibit J-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,557,574	\$ 0	\$ 0	\$ 4,557,574	\$ 4,655,500	\$ 4,655,500	\$ (97,926)
Licenses and Permits	2,369	0	0	2,369	3,300	3,300	(931)
Charges for Current Services	69,449	0	0	69,449	75,350	75,350	(5,901)
Other Local Revenues	60,210	0	0	60,210	52,435	52,435	7,775
State of Tennessee	19,703,204	0	0	19,703,204	19,581,350	20,444,087	(740,883)
Federal Government	160,533	0	0	160,533	212,000	212,000	(51,467)
<u>Total Revenues</u>	<u>\$ 24,553,339</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 24,553,339</u>	<u>\$ 24,579,935</u>	<u>\$ 25,442,672</u>	<u>\$ (889,333)</u>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 12,941,783	\$ (100,238)	\$ 31,450	\$ 12,872,995	\$ 14,315,500	\$ 14,315,500	\$ 1,442,505
Special Education Program	936,517	0	0	936,517	989,665	989,665	53,148
Vocational Education Program	608,169	0	0	608,169	699,750	699,750	91,581
Adult Education Program	50,415	0	0	50,415	94,300	94,300	43,885
<u>Support Services</u>							
Attendance	69,692	0	0	69,692	72,100	72,100	2,408
Health Services	145,208	0	53	145,261	178,000	178,000	32,739
Other Student Support	617,985	(8,800)	0	609,185	645,400	645,400	36,215
Regular Instruction Program	705,383	0	146	705,529	727,000	727,045	21,516
Special Education Program	91,715	0	0	91,715	93,100	93,055	1,340
Vocational Education Program	57,678	0	0	57,678	62,135	62,135	4,457
Adult Programs	78,858	0	0	78,858	82,270	82,270	3,412
Other Programs	136,137	0	0	136,137	0	136,137	0
Board of Education	349,898	0	0	349,898	399,495	412,495	62,597

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Director of Schools	\$ 126,570	\$ 0	\$ 0	\$ 126,570	\$ 134,620	\$ 134,620	\$ 8,050
Office of the Principal	1,166,335	0	0	1,166,335	1,216,200	1,216,200	49,865
Fiscal Services	100,069	(607)	2,360	101,822	105,750	105,750	3,928
Operation of Plant	1,812,362	(5,442)	6,241	1,813,161	2,182,700	2,182,700	369,539
Maintenance of Plant	375,217	(95)	8,523	383,645	435,355	435,355	51,710
Transportation	1,132,364	(74,360)	700	1,058,704	1,274,255	1,274,255	215,551
<u>Operation of Non-Instructional Services</u>							
Community Services	87,586	0	0	87,586	103,990	103,990	16,404
Early Childhood Education	279,882	0	0	279,882	308,450	308,450	28,568
<u>Capital Outlay</u>							
Regular Capital Outlay	1,040,351	(561,134)	15,920	495,137	731,405	731,405	236,268
<u>Principal on Debt</u>							
Education	0	0	0	0	250,000	0	0
<u>Other Debt Service</u>							
Education	70,700	0	0	70,700	0	250,000	179,300
Total Expenditures	\$ 22,980,874	\$ (750,676)	\$ 65,393	\$ 22,295,591	\$ 25,101,440	\$ 25,250,577	\$ 2,954,986
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 1,572,465	\$ 750,676	\$ (65,393)	\$ 2,257,748	\$ (521,505)	\$ 192,095	\$ 2,065,653
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 2,000	\$ 0	\$ 0	\$ 2,000	\$ 0	\$ 0	\$ 2,000
Transfers In	9,646	0	0	9,646	120,000	120,000	(110,354)

(Continued)

Exhibit J-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ (13,000)	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ 11,646	\$ 0	\$ 0	\$ 11,646	\$ 107,000	\$ 120,000	\$ (108,354)
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 1,584,111	\$ 750,676	\$ (65,393)	\$ 2,269,394	\$ (414,505)	\$ 312,095	\$ 1,957,299
	15,291,650	(750,676)	0	14,540,974	14,085,475	14,085,475	455,499
Fund Balance, June 30, 2010	\$ 16,875,761	\$ 0	\$ (65,393)	\$ 16,810,368	\$ 13,670,970	\$ 14,397,570	\$ 2,412,798

Exhibit J-7

White County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented White 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	\$ 3,586,349	\$ 4,738,278	\$ 4,732,458	\$ (1,146,109)
Total Revenues	\$ 3,586,349	\$ 4,738,278	\$ 4,732,458	\$ (1,146,109)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,587,645	\$ 2,036,455	\$ 2,022,140	\$ 434,495
Special Education Program	1,224,414	1,798,240	1,798,241	573,827
Vocational Education Program	71,766	68,371	71,766	0
<u>Support Services</u>				
Other Student Support	130,244	470,114	468,686	338,442
Regular Instruction Program	179,616	229,617	236,119	56,503
Special Education Program	196,263	233,344	233,344	37,081
Vocational Education Program	200	200	200	0
Transportation	113,235	132,949	132,949	19,714
Total Expenditures	\$ 3,503,383	\$ 4,969,290	\$ 4,963,445	\$ 1,460,062
Excess (Deficiency) of Revenues Over Expenditures	\$ 82,966	\$ (231,012)	\$ (230,987)	\$ 313,953
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (9,646)	\$ (17,800)	\$ (17,825)	\$ 8,179
Total Other Financing Sources (Uses)	\$ (9,646)	\$ (17,800)	\$ (17,825)	\$ 8,179
Net Change in Fund Balance	\$ 73,320	\$ (248,812)	\$ (248,812)	\$ 322,132
Fund Balance, July 1, 2009	120,461	248,812	248,812	(128,351)
Fund Balance, June 30, 2010	\$ 193,781	\$ 0	\$ 0	\$ 193,781

Exhibit J-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 580,123	\$ 709,000	\$ 709,000	\$ (128,877)
Other Local Revenues	11,534	9,300	9,300	2,234
State of Tennessee	22,935	58,717	25,000	(2,065)
Federal Government	1,277,412	1,151,000	1,184,717	92,695
Total Revenues	<u>\$ 1,892,004</u>	<u>\$ 1,928,017</u>	<u>\$ 1,928,017</u>	<u>\$ (36,013)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,770,061	\$ 1,948,616	\$ 1,948,616	\$ 178,555
Total Expenditures	<u>\$ 1,770,061</u>	<u>\$ 1,948,616</u>	<u>\$ 1,948,616</u>	<u>\$ 178,555</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 121,943</u>	<u>\$ (20,599)</u>	<u>\$ (20,599)</u>	<u>\$ 142,542</u>
Net Change in Fund Balance	\$ 121,943	\$ (20,599)	\$ (20,599)	\$ 142,542
Fund Balance, July 1, 2009	417,892	275,256	275,256	142,636
Fund Balance, June 30, 2010	<u>\$ 539,835</u>	<u>\$ 254,657</u>	<u>\$ 254,657</u>	<u>\$ 285,178</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

White County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2010

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Paid and/or Matured During Period	Outstanding 6-30-10
NOTES PAYABLE							
Governmental Activities							
<u>Payable through General Debt Service Fund</u>							
Road Improvements/Landfill Truck	\$ 400,000	4.31 %	9-21-06	9-21-09	\$ 133,332	\$ 133,332	\$ 0
Patrol Cars/Ambulances/Road Improvements	700,000	3.95	8-30-07	8-30-10	466,667	233,333	233,334
Industrial Development Land	1,000,000	4.15	6-11-08	6-1-15	857,143	142,857	714,286
Public Safety Vehicles/Road Improvements	600,000	3.84	8-28-08	8-28-11	600,000	200,000	400,000
Total Governmental Activities					\$ 2,057,142	\$ 709,522	\$ 1,347,620
Business-type Activities							
<u>Payable through Solid Waste Disposal Fund</u>							
Landfill Improvements and Vehicles Compactor	1,250,000	4.48	12-1-03	12-1-16	\$ 729,165	\$ 104,167	\$ 624,998
Total Business-type Activities	378,000	4.5	6-21-05	6-21-15	226,800	37,800	189,000
					\$ 955,965	\$ 141,967	\$ 813,998
Total Notes Payable					\$ 3,013,107	\$ 851,489	\$ 2,161,618
BONDS PAYABLE							
<u>Payable through General Debt Service Fund</u>							
Library	1,000,000	4 to 4.4	6-15-05	6-15-25	\$ 880,000	\$ 40,000	\$ 840,000
School Refunding, Series 2008	5,120,000	3.85	9-17-08	6-1-20	4,715,000	360,000	4,355,000
School/Judicial Complex Refunding, Series 2008A	8,125,000	4.24	12-2-08	6-1-20	7,480,000	555,000	6,925,000
Total Bonds Payable					\$ 13,075,000	\$ 955,000	\$ 12,120,000

