
ANNUAL FINANCIAL REPORT COFFEE COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2011



**ANNUAL FINANCIAL REPORT
COFFEE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2011**

***COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON***

***DIVISION OF COUNTY AUDIT
JAMES R. ARNETTE
Director***

***CARL LOWE, CGFM
Audit Manager***

***STEVE REEDER, CPA, CGFM, CFE
Auditor 4***

***AMY HEWITT, CPA, CFE
JESSICA L. COX, CPA, CGFM
JENI PALADENI
State Auditors***

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

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Audit Highlights

Annual Financial Report
Coffee County, Tennessee
For the Year Ended June 30, 2011

Scope

We have audited the basic financial statements of Coffee County as of and for the year ended June 30, 2011.

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 nine findings and recommendations, which we have reviewed with Coffee County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings and Best Practice

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

OFFICES OF COUNTY MAYOR AND SHERIFF

- ◆ A cash shortage of at least \$4,768.06 existed at March 15, 2011. In addition, questionable payroll disbursements totaling \$4,121.52 were made between March 16, 2011, and June 22, 2011.
- ◆ The full-time employment status of two Sheriff's Department employees is questionable.

OFFICE OF COUNTY MAYOR

- ◆ Compensation was paid in-lieu-of insurance benefits to some employees.
 - ◆ The Ambulance Service software did not always assign computer generated receipts in sequential order.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The Extended School Program did not deposit some collections within three days of receipt.
 - ◆ Insurance payroll liability accounts were not reconciled monthly.
-

OFFICE OF CLERK AND MASTER

- ◆ The office had deficiencies in computer system backup procedures.
-

OFFICE OF REGISTER

- ◆ Multiple employees operated from the same cash drawer.
-

OFFICES OF DIRECTOR OF SCHOOLS, TRUSTEE, COUNTY CLERK, CLERK AND MASTER, REGISTER, AND SHERIFF

- ◆ Duties were not segregated adequately.
-

BEST PRACTICE

Coffee County does not have a central system of accounting and budgeting. The Division of County Audit strongly believes that a central system of accounting and budgeting is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Coffee County.

INTRODUCTORY SECTION

Coffee County Officials
June 30, 2011

Officials

David Pennington, County Mayor
Steve Parks, Road Superintendent
Kenny Casteel, Director of Schools
James Wilhelm, Trustee
Jimmy White, Assessor of Property
Teresa McFadden, County Clerk
Heather Hinds Duncan, Circuit, General Sessions, and Juvenile Courts Clerk
Charlotte Broyles, Clerk and Master
Ellen Vaughn, Register
Steve Graves, Sheriff
Marianna Edinger, Director of Accounts and Budgets

Board of County Commissioners

David Pennington, County Mayor, Chairman	Kerry Farrar
Virgil Alford	Anne Frisby
Rennie Bell	Robin Hines
Christopher Bird	Steven Jones
Jimmy Bradford	Mark Kelly
B. Rush Bricken	Tim Morris
Bobby Bryan	Wendell Norton
Eric Chance	Myra Patton
Lee Duckett	Wilma Thomas
Jackie Duncan	Warren Walker
Janet Fann	Barry West

Road Commission

Ronald Bell, Chairman
Raymond Duke
William Reed
Grady Finney
Jamie Spry

Board of Education

Ester Sims, Chairwoman
Janet Galyen
Brett Henley
Reggie Johnson
Ricky Milburn
Marilyn Morris
Kathy Norton

Coffee County Officials (Cont.)

Budget and Finance Committee

B. Rush Bricken, Chairman
Bobby Bryan
Lee Duckett
Robin Hines
Wilma Thomas

Audit Committee (effective 7-26-11)

B. Rush Bricken
Lee Duckett
Anne Frisby

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

February 17, 2012

Coffee County Mayor and
Board of County Commissioners
Coffee 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 Coffee County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Coffee County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Coffee County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Coffee County Emergency Communications District, which represent 3.5 percent and 1.4 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, and the Coffee County Public Building Authority, which represent 15.6 percent and 2.5 percent, respectively, of the assets and revenues of the aggregate discretely presented component units as of June 30, 2011, and for the year then ended. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Coffee County Emergency Communications District and the Coffee County Public Building Authority is based on the reports of other auditors.