Exhibit K-2

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

Governmental Activities

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 576,191	\$ 45,771	\$ 621,962
2012	342,857	27,554	370,411
2013	142,857	17,786	160,643
2014	142,857	11,857	154,714
2015	142,858	5,928	148,786
Total	<u>\$ 1,347,620</u>	<u>\$ 108,896</u>	<u>\$ 1,456,516</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 990,000	\$ 483,760	\$ 1,473,760
2012	1,030,000	447,860	1,477,860
2013	1,065,000	409,548	1,474,548
2014	1,095,000	370,898	1,465,898
2015	1,145,000	329,123	1,474,123
2016	1,190,000	283,323	1,473,323
2017	1,240,000	235,723	1,475,723
2018	1,290,000	185,027	1,475,027
2019	1,340,000	131,388	1,471,388
2020	1,400,000	74,640	1,474,640
2021	60,000	14,520	74,520
2022	65,000	11,970	76,970
2023	65,000	9,175	74,175
2024	70,000	6,380	76,380
2025	75,000	3,300	78,300
Total	<u>\$ 12,120,000</u>	<u>\$ 2,996,635</u>	<u>\$ 15,116,635</u>

Business-type Activities

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 141,967	\$ 34,172	\$ 176,139
2012	141,967	27,804	169,771
2013	141,967	21,436	163,403
2014	141,967	15,069	157,036
2015	141,967	8,701	150,668
2016	104,163	2,333	106,496
Total	<u>\$ 813,998</u>	<u>\$ 109,515</u>	<u>\$ 923,513</u>

Exhibit K-3

White County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2010

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-10
<u>Industrial/Economic Development Fund</u>						
Industrial Development	Norcom, Inc.	\$ 27,552	11-07	11-14	5%	\$ 18,485
"	Casual Apparel	80,288	10-03	9-10	2	34,667
"	TLT, Inc.	37,500	11-03	11-10	2	1,906
"	K & V Automotive	80,000	5-04	5-11	2	39,421
"	Dunn & Bybee	90,000	11-04	11-12	3	22,039
"	Casual Apparel	25,000	10-06	10-13	5	17,895
"	Jackson Kayak	250,000	12-08	12-15	2	202,188
"	CLS Molding	15,950	5-09	5-16	2	13,625
Total						<u>\$ 350,226</u>

Exhibit K-4

White County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented White 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>			
Highway/Public Works	General	Finance Department services	\$ 10,400
Local Purpose Tax	Highway/Public Works	Operations	200,000
Total Transfers Primary Government			<u>\$ 210,400</u>
<u>DISCRETELY PRESENTED WHITE COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 9,646
Total Transfers Discretely Presented White County School Department			<u>\$ 9,646</u>

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 71,322	\$ 50,000	Auto Owners Insurance Company
Road Superintendent	Section 8-24-102, <u>TCA</u>	67,927	100,000	RLI Insurance Company
Director of Schools:				
Donny Haley (7-1-09 through 5-31-10)	State Board of Education and White County Board of Education	92,285	(1) (2) 50,000	Auto Owners Insurance Company
Sandra Crouch (6-1-10 through 6-30-10)	State Board of Education and White County Board of Education	9,883 (3)	50,000	"
Trustee	Section 8-24-102, <u>TCA</u>	61,751	832,000	"
Assessor of Property	Section 8-24-102, <u>TCA</u>	61,751	10,000	"
Finance Director	County Commission	61,751	50,000	"
County Clerk	Section 8-24-102, <u>TCA</u>	61,751	50,000	RLI Insurance Company
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	61,751	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u> , and Chancery Court Judge	61,751 (4)	75,000	Auto Owners Insurance Company
Register	Section 8-24-102, <u>TCA</u>	61,751	25,000	RLI Insurance Company
Sheriff	Section 8-24-102, <u>TCA</u>	67,927 (5)	50,000	"
Employee Dishonesty Bond Coverage:				
General County and Highway Employees			150,000	Tennessee Risk Management Trust
School Department Employees			150,000	"

- (1) Includes chief executive officer training supplement of \$1,000.
- (2) Does not include leave balance payment as provided for in the director's contract of \$21,066.
- (3) Ms. Crouch's salary for the month of June was paid from Regular Instruction Program - Teachers major appropriation category.
- (4) Does not include special commissioner fees of \$1,000.
- (5) Does not include a law enforcement training supplement of \$600.

Exhibit K-6

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

	Special Revenue Funds						Debt Service Fund	Total
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitutional Officers - Fees	Highway / Public Works		
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 3,678,726	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 277,640	\$ 3,956,366
Trustee's Collections - Prior Year	136,253	0	0	0	0	0	10,283	146,536
Circuit/Clerk & Master Collections - Prior Years	76,614	0	0	0	0	0	6,144	82,758
Interest and Penalty	26,174	0	0	0	0	0	1,975	28,149
Payments in-Lieu-of Taxes - Other	3,462	0	0	0	0	0	928	4,390
<u>County Local Option Taxes</u>								
Local Option Sales Tax	94,132	0	187,734	0	0	0	809,415	1,091,281
Hotel/Motel Tax	6,012	0	0	0	0	0	5,152	11,164
Litigation Tax - General	66,434	0	0	0	0	0	0	66,434
Litigation Tax - Special Purpose	54,517	0	0	0	0	0	0	54,517
Litigation Tax - Jail, Workhouse, or Courthouse	25,156	0	0	0	0	0	0	25,156
Business Tax	157,740	0	0	0	0	0	0	157,740
Mineral Severance Tax	0	0	0	0	0	50,772	0	50,772
<u>Statutory Local Taxes</u>								
Bank Excise Tax	80,863	0	0	0	0	0	6,103	86,966
Wholesale Beer Tax	123,377	0	0	0	0	0	0	123,377
Total Local Taxes	\$ 4,529,460	\$ 0	\$ 187,734	\$ 0	\$ 0	\$ 50,772	\$ 1,117,640	\$ 5,885,606
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	\$ 62,658	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 62,658
<u>Permits</u>								
Beer Permits	11,020	0	0	0	0	0	0	11,020
Total Licenses and Permits	\$ 73,678	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 73,678
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 14,325	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,325
Officers Costs	7,965	0	0	0	0	0	0	7,965
Drug Control Fines	380	0	0	0	0	0	0	380

(Continued)

Exhibit K-6

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>									
<u>Circuit Court (Cont.)</u>									
Drug Court Fees	\$ 811	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	811	
DUI Treatment Fines	2,718	0	0	0	0	0	0	2,718	
Data Entry Fee - Circuit Court	558	0	0	0	0	0	0	558	
Courtroom Security Fee	2,092	0	0	0	0	0	0	2,092	
<u>General Sessions Court</u>									
Fines	28,104	0	0	0	0	0	0	28,104	
Officers Costs	36,400	0	0	0	0	0	0	36,400	
Game and Fish Fines	684	0	0	0	0	0	0	684	
Drug Control Fines	228	0	0	0	0	0	0	228	
Drug Court Fees	1,872	0	0	0	0	0	0	1,872	
DUI Treatment Fines	2,448	0	0	0	0	0	0	2,448	
Data Entry Fee - General Sessions Court	6,661	0	0	0	0	0	0	6,661	
Courtroom Security Fee	2,028	0	0	0	0	0	0	2,028	
<u>Chancery Court</u>									
Officers Costs	1,794	0	0	0	0	0	0	1,794	
Data Entry Fee - Chancery Court	1,254	0	0	0	0	0	0	1,254	
<u>Other Courts - In-county</u>									
Drug Control Fines	0	0	0	19,029	0	0	0	19,029	
Jail Fees	17,210	0	0	0	0	0	0	17,210	
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	0	0	0	18,186	0	0	0	18,186	
Total Fines, Forfeitures, and Penalties	\$ 127,532	\$ 0	\$ 0	\$ 37,215	\$ 0	\$ 0	\$ 0	\$ 164,747	
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Past Due Collections - Ambulance Fees	\$ 1,067,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,067,500	
Constitutional Officers' Fees and Commissions	0	0	0	0	2,068	0	0	2,068	
Data Processing Fee - Register	8,684	0	0	0	0	0	0	8,684	
Data Processing Fee - Sheriff	7,783	0	0	0	0	0	0	7,783	

(Continued)

Exhibit K-6

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Charges for Current Services (Cont.)</u>									
<u>Fees (Cont.)</u>									
Sexual Offender Registration Fees - Sheriff	\$ 2,600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,600
Data Processing Fee - County Clerk	1,232	0	0	0	0	0	0	0	1,232
Total Charges for Current Services	\$ 1,087,799	\$ 0	\$ 0	\$ 0	\$ 2,068	\$ 0	\$ 0	\$ 0	\$ 1,089,867
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	\$ 0	\$ 6,723	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 419,493	\$ 426,216
Lease/Rentals	4,300	0	0	0	0	0	0	0	4,300
Commissary Sales	27,478	0	0	0	0	0	0	0	27,478
Sale of Maps	60,000	0	0	0	0	0	0	0	60,000
Sale of Recycled Materials	2,973	0	0	0	0	6,895	0	0	9,868
Miscellaneous Refunds	41,259	0	0	40	0	21,355	62	0	62,716
Nonrecurring Items									
Sale of Equipment	12,139	0	0	12,332	0	25,290	0	0	49,761
Sale of Property	0	1	0	0	0	0	0	0	1
Damages Recovered from Individuals	186	0	0	0	0	0	0	0	186
Total Other Local Revenues	\$ 148,335	\$ 6,724	\$ 0	\$ 12,372	\$ 0	\$ 53,540	\$ 419,555	\$ 0	\$ 640,526
<u>Fees Received from County Officials</u>									
<u>Fees in-Lieu-of Salary</u>									
County Clerk	\$ 196,260	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 196,260
Circuit Court Clerk	79,030	0	0	0	0	0	0	0	79,030
General Sessions Court Clerk	182,657	0	0	0	0	0	0	0	182,657
Clerk and Master	74,044	0	0	0	0	0	0	0	74,044
Register	94,402	0	0	0	0	0	0	0	94,402
Sheriff	955	0	0	0	0	0	0	0	955
Trustee	288,044	0	0	0	0	0	0	0	288,044
Total Fees Received from County Officials	\$ 915,392	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 915,392

(Continued)

Exhibit K-6

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>State of Tennessee</u>									
<u>General Government Grants</u>									
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Public Safety Grants	16,698	0	0	0	0	0	0	0	16,698
Health and Welfare Grants									
Other Health and Welfare Grants	5,945	0	0	0	0	0	0	0	5,945
Public Works Grants									
State Aid Program	0	0	0	0	0	237,673	0	0	237,673
Litter Program	32,785	0	0	0	0	0	0	0	32,785
Other State Revenues									
Flood Control	1,409	0	0	0	0	0	0	0	1,409
Income Tax	42,037	0	0	0	0	0	0	0	42,037
Beer Tax	17,778	0	0	0	0	0	0	0	17,778
Alcoholic Beverage Tax	43,423	0	0	0	0	0	0	0	43,423
State Revenue Sharing - T.V.A.	310,495	0	0	0	0	0	23,434	0	333,929
Contracted Prisoner Boarding	1,135,225	0	0	0	0	0	0	0	1,135,225
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,575,976	0	0	1,575,976
Petroleum Special Tax	0	0	0	0	0	20,934	0	0	20,934
Reappraisal Program Reimbursement	8,226	0	0	0	0	0	0	0	8,226
T.B.I. - Equipment Reimbursement	1,635	0	0	0	0	0	0	0	1,635
Registrar's Salary Supplement	16,380	0	0	0	0	0	0	0	16,380
Other State Grants	2,050	0	0	0	0	0	0	0	2,050
Other State Revenues	5,562	0	0	0	0	0	0	0	5,562
Total State of Tennessee	\$ 1,648,648	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,834,583	\$ 23,434	\$ 3,506,665	
<u>Federal Government</u>									
<u>Federal Through State</u>									
Appalachian Regional Commission	\$ 31,912	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,912
Law Enforcement Grants	15,570	0	0	0	0	0	0	0	15,570
ARRA Grant No. 2	5,169	0	0	0	0	0	0	0	5,169
Other Federal through State	311	0	0	0	0	0	0	0	311

(Continued)

Exhibit K-6

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Federal Government (Cont.)</u>									
<u>Direct Federal Revenue</u>									
Other Direct Federal Revenue	\$ 7,830	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,830	
Total Federal Government	\$ 60,792	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,792	
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Prisoner Board	\$ 81,900	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 81,900	
Contributions	18,548	0	0	0	0	0	120,700	139,248	
Contracted Services	42,585	0	0	0	0	0	0	42,585	
<u>Citizens Groups</u>									
Donations	19,865	0	0	0	0	0	0	19,865	
Other	91,732	0	0	0	0	0	0	91,732	
Total Other Governments and Citizens Groups	\$ 254,630	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 120,700	\$ 375,330	
<u>Total</u>	\$ 8,846,266	\$ 6,724	\$ 187,734	\$ 49,587	\$ 2,068	\$ 1,938,895	\$ 1,681,329	\$ 12,712,603	

Exhibit K-7

White County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented White 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	\$ 2,949,926	\$ 0	\$ 0	\$ 2,949,926
Trustee's Collections - Prior Year	109,260	0	0	109,260
Circuit/Clerk & Master Collections - Prior Years	62,959	0	0	62,959
Interest and Penalty	20,989	0	0	20,989
Payments in-Lieu-of Taxes - Other	9,859	0	0	9,859
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,335,904	0	0	1,335,904
<u>Statutory Local Taxes</u>				
Bank Excise Tax	64,843	0	0	64,843
Interstate Telecommunications Tax	3,834	0	0	3,834
Total Local Taxes	\$ 4,557,574	\$ 0	\$ 0	\$ 4,557,574
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,843	\$ 0	\$ 0	\$ 1,843
<u>Permits</u>				
Other Permits	526	0	0	526
Total Licenses and Permits	\$ 2,369	\$ 0	\$ 0	\$ 2,369
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Summer School	\$ 350	\$ 0	\$ 0	\$ 350
Lunch Payments - Children	0	0	320,072	320,072
Lunch Payments - Adults	0	0	51,625	51,625
Income from Breakfast	0	0	34,863	34,863
A la carte Sales	0	0	173,563	173,563
Receipts from Individual Schools	46,366	0	0	46,366
TBI Criminal Background Fees	3,000	0	0	3,000
<u>Other Charges for Services</u>				
Other Charges for Services	19,733	0	0	19,733
Total Charges for Current Services	\$ 69,449	\$ 0	\$ 580,123	\$ 649,572
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 2,926	\$ 2,926
Lease/Rentals	3,600	0	0	3,600
Miscellaneous Refunds	40,358	0	8,608	48,966
<u>Nonrecurring Items</u>				
Sale of Equipment	4,671	0	0	4,671
Damages Recovered from Individuals	109	0	0	109
Contributions and Gifts	1,388	0	0	1,388
<u>Other Local Revenues</u>				
Other Local Revenues	10,084	0	0	10,084
Total Other Local Revenues	\$ 60,210	\$ 0	\$ 11,534	\$ 71,744
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 136,137	\$ 0	\$ 0	\$ 136,137

(Continued)

Exhibit K-7

White County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented White 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	\$ 17,821,946	\$ 0	\$ 0	\$ 17,821,946
Basic Education Program - ARRA	726,600	0	0	726,600
Early Childhood Education	279,825	0	0	279,825
School Food Service	0	0	22,935	22,935
Driver Education	1,476	0	0	1,476
Other State Education Funds	38,345	0	0	38,345
Coordinated School Health - ARRA	87,183	0	0	87,183
Family Resource Centers - ARRA	33,300	0	0	33,300
Statewide Student Management System (SSMS) - ARRA	9,948	0	0	9,948
Career Ladder Program	198,562	0	0	198,562
Career Ladder - Extended Contract - ARRA	97,300	0	0	97,300
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	248,982	0	0	248,982
Safe Schools - ARRA	23,600	0	0	23,600
Total State of Tennessee	\$ 19,703,204	\$ 0	\$ 22,935	\$ 19,726,139
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 987,534	\$ 987,534
Breakfast	0	0	221,870	221,870
USDA - Other	0	0	34,366	34,366
USDA Food Service Equipment Grant - ARRA	0	0	25,000	25,000
Adult Education State Grant Program	86,170	0	0	86,170
Vocational Education - Basic Grants to States	0	78,799	0	78,799
Title I Grants to Local Education Agencies	0	1,126,332	0	1,126,332
Special Education - Grants to States	0	1,706,413	0	1,706,413
Special Education Preschool Grants	0	32,169	0	32,169
Rural Education	0	105,434	0	105,434
Eisenhower Professional Development State Grants	0	227,750	0	227,750
Job Training Partnership Act	15,000	0	0	15,000
Other Federal through State	0	309,452	8,642	318,094
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	59,363	0	0	59,363
Total Federal Government	\$ 160,533	\$ 3,586,349	\$ 1,277,412	\$ 5,024,294
Total	\$ 24,553,339	\$ 3,586,349	\$ 1,892,004	\$ 30,031,692