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

evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

The financial statements of the Industrial Board of Coffee County, 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 Industrial Board of Coffee County, 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, based on our audit and the reports of other auditors and except for the effects of not including the financial statements of the Industrial Board of Coffee County 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 Coffee County, Tennessee, as of June 30, 2011, 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, based on our audit, 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 Coffee County, Tennessee, as of June 30 2011, 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 February 17, 2012, on our consideration of Coffee 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., Coffee County has adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

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 77 through 85 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 Coffee County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Coffee 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 financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Coffee County School Department (a discretely presented component unit), and the miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Coffee County, Tennessee
Statement of Net Assets
June 30, 2011

	Primary Government		Component Units				
	Governmental Activities	Business-type Activities	Total	Coffee County		Coffee County	
				School Department	Emergency Communications District	Public Building Authority	
	\$	\$	\$	\$	\$	\$	\$
Cash	3,192,516	0	3,192,516	3,940	1,262,205	191,317	
Equity in Pooled Cash and Investments	8,916,221	7,945	8,924,166	4,845,328	0	0	
Inventories	6,344	0	6,344	0	0	24,447	
Accounts Receivable	3,653,506	2,544	3,656,050	57,075	18,675	5,865,372	
Allowance for Uncollectibles	(1,482,387)	0	(1,482,387)	0	0	0	
Due from Other Governments	1,609,688	0	1,609,688	1,312,401	20,824	0	
Property Taxes Receivable	11,559,342	0	11,559,342	8,701,035	0	0	
Allowance for Uncollectible Property Taxes	(341,595)	0	(341,595)	(207,063)	0	0	
Prepaid Items	0	0	0	0	9,993	0	
Accrued Interest Receivable	0	0	0	0	2,727	75,926	
Other Restricted Assets	0	0	0	0	0	16,253	
Deferred Charges - Debt Issuance Costs	943,080	0	943,080	0	0	227,246	
Capital Assets:							
Assets Not Depreciated:							
Land	3,428,680	30,120	3,458,800	1,438,853	0	25,000	
Construction in Progress	0	0	0	196,750	0	0	
Assets Net of Accumulated Depreciation:							
Buildings and Improvements	10,609,430	768,745	11,378,175	24,877,775	93,518	0	
Infrastructure	8,271,453	0	8,271,453	0	0	0	
Other Capital Assets	2,295,362	0	2,295,362	1,942,739	440,179	1,917,806	
Total Assets	\$ 52,661,640	\$ 809,354	\$ 53,470,994	\$ 43,168,833	\$ 1,848,121	\$ 8,343,367	
	\$	\$	\$	\$	\$	\$	\$
Accounts Payable	122,915	856	123,771	24,703	4,773	80,787	
Accrued Payroll	246	0	246	2,417,317	0	0	
Payroll Deductions Payable	129,058	0	129,058	873,948	34	0	
Claims and Judgments Payable	0	0	0	180,590	0	0	
Accrued Interest Payable	286,967	0	286,967	0	0	75,926	

LIABILITIES

(Continued)

Exhibit A

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

	Primary Government		Component Units					
	Governmental Activities	Business-type Activities	Total	Coffee County School Department	Coffee County		Coffee County Public Building Authority	
					Emergency Communications District			
	\$	0	\$	0	\$	0	\$	0
Other Current Liabilities		0	0	209	0	0	0	0
Due to State of Tennessee		4,114	4,114	0	0	0	0	0
Deferred Revenue - Current Property Taxes		10,797,369	10,797,369	8,202,322	0	0	0	0
Unamortized Premiums on Debt		0	0	0	0	0	227,246	0
Noncurrent Liabilities:								
Due Within One Year		2,117,729	4,305	124,184	0	0	440,000	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premiums on debt)		33,919,898	302,220	3,473,845	0	0	5,375,000	0
Total Liabilities	\$	47,378,296	307,381	15,297,118	4,807	\$	6,198,959	\$
	\$	17,723,713	492,340	28,098,975	0	\$	1,942,806	0
Invested in Capital Assets, Net of Related Debt		0	0	0	533,697	0	0	0
Invested in Capital Assets								
Restricted for:								
Solid Waste/Sanitation		1,280,851	0	0	0	0	0	0
Local Purpose Tax		147,013	0	0	0	0	0	0
Drug Control		764,445	0	0	0	0	0	0
District Attorney General		116,315	0	0	0	0	0	0
Highway/Public Works		734,594	0	0	0	0	0	0
School Federal Projects		0	0	0	0	0	0	0
Central Cafeteria		0	0	107,948	0	0	0	0
Capital Projects		3,356,825	0	717,117	0	0	0	0
Debt Service		5,362,992	0	314,727	0	0	0	0
Other Purposes		646,364	0	0	0	0	0	0
Unrestricted		(24,849,768)	9,633	96,011	0	0	16,253	0
Total Net Assets	\$	5,283,344	501,973	27,871,715	1,843,314	\$	2,144,408	\$