Exhibit K-8

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	42,000	
Other Per Diem and Fees		1,200	
Social Security		2,678	
State Retirement		54	
Employer Medicare		626	
Advertising		1,957	
Audit Services		5,707	
Dues and Memberships		2,793	
Travel		711	
Other Supplies and Materials		2,290	
Total County Commission			\$ 60,016

County Mayor/Executive

County Official/Administrative Officer	\$	71,322	
Assistant(s)		31,373	
Social Security		6,324	
State Retirement		4,656	
Employer Medicare		1,479	
Communication		2,928	
Dues and Memberships		1,707	
Maintenance Agreements		3,488	
Postal Charges		2,737	
Travel		4,541	
Office Supplies		2,625	
Office Equipment		4,194	
Total County Mayor/Executive			137,374

County Attorney

County Official/Administrative Officer	\$	22,000	
Social Security		1,364	
State Retirement		999	
Employer Medicare		319	
Total County Attorney			24,682

Election Commission

County Official/Administrative Officer	\$	55,576	
Deputy(ies)		19,468	
Election Commission		1,705	
Election Workers		13,186	
Social Security		3,854	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

State Retirement	\$	3,407	
Medical Insurance		100	
Employer Medicare		1,170	
Communication		1,172	
Legal Notices, Recording, and Court Costs		2,507	
Maintenance and Repair Services - Office Equipment		588	
Postal Charges		1,145	
Travel		4,522	
Office Supplies		2,662	
Other Supplies and Materials		475	
Data Processing Equipment		16,006	
Furniture and Fixtures		936	
Total Election Commission			\$ 128,479

Register of Deeds

County Official/Administrative Officer	\$	61,751	
Assistant(s)		29,649	
Deputy(ies)		28,773	
Social Security		7,451	
State Retirement		5,261	
Employer Medicare		1,743	
Communication		1,087	
Dues and Memberships		551	
Maintenance and Repair Services - Office Equipment		16,489	
Postal Charges		96	
Travel		1,873	
Office Supplies		9,189	
Data Processing Equipment		2,000	
Total Register of Deeds			165,913

Development

Other Contracted Services	\$	11,250	
Total Development			11,250

County Buildings

Other Salaries and Wages	\$	51,680	
Social Security		5,693	
State Retirement		3,891	
Medical Insurance		40,827	
Employer Medicare		1,331	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Maintenance and Repair Services - Buildings	\$	66,947	
Maintenance and Repair Services - Equipment		19,037	
Rentals		7,800	
Utilities		68,802	
Other Supplies and Materials		22,525	
Building and Contents Insurance		109,681	
Workers' Compensation Insurance		54,520	
Motor Vehicles		3,518	
Total County Buildings			\$ 456,252

Other General Administration

Building Improvements	\$	55,000	
Total Other General Administration			55,000

Preservation of Records

Other Salaries and Wages	\$	27,789	
Social Security		1,723	
State Retirement		790	
Employer Medicare		403	
Communication		2,802	
Other Supplies and Materials		2,837	
Other Charges		38,930	
Total Preservation of Records			75,274

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	61,751	
Assistant(s)		84,222	
Social Security		9,050	
State Retirement		6,413	
Employer Medicare		2,117	
Accounting Services		4,361	
Advertising		1,672	
Communication		3,043	
Postal Charges		8,719	
Travel		1,266	
Other Contracted Services		2,017	
Office Supplies		14,367	
Data Processing Equipment		10,564	
Office Equipment		1,448	
Total Accounting and Budgeting			211,010

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office

County Official/Administrative Officer	\$	61,751	
Assistant(s)		55,926	
Deputy(ies)		28,773	
Board and Committee Members Fees		5,027	
Social Security		9,356	
State Retirement		6,516	
Employer Medicare		2,188	
Communication		2,053	
Data Processing Services		8,342	
Dues and Memberships		1,071	
Postal Charges		617	
Travel		964	
Other Contracted Services		15,816	
Office Supplies		1,318	
In Service/Staff Development		514	
Office Equipment		308	
Total Property Assessor's Office			\$ 200,540

Reappraisal Program

Secretary(ies)	\$	21,073	
Social Security		1,307	
Employer Medicare		306	
Data Processing Services		2,864	
Postal Charges		4,724	
Office Supplies		354	
Total Reappraisal Program			30,628

County Trustee's Office

County Official/Administrative Officer	\$	61,751	
Assistant(s)		28,343	
Deputy(ies)		28,770	
Social Security		7,336	
State Retirement		5,306	
Employer Medicare		1,716	
Advertising		156	
Communication		1,250	
Dues and Memberships		426	
Postal Charges		6,465	
Travel		1,089	
Office Supplies		918	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Data Processing Equipment	\$ 7,192	
Total County Trustee's Office		\$ 150,718

County Clerk's Office

County Official/Administrative Officer	\$ 61,751	
Assistant(s)	78,867	
Deputy(ies)	28,773	
Social Security	10,502	
State Retirement	7,511	
Employer Medicare	2,456	
Communication	2,354	
Dues and Memberships	426	
Postal Charges	3,299	
Office Supplies	2,686	
Data Processing Equipment	4,505	
Total County Clerk's Office		203,130

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 61,751	
Assistant(s)	125,476	
Deputy(ies)	28,773	
Social Security	13,234	
State Retirement	9,806	
Medical Insurance	2,400	
Employer Medicare	3,095	
Communication	4,674	
Dues and Memberships	661	
Maintenance and Repair Services - Office Equipment	4,505	
Postal Charges	7,003	
Travel	424	
Office Supplies	12,889	
Premiums on Corporate Surety Bonds	305	
Data Processing Equipment	13,403	
Office Equipment	2,947	
Total Circuit Court		291,346

General Sessions Court

Judge(s)	\$ 137,351
Secretary(ies)	31,239

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Social Security	\$	8,714	
State Retirement		7,654	
Employer Medicare		2,445	
Communication		2,356	
Travel		1,237	
Office Supplies		1,956	
Total General Sessions Court			\$ 192,952

Drug Court

Contracts with Government Agencies	\$	20,041	
Other Supplies and Materials		665	
Total Drug Court			20,706

Chancery Court

County Official/Administrative Officer	\$	61,751	
Assistant(s)		13,683	
Deputy(ies)		24,760	
Social Security		6,212	
State Retirement		3,928	
Employer Medicare		1,453	
Communication		794	
Dues and Memberships		561	
Postal Charges		5,992	
Travel		145	
Office Supplies		2,775	
Data Processing Equipment		4,256	
Office Equipment		1,610	
Total Chancery Court			127,920

Judicial Commissioners

County Official/Administrative Officer	\$	40,884	
Social Security		2,535	
Employer Medicare		593	
Other Supplies and Materials		2,929	
Total Judicial Commissioners			46,941

Other Administration of Justice

Other Salaries and Wages	\$	502	
Jury and Witness Expense		7,674	
Total Other Administration of Justice			8,176

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	67,927	
Deputy(ies)		805,491	
Secretary(ies)		27,851	
Other Salaries and Wages		17,456	
Social Security		59,882	
State Retirement		39,348	
Medical Insurance		2,539	
Employer Medicare		14,004	
Communication		22,951	
Maintenance and Repair Services - Vehicles		24,512	
Other Contracted Services		4,966	
Gasoline		83,975	
Uniforms		8,914	
Other Supplies and Materials		24,077	
In Service/Staff Development		5,666	
Other Charges		2,024	
Data Processing Equipment		13,699	
Law Enforcement Equipment		10,427	
Motor Vehicles		102,854	
Total Sheriff's Department			\$ 1,338,563

Special Patrols

Other Salaries and Wages	\$	68,295	
Social Security		4,010	
State Retirement		2,365	
Medical Insurance		1,200	
Employer Medicare		938	
Communication		998	
Office Supplies		146	
Other Supplies and Materials		3,177	
Other Charges		4,810	
Total Special Patrols			85,939

Traffic Control

Overtime Pay	\$	6,600	
Social Security		409	
State Retirement		300	
Employer Medicare		96	
Law Enforcement Equipment		12,242	
Total Traffic Control			19,647

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

Supervisor/Director	\$	34,699	
Guards		702,191	
Clerical Personnel		27,851	
Cafeteria Personnel		23,400	
Other Salaries and Wages		29,997	
Social Security		50,678	
State Retirement		31,628	
Employer Medicare		11,854	
Contracts with Other Public Agencies		1,280	
Maintenance Agreements		4,632	
Medical and Dental Services		221,277	
Food Supplies		196,590	
Uniforms		6,689	
Utilities		161,870	
Other Supplies and Materials		22,238	
In Service/Staff Development		2,796	
Law Enforcement Equipment		17	
Total Jail			\$ 1,529,687

Juvenile Services

Other Salaries and Wages	\$	40,338	
Social Security		2,501	
State Retirement		1,831	
Employer Medicare		585	
Communication		449	
Travel		2,185	
Office Supplies		112	
Total Juvenile Services			48,001

Fire Prevention and Control

Contracts with Government Agencies	\$	15,000	
Contributions		112,119	
Other Supplies and Materials		5,000	
Total Fire Prevention and Control			132,119

Civil Defense

Contracts with Private Agencies	\$	5,204	
Workers' Compensation Insurance		105	
In Service/Staff Development		516	
Other Equipment		7,245	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Other Capital Outlay	\$ 4,634	
Total Civil Defense		\$ 17,704

Rescue Squad

Contributions	\$ 9,000	
Total Rescue Squad		9,000

County Coroner/Medical Examiner

Medical Personnel	\$ 29,807	
Total County Coroner/Medical Examiner		29,807

Other Public Safety

Contracts with Other Public Agencies	\$ 100,000	
Road Signs	8,514	
Other Supplies and Materials	1,770	
Other Capital Outlay	72,098	
Total Other Public Safety		182,382

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$ 3,114	
Social Security	193	
Employer Medicare	45	
Communication	2,844	
Contracts with Government Agencies	39,080	
Maintenance and Repair Services - Buildings	8,944	
Medical and Dental Services	302	
Travel	435	
Drugs and Medical Supplies	8,190	
Utilities	10,979	
Other Supplies and Materials	1,536	
Other Charges	2,399	
Total Local Health Center		78,061

Rabies and Animal Control

Other Salaries and Wages	\$ 20,800	
Social Security	1,290	
State Retirement	581	
Employer Medicare	302	
Communication	1,175	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Other Contracted Services	\$	248	
Other Supplies and Materials		10,298	
Other Construction		2,370	
Total Rabies and Animal Control			\$ 37,064

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	48,801	
Paraprofessionals		512,404	
Part-time Personnel		42,000	
Overtime Pay		103,400	
Other Salaries and Wages		7,150	
Social Security		43,991	
State Retirement		30,251	
Medical Insurance		2,464	
Employer Medicare		10,288	
Communication		7,412	
Dues and Memberships		350	
Laundry Service		3,851	
Maintenance and Repair Services - Buildings		4,389	
Maintenance and Repair Services - Vehicles		23,869	
Postal Charges		293	
Other Contracted Services		11,138	
Diesel Fuel		38,410	
Drugs and Medical Supplies		58,138	
Office Supplies		3,794	
Uniforms		6,762	
Utilities		6,932	
In Service/Staff Development		10,050	
Motor Vehicles		94,571	
Other Equipment		14,266	
Total Ambulance/Emergency Medical Services			1,084,974

Crippled Children Services

Contracts with Government Agencies	\$	3,492	
Contributions		1,220	
Total Crippled Children Services			4,712

Other Local Health Services

Contracts with Government Agencies	\$	1,250	
Total Other Local Health Services			1,250

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

General Welfare Assistance

Pauper Burials	\$ 3,085	
Total General Welfare Assistance		\$ 3,085

Other Local Welfare Services

Other Charges	\$ 961	
Total Other Local Welfare Services		961

Sanitation Education/Information

Other Salaries and Wages	\$ 20,511	
Social Security	1,267	
State Retirement	68	
Employer Medicare	296	
Rentals	994	
Kindergarten Textbooks	6,836	
Other Supplies and Materials	127	
Total Sanitation Education/Information		30,099

Social, Cultural, and Recreational Services

Senior Citizens Assistance

County Official/Administrative Officer	\$ 35,343	
Other Salaries and Wages	54,314	
Social Security	5,559	
State Retirement	4,043	
Employer Medicare	1,300	
Communication	2,737	
Maintenance and Repair Services - Buildings	652	
Postal Charges	361	
Other Contracted Services	2,365	
Utilities	21,646	
Building and Contents Insurance	2,514	
Other Charges	97	
Total Senior Citizens Assistance		130,931

Libraries

Librarians	\$ 39,655
Clerical Personnel	53,974
Social Security	5,770
State Retirement	3,132
Medical Insurance	1,200
Employer Medicare	1,349

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Communication	\$	7,938	
Janitorial Services		3,331	
Maintenance Agreements		4,381	
Postal Charges		1,990	
Printing, Stationery, and Forms		106	
Other Contracted Services		950	
Library Books/Media		11,525	
Office Supplies		1,708	
Utilities		19,950	
Other Supplies and Materials		606	
In Service/Staff Development		701	
Data Processing Equipment		<u>5,150</u>	
Total Libraries			\$ 163,416

Parks and Fair Boards

Other Contracted Services	\$	19,138	
Other Supplies and Materials		4,510	
Other Construction		<u>30,570</u>	
Total Parks and Fair Boards			54,218

Other Social, Cultural, and Recreational

Contributions	\$	<u>28,000</u>	
Total Other Social, Cultural, and Recreational			28,000

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	45,551	
Other Fringe Benefits		9,992	
Communication		6,357	
Contributions		6,000	
Utilities		4,426	
Data Processing Equipment		4,459	
Office Equipment		<u>119</u>	
Total Agriculture Extension Service			76,904

Forest Service

Other Contracted Services	\$	<u>2,000</u>	
Total Forest Service			2,000

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Secretary(ies)	\$	17,721	
Social Security		1,099	
State Retirement		804	
Employer Medicare		257	
Contributions		500	
Total Soil Conservation			\$ 20,381

Other Operations

Tourism

Other Charges	\$	6,000	
Total Tourism			6,000

Industrial Development

Contributions	\$	30,000	
Other Supplies and Materials		629	
Other Charges		10,363	
Highway Construction		4,131	
Other Construction		94,423	
Total Industrial Development			139,546

Airport

Maintenance Agreements	\$	28,000	
Total Airport			28,000

Veterans' Services

Supervisor/Director	\$	24,341	
Other Salaries and Wages		5,284	
Social Security		1,837	
State Retirement		1,207	
Employer Medicare		430	
Communication		1,245	
Postal Charges		220	
Travel		660	
Office Supplies		1,114	
Data Processing Equipment		1,450	
Total Veterans' Services			37,788

Other Charges

Supervisor/Director	\$	40,546	
Clerical Personnel		22,205	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges (Cont.)

Other Salaries and Wages	\$	53,435	
Social Security		7,169	
State Retirement		5,275	
Medical Insurance		1,200	
Employer Medicare		1,676	
Communication		1,656	
Other Contracted Services		3,220	
Equipment Parts - Heavy		74,329	
Garage Supplies		19,165	
Lubricants		8,391	
Office Supplies		772	
Small Tools		7	
Tires and Tubes		19,777	
Utilities		11,796	
Other Equipment		5,026	
Total Other Charges			\$ 275,645

Contributions to Other Agencies

Contributions	\$	35,517	
Other Contracted Services		6,066	
Total Contributions to Other Agencies			41,583

Employee Benefits

Unemployment Compensation	\$	26,980	
Total Employee Benefits			26,980

ARRA Grant No. 2

Law Enforcement Equipment	\$	5,169	
Total ARRA Grant No. 2			5,169

ARRA Grant No. 3

Law Enforcement Equipment	\$	22,714	
Total ARRA Grant No. 3			22,714

Miscellaneous

Trustee's Commission	\$	103,591	
Total Miscellaneous			103,591

Total General Fund \$ 8,394,228

(Continued)

Exhibit K-8

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

<u>Local Purpose Tax Fund</u>			
<u>Other Operations</u>			
<u>Miscellaneous</u>			
Trustee's Commission	\$	1,874	
Total Miscellaneous			\$ 1,874
Total Local Purpose Tax Fund			\$ 1,874
 <u>Drug Control Fund</u>			
<u>Public Safety</u>			
<u>Drug Enforcement</u>			
Confidential Drug Enforcement Payments	\$	15,000	
Other Supplies and Materials		5,202	
Law Enforcement Equipment		34,399	
Total Drug Enforcement			\$ 54,601
 <u>Other Operations</u>			
<u>Miscellaneous</u>			
Trustee's Commission	\$	375	
Total Miscellaneous			375
Total Drug Control Fund			54,976
 <u>Constitutional Officers - Fees Fund</u>			
<u>General Government</u>			
<u>Other General Administration</u>			
Constitutional Officers' Operating Expenses	\$	2,068	
Total Other General Administration			\$ 2,068
Total Constitutional Officers - Fees Fund			2,068
 <u>Highway/Public Works Fund</u>			
<u>Highways</u>			
<u>Administration</u>			
County Official/Administrative Officer	\$	67,927	
Accountants/Bookkeepers		27,231	
Secretary(ies)		23,471	
Other Salaries and Wages		217	
Social Security		7,366	
State Retirement		5,396	
Employer Medicare		1,723	
Dues and Memberships		2,595	
Postal Charges		17	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Office Supplies	\$	430	
Other Charges		<u>1,536</u>	
Total Administration	\$		137,909

Highway and Bridge Maintenance

Foremen	\$	27,816	
Equipment Operators - Heavy		196,800	
Equipment Operators - Light		185,860	
Truck Drivers		31,713	
Laborers		35,274	
Other Salaries and Wages		11,335	
Social Security		32,117	
State Retirement		21,197	
Medical Insurance		13,202	
Employer Medicare		6,955	
Other Contracted Services		10,610	
Asphalt - Hot Mix		694,467	
Asphalt - Liquid		19,775	
Concrete		195	
General Construction Materials		2,608	
Pipe - Metal		9,016	
Road Signs		3,832	
Salt		844	
Gravel and Chert		<u>23,167</u>	
Total Highway and Bridge Maintenance			1,326,783

Operation and Maintenance of Equipment

Maintenance and Repair Services - Equipment	\$	55,689	
Maintenance and Repair Services - Vehicles		28,404	
Diesel Fuel		52,446	
Gasoline		<u>44,192</u>	
Total Operation and Maintenance of Equipment			180,731

Other Charges

Communication	\$	3,145	
Electricity		3,758	
Water and Sewer		186	
Trustee's Commission		16,442	
Vehicle and Equipment Insurance		40,000	
Workers' Compensation Insurance		<u>37,000</u>	
Total Other Charges			100,531

(Continued)

Exhibit K-8

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

<u>Highway/Public Works Fund (Cont.)</u>		
<u>Highways (Cont.)</u>		
<u>Capital Outlay</u>		
Communication Equipment	\$ 685	
Highway Equipment	21,118	
State Aid Projects	302,815	
Total Capital Outlay	<u> </u>	<u>\$ 324,618</u>
Total Highway/Public Works Fund		\$ 2,070,572
<u>General Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Bonds	\$ 432,550	
Principal on Notes	342,523	
Total General Government	<u> </u>	\$ 775,073
<u>Highways and Streets</u>		
Principal on Notes	\$ 366,999	
Total Highways and Streets	<u> </u>	366,999
<u>Education</u>		
Principal on Bonds	\$ 522,450	
Total Education	<u> </u>	522,450
<u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Bonds	\$ 250,977	
Interest on Notes	48,719	
Total General Government	<u> </u>	299,696
<u>Highways and Streets</u>		
Interest on Notes	\$ 23,115	
Total Highways and Streets	<u> </u>	23,115
<u>Education</u>		
Interest on Bonds	\$ 267,384	
Total Education	<u> </u>	267,384
<u>Other Debt Service</u>		
<u>General Government</u>		
Trustee's Commission	\$ 18,616	
Other Debt Service	1,816	
Total General Government	<u> </u>	<u> 20,432</u>
Total General Debt Service Fund		<u> 2,275,149</u>
Total Governmental Funds - Primary Government		<u><u>\$ 12,798,867</u></u>

Exhibit K-9

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 8,749,420	
Career Ladder Program	112,000	
Career Ladder Extended Contracts	94,290	
Homebound Teachers	4,330	
Educational Assistants	456,920	
Certified Substitute Teachers	83,000	
Non-certified Substitute Teachers	109,905	
Social Security	567,774	
State Retirement	593,065	
Medical Insurance	1,193,351	
Unemployment Compensation	32,552	
Employer Medicare	132,930	
Maintenance and Repair Services - Equipment	12,902	
Instructional Supplies and Materials	345,252	
Textbooks	283,190	
Other Supplies and Materials	205	
Fee Waivers	8,000	
Other Charges	48,448	
Regular Instruction Equipment	114,249	
Total Regular Instruction Program		\$ 12,941,783

Special Education Program

Teachers	\$ 657,216	
Career Ladder Program	25,000	
Homebound Teachers	29,781	
Educational Assistants	25,537	
Certified Substitute Teachers	80	
Non-certified Substitute Teachers	600	
Social Security	42,680	
State Retirement	45,494	
Medical Insurance	95,018	
Employer Medicare	10,202	
Instructional Supplies and Materials	4,909	
Total Special Education Program		936,517

Vocational Education Program

Teachers	\$ 448,791	
Career Ladder Program	5,500	
Non-certified Substitute Teachers	2,050	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Social Security	\$	27,156	
State Retirement		29,166	
Medical Insurance		65,423	
Employer Medicare		6,351	
Maintenance and Repair Services - Equipment		3,000	
Travel		732	
Instructional Supplies and Materials		20,000	
Total Vocational Education Program			\$ 608,169

Adult Education Program

Teachers	\$	31,738	
Other Salaries and Wages		7,060	
Social Security		912	
State Retirement		491	
Employer Medicare		563	
Instructional Supplies and Materials		9,651	
Total Adult Education Program			50,415

Support Services

Attendance

Supervisor/Director	\$	55,395	
Career Ladder Program		1,000	
Social Security		3,477	
State Retirement		3,621	
Medical Insurance		5,327	
Employer Medicare		813	
Travel		59	
Total Attendance			69,692

Health Services

Medical Personnel	\$	56,778	
Other Salaries and Wages		39,898	
Social Security		5,724	
State Retirement		5,304	
Medical Insurance		10,320	
Employer Medicare		1,339	
Travel		1,600	
Drugs and Medical Supplies		1,468	
Other Supplies and Materials		18,777	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)
Support Services (Cont.)

Health Services (Cont.)

Other Charges	\$	3,000	
Health Equipment		1,000	
Total Health Services			\$ 145,208

Other Student Support

Career Ladder Program	\$	6,000	
Guidance Personnel		403,440	
Social Security		24,444	
State Retirement		26,286	
Medical Insurance		41,924	
Employer Medicare		5,717	
Evaluation and Testing		39,648	
Other Contracted Services		70,526	
Total Other Student Support			617,985

Regular Instruction Program

Supervisor/Director	\$	129,571	
Career Ladder Program		12,000	
Career Ladder Extended Contracts		2,800	
Librarians		309,900	
Instructional Computer Personnel		58,275	
Educational Assistants		12,593	
Social Security		32,234	
State Retirement		33,477	
Medical Insurance		44,019	
Employer Medicare		7,538	
Travel		4,261	
Library Books/Media		54,000	
In Service/Staff Development		4,523	
Other Charges		192	
Total Regular Instruction Program			705,383

Special Education Program

Supervisor/Director	\$	61,305	
Career Ladder Program		1,000	
Clerical Personnel		10,138	
Social Security		4,227	
State Retirement		4,463	
Medical Insurance		8,593	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)
Support Services (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	989	
Travel		1,000	
Total Special Education Program			\$ 91,715

Vocational Education Program

Supervisor/Director	\$	25,718	
Secretary(ies)		18,433	
Social Security		2,736	
State Retirement		2,488	
Medical Insurance		2,557	
Employer Medicare		640	
Travel		2,000	
In Service/Staff Development		3,106	
Total Vocational Education Program			57,678

Adult Programs

Supervisor/Director	\$	48,786	
Career Ladder Program		1,000	
Clerical Personnel		3,000	
Social Security		2,946	
State Retirement		3,333	
Medical Insurance		9,121	
Employer Medicare		689	
Travel		933	
Other Contracted Services		7,200	
Other Supplies and Materials		670	
In Service/Staff Development		1,180	
Total Adult Programs			78,858

Other Programs

On-Behalf Payments to OPEB	\$	136,137	
Total Other Programs			136,137

Board of Education

Board and Committee Members Fees	\$	14,235	
In-Service Training		11,475	
Social Security		883	
Employer Medicare		206	
Payments to Retirees		52,250	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)
Support Services (Cont.)

Board of Education (Cont.)

Audit Services	\$	5,500	
Contributions		13,000	
Dues and Memberships		8,525	
Legal Services		50	
Liability Insurance		31,840	
Premiums on Corporate Surety Bonds		1,886	
Trustee's Commission		120,268	
Workers' Compensation Insurance		86,780	
Criminal Investigation of Applicants - TBI		3,000	
Total Board of Education			\$ 349,898

Director of Schools

County Official/Administrative Officer	\$	91,285	
Career Ladder Program		1,000	
Social Security		5,722	
State Retirement		5,925	
Medical Insurance		12,891	
Employer Medicare		1,338	
Communication		4,861	
Postal Charges		3,080	
Travel		468	
Total Director of Schools			126,570

Office of the Principal

Principals	\$	475,793	
Career Ladder Program		12,000	
Accountants/Bookkeepers		42,397	
Career Ladder Extended Contracts		12,780	
Assistant Principals		246,547	
Secretary(ies)		148,741	
Other Salaries and Wages		11,435	
Social Security		57,657	
State Retirement		56,652	
Medical Insurance		73,837	
Employer Medicare		13,484	
Communication		13,762	
Dues and Memberships		1,250	
Total Office of the Principal			1,166,335

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)
Support Services (Cont.)

Fiscal Services

Supervisor/Director	\$	37,455	
Secretary(ies)		21,523	
Clerical Personnel		22,118	
Social Security		5,016	
State Retirement		3,682	
Medical Insurance		3,200	
Employer Medicare		1,173	
Maintenance and Repair Services - Equipment		2,104	
Office Supplies		3,204	
In Service/Staff Development		594	
Total Fiscal Services			\$ 100,069

Operation of Plant

Custodial Personnel	\$	563,576	
Other Salaries and Wages		1,946	
Social Security		34,327	
State Retirement		23,394	
Medical Insurance		12,000	
Employer Medicare		8,028	
Other Contracted Services		102,000	
Electricity		632,341	
Natural Gas		194,027	
Water and Sewer		73,252	
Other Supplies and Materials		66,291	
Boiler Insurance		5,225	
Building and Contents Insurance		95,955	
Total Operation of Plant			1,812,362

Maintenance of Plant

Supervisor/Director	\$	38,205	
Maintenance Personnel		98,728	
Social Security		8,455	
State Retirement		5,450	
Medical Insurance		1,200	
Employer Medicare		1,977	
Pest Control		5,252	
Other Contracted Services		13,750	
Other Supplies and Materials		148,946	
Other Charges		5,149	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)
Support Services (Cont.)

Maintenance of Plant (Cont.)

Maintenance Equipment	\$ 48,105	
Total Maintenance of Plant		\$ 375,217

Transportation

Supervisor/Director	\$ 38,205	
Mechanic(s)	58,618	
Bus Drivers	412,819	
Other Salaries and Wages	25,713	
Social Security	32,869	
State Retirement	23,563	
Medical Insurance	7,590	
Employer Medicare	7,687	
Communication	2,779	
Medical and Dental Services	2,192	
Tow-in Services	1,350	
Other Contracted Services	124	
Diesel Fuel	122,928	
Garage Supplies	4,415	
Gasoline	30,447	
Lubricants	6,208	
Tires and Tubes	19,028	
Vehicle Parts	58,087	
Vehicle and Equipment Insurance	29,390	
In Service/Staff Development	726	
Other Charges	382	
Transportation Equipment	247,244	
Total Transportation		1,132,364

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$ 34,698	
Educational Assistants	28,000	
Social Security	3,932	
State Retirement	2,372	
Medical Insurance	6,475	
Employer Medicare	920	
Travel	760	
Other Supplies and Materials	6,644	
Other Charges	3,785	
Total Community Services		87,586

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Teachers	\$	154,138	
Educational Assistants		51,231	
Social Security		12,419	
State Retirement		12,117	
Medical Insurance		28,624	
Employer Medicare		2,905	
Instructional Supplies and Materials		13,984	
Other Supplies and Materials		4,464	
Total Early Childhood Education			\$ 279,882

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	21,775	
Building Construction		538,398	
Building Improvements		328,773	
Other Capital Outlay		151,405	
Total Regular Capital Outlay			1,040,351

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	70,700	
Total Education			70,700

Total General Purpose School Fund \$ 22,980,874

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	846,845	
Educational Assistants		220,240	
Other Salaries and Wages		6,400	
Social Security		63,983	
State Retirement		64,855	
Medical Insurance		122,755	
Unemployment Compensation		1,616	
Employer Medicare		14,964	
Instructional Supplies and Materials		222,334	
Other Supplies and Materials		75	
Regular Instruction Equipment		23,578	
Total Regular Instruction Program			\$ 1,587,645

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	519,053	
Educational Assistants		358,282	
Speech Pathologist		40,825	
Other Salaries and Wages		15,030	
Social Security		56,148	
State Retirement		52,502	
Medical Insurance		69,021	
Unemployment Compensation		1,246	
Employer Medicare		13,131	
Other Contracted Services		38,645	
Instructional Supplies and Materials		60,531	
Total Special Education Program			\$ 1,224,414

Vocational Education Program

Teachers	\$	32,565	
Social Security		2,019	
State Retirement		2,091	
Medical Insurance		5,166	
Employer Medicare		472	
Other Supplies and Materials		4,436	
Other Charges		800	
Vocational Instruction Equipment		24,217	
Total Vocational Education Program			71,766

Support Services

Other Student Support

Guidance Personnel	\$	43,860	
School Resource Officer		5,662	
Other Salaries and Wages		32,833	
Social Security		4,471	
State Retirement		4,918	
Medical Insurance		16,134	
Unemployment Compensation		52	
Employer Medicare		1,046	
Travel		4,861	
Other Contracted Services		500	
In Service/Staff Development		1,200	
Other Charges		14,707	
Total Other Student Support			130,244

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)
Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	40,793	
Clerical Personnel		10,138	
Other Salaries and Wages		51,894	
In-Service Training		145	
Social Security		6,202	
State Retirement		6,106	
Medical Insurance		8,667	
Unemployment Compensation		16	
Employer Medicare		1,450	
Maintenance and Repair Services - Equipment		344	
Travel		1,257	
Other Supplies and Materials		17,570	
In Service/Staff Development		35,034	
Total Regular Instruction Program			\$ 179,616

Special Education Program

Psychological Personnel	\$	135,131	
Assessment Personnel		8,267	
Social Security		8,208	
State Retirement		9,051	
Medical Insurance		23,470	
Unemployment Compensation		100	
Employer Medicare		1,920	
Maintenance and Repair Services - Equipment		1,951	
Travel		5,022	
Other Contracted Services		426	
In Service/Staff Development		2,717	
Total Special Education Program			196,263

Vocational Education Program

Travel	\$	200	
Total Vocational Education Program			200

Transportation

Bus Drivers	\$	49,753	
Social Security		3,052	
State Retirement		2,257	
Medical Insurance		1,110	
Unemployment Compensation		34	

(Continued)

Exhibit K-9

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

<u>School Federal Projects Fund (Cont.)</u>		
<u>Support Services (Cont.)</u>		
<u>Transportation (Cont.)</u>		
Employer Medicare	\$ 714	
Contracts with Parents	3,300	
Transportation Equipment	53,015	
Total Transportation		<u>\$ 113,235</u>
Total School Federal Projects Fund		\$ 3,503,383
<u>Central Cafeteria Fund</u>		
<u>Operation of Non-Instructional Services</u>		
<u>Food Service</u>		
Supervisor/Director	\$ 39,219	
Clerical Personnel	20,277	
Cafeteria Personnel	614,067	
Other Salaries and Wages	15,268	
Social Security	42,574	
State Retirement	26,733	
Medical Insurance	13,950	
Unemployment Compensation	2,813	
Employer Medicare	9,146	
Maintenance and Repair Services - Equipment	28,899	
Travel	495	
Food Preparation Supplies	82,678	
Food Supplies	721,470	
Other Supplies and Materials	82,152	
In Service/Staff Development	1,482	
Other Charges	20,000	
Food Service Equipment	48,838	
Total Food Service		<u>\$ 1,770,061</u>
Total Central Cafeteria Fund		<u>1,770,061</u>
Total Governmental Funds - White County School Department		<u>\$ 28,254,318</u>

Exhibit K-10

White County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Fund Solid Waste Disposal Fund
<hr/>	
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Solid Waste Disposal Fees	\$ 1,105,303
<u>Other Local Revenues</u>	
Sale of Recycled Materials	67,945
Miscellaneous Refunds	1,464
Total Operating Revenues	<u>\$ 1,174,712</u>
 Nonoperating Revenues	
<u>Other Local Revenues</u>	
Other State Grants	\$ 23,464
Total Nonoperating Revenues	<u>\$ 23,464</u>
 Total Revenues	<u>\$ 1,198,176</u>
 <u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Public Health and Welfare</u>	
<u>Landfill Operation and Maintenance</u>	
Supervisor/Director	\$ 43,859
Other Salaries and Wages	337,453
Social Security	20,802
State Retirement	9,578
Medical Insurance	5,747
Unemployment Compensation	118
Employer Medicare	5,415
Other Fringe Benefits	2,433
Communication	7,098
Maintenance and Repair Service - Equipment	81,842
Travel	1,306
Permits	73,400
Other Contracted Services	27,288
Diesel Fuel	107,136
Gasoline	21,517
Lubricants	12,422
Office Supplies	1,135
Utilities	19,695
Other Supplies and Materials	28,687
Building and Contents Insurance	17,000
Trustee's Commission	11,055
Workers' Compensation Insurance	15,000
Depreciation	118,444
Other Charges	2,763
Site Development	1,373
Other Equipment	37
Total Operating Expenses	<u>\$ 972,603</u>

Exhibit K-11

White 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	<u>\$ 1,582,255</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,566,432
Trustee's Commission	15,823
Total Cash Disbursements	<u>\$ 1,582,255</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

November 23, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of White County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise White County's basic financial statements and have issued our report thereon dated November 23, 2010. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the White County Emergency Communications District, a discretely presented component unit, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered White 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 White County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of White 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 certain deficiencies in internal control over financial reporting described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 10.01 and 10.02. 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

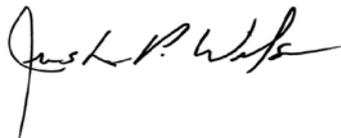
As part of obtaining reasonable assurance about whether White County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

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

This report is intended solely for the information and use of management, the county mayor, road superintendent, director of schools, finance director, County Commission, Board of Education, Financial Management Committee, others within White 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
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DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

November 23, 2010

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

To the County Mayor and Board of County Commissioners:

Compliance

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

In our opinion, White 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 White 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 White 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 White 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

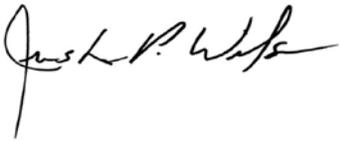
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of White County as of and for the year ended June 30, 2010, and have issued our report thereon dated November 23, 2010. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the White County Emergency Communications District, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise White 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.

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

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

Yours very truly,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

White 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	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 221,870
National School Lunch Program	10.555	N/A	1,021,900 (3)
Child Nutrition Discretionary Grants Limited Availability, Recovery Act	10.579	N/A	25,000
Fresh Fruits and Vegetable Program	10.582	N/A	8,642
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	118,507 (3)
Total U.S. Department of Agriculture			\$ 1,395,919
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant - State's Program	14.228	GG-09-26144-00	\$ 126,939
U.S. Department of Justice:			
Direct Program:			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Grants to Units of Local Government	16.804	N/A	\$ 22,714
Passed-through State Administrative Office of the Courts:			
Recovery Act - Edward Byrne Memorial Competitive Grant Program	16.808	(2)	5,169
Total U.S. Department of Justice			\$ 27,883
U.S. Department of Labor:			
Passed-through Upper Cumberland Human Resource Agency:			
WIA Youth Activities	17.259	(2)	\$ 15,000
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(2)	\$ 15,570
Appalachian Regional Commission:			
Passed-through State Department of Economic and Community Development:			
Appalachian Area Development	23.002	(2)	\$ 31,912
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(2)	\$ 2,050
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(2)	\$ 86,170
Passed-through State Department of Education:			
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,009,279
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	196,170
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	840,778
Special Education - Grants to States, Recovery Act	84.391	N/A	715,167
Special Education - Preschool Grants	84.173	N/A	14,628
Special Education - Preschool Grants, Recovery Act	84.392	N/A	15,572
Career and Technical Education - Basic Grants to States	84.048	N/A	78,799
Safe and Drug-free Schools and Communities - State Grants	84.186	N/A	14,155

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Passed-through State Department of Education (Cont.):			
Twenty-first Century Community Learning Centers	84.287	(2)	\$ 264,195
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	N/A	8,991
Education Technology State Grants, Recovery Act	84.386	N/A	22,111
Rural Education	84.358	(2)	105,434
Improving Teacher Quality State Grants	84.367	(2)	227,750
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	N/A	726,600
State Fiscal Stabilization Fund - Government Service, Recovery Act	84.397	(4)	259,090
Total U.S. Department of Education			\$ 4,584,889
Total Expenditures of Federal Awards			\$ 6,200,162

State Grants	Contract Number		Expenditures
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	\$ 28,723
Drug Court Grant - State Office of Criminal Justice Programs	N/A	Z-05-025515-00	16,698
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(2)	279,825
FastTrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	GG-09-26144-00	74,146
High Schools That Work - State Department of Education	N/A	(2)	5,000
Juvenile Justice - State Commission on Children and Youth	N/A	(2)	9,000
Litter Grant - State Department of Transportation	N/A	(5)	32,785
Local Health Services - State Department of Health	N/A	(6)	5,945
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	8,226
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	23,464
Total State Grants			\$ 483,812

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 \$1,140,407.
- (4) Coordinated School Health - \$94,942; Family Resource Center - \$33,300; Statewide Student Management Systems (SSMS) - \$9,948; Career Ladder - Extended Contract - \$97,300; Safe Schools - \$23,600.
- (5) Z-09-212811-00: \$4,080; Z-10-220393-00: \$28,705.
- (6) Z-09-213775-00: \$354; Z-10-219830-00: \$1,087; Z-10-219830-01: \$4,504.

White County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2010

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for White County, Tennessee, for the year ended June 30, 2009, which have not been corrected.

OFFICE OF FINANCE DIRECTOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.03(A)	173	The Solid Waste Department's software did not have adequate application controls

OTHER FINDING

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.04	173	Duties were not segregated adequately in the Offices of Clerk and Master and Register

WHITE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of White County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of White County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Community Development Block Grant – State's Program (CFDA No. 14.228); the Title I, Part A Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Education Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education - Grants to States, Special Education - Grants to States, Recovery Act, Special Education – Preschool Grants, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.391, 84.173, and 84.392); and the State Fiscal Stabilization Fund Cluster: Education State Grants, Recovery Act and Government Service, Recovery Act (CFDA Nos. 84.394 and 84.397) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. White 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 clerk and master provided a written response, which is paraphrased in this report.

OFFICE OF FINANCE DIRECTOR

FINDING 10.01 **THE SOLID WASTE DEPARTMENT'S SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Users of the software application could alter previously issued receipts. If proper edit procedures are followed within the software, these alterations are recorded in an audit log. However, the software would allow users to circumvent these edit procedures, which would not leave an audit trail of the alterations. Since the vendor did not design the system with adequate controls, inappropriate system activity could occur. Sound business practices dictate that proper application controls be implemented. This deficiency is also a result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the software application that would provide an audit trail for any changes to receipts. These controls would help to ensure the reliability and integrity of the information maintained by the system.

OTHER FINDING AND RECOMMENDATION

FINDING 10.02 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF 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 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 of 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.

MANAGEMENT'S RESPONSE – CLERK AND MASTER

At this time, it will be impossible for me to fully segregate duties due to lack of help. Perhaps later, our budget will allow more full-time help, according to the fees that are paid to this office. I have some part-time help but only one full-time employee.

BEST PRACTICE

AN AUDIT COMMITTEE HAS NOT BEEN ESTABLISHED

White 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 would be responsible for monitoring management's plans to address various risks.

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

There were no findings and questioned costs for federal awards.

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

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