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

Exhibit B

Coffee County, Tennessee
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Coffee County School Department	Coffee County Emergency Communications District	Coffee County Public Building Authority
Primary Government:										
Governmental Activities:										
General Government	\$ 2,634,125	\$ 872,341	\$ 48,179	\$ 0	\$ (1,713,605)	\$ 0	\$ (1,713,605)	\$ 0	\$ 0	\$ 0
Finance	1,456,536	1,328,907	0	0	(127,629)	0	(127,629)	0	0	0
Administration of Justice	2,253,805	2,095,829	0	0	(157,976)	0	(157,976)	0	0	0
Public Safety	7,048,951	1,237,325	136,121	111,617	(5,563,888)	0	(5,563,888)	0	0	0
Public Health and Welfare	4,394,947	1,674,863	638,776	123,500	(1,957,808)	0	(1,957,808)	0	0	0
Social, Cultural, and Recreational Services	1,097,314	62,961	34,201	0	(1,000,152)	0	(1,000,152)	0	0	0
Agriculture and Natural Resources	294,754	0	2,435	0	(292,319)	0	(292,319)	0	0	0
Other Operations	528,681	0	0	0	(528,681)	0	(528,681)	0	0	0
Highways	2,148,973	2,236	1,910,312	322,919	86,494	0	86,494	0	0	0
Education	946,750	0	0	0	(946,750)	0	(946,750)	0	0	0
Interest on Long-term Debt	2,149,341	0	0	0	(2,149,341)	0	(2,149,341)	0	0	0
Other Debt Service	167,583	0	0	0	(167,583)	0	(167,583)	0	0	0
Total Governmental Activities	\$ 25,121,760	\$ 7,274,462	\$ 2,770,024	\$ 558,036	\$ (14,519,238)	\$ 0	\$ (14,519,238)	\$ 0	\$ 0	\$ 0
Business-type Activities:										
Wayside Acres Sewer Fund	\$ 71,653	\$ 30,528	\$ 0	\$ 0	\$ 0	\$ (41,125)	\$ (41,125)	\$ 0	\$ 0	\$ 0
Total Business-type Activities	\$ 71,653	\$ 30,528	\$ 0	\$ 0	\$ 0	\$ (41,125)	\$ (41,125)	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 25,193,413	\$ 7,304,990	\$ 2,770,024	\$ 558,036	\$ (14,519,238)	\$ (41,125)	\$ (14,560,363)	\$ 0	\$ 0	\$ 0
Component Units:										
School Department	\$ 37,823,057	\$ 906,809	\$ 4,775,205	\$ 946,750	\$ 0	\$ 0	\$ (31,194,293)	\$ 0	\$ 0	\$ 0
Emergency Communications District	417,603	216,529	319,654	0	0	0	0	118,580	0	0
Public Building Authority	1,031,734	612,215	0	0	0	0	0	0	(419,519)	0
Total Component Units	\$ 39,272,394	\$ 1,735,553	\$ 5,094,859	\$ 946,750	\$ 0	\$ 0	\$ (31,194,293)	\$ 118,580	\$ (419,519)	\$ 0

(Continued)

Coffee County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	Coffee County School Department	Coffee County Emergency Communications District	Coffee County Public Building Authority	
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes				\$ 8,872,544	\$ 0	\$ 8,872,544	\$ 8,209,565	\$ 0	\$ 0	\$ 0
Property Taxes Levied for Debt Service				1,501,408	0	1,501,408	0	0	0	0
Local Option Sales Taxes				2,740,202	0	2,740,202	3,562,465	0	0	0
Litigation Taxes				565,569	0	565,569	0	0	0	0
Wholesale Beer Tax				244,060	0	244,060	0	0	0	0
Mineral Severance Tax				64,422	0	64,422	0	0	0	0
Business Tax				812,500	0	812,500	0	0	0	0
Other Local Taxes				1,411	0	1,411	1,854	0	0	0
Grants and Contributions Not Restricted for Specific Programs				961,835	0	961,835	19,940,984	26,000	145,509	
Unrestricted Investment Earnings				170,719	0	170,719	2,448	13,079	242,046	
Miscellaneous				16,479	0	16,479	10,704	0	3,518	
Sale of Equipment				33,294	0	33,294	5,346	0	0	
Amortized Premium				21,781	0	21,781	0	0	0	
Total General Revenues				\$ 16,006,224	\$ 0	\$ 16,006,224	\$ 31,733,366	\$ 39,079	\$ 391,073	
Transfers				\$ (13,655)	\$ 13,655	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Insurance Recovery				0	0	0	13,040	0	0	0
Change in Net Assets				\$ 1,473,331	\$ (27,470)	\$ 1,445,861	\$ 552,113	\$ 157,659	\$ (28,446)	
Net Assets, July 1, 2010				3,810,013	529,443	4,339,456	27,319,602	1,685,655	2,172,854	
Net Assets, June 30, 2011				\$ 5,283,344	\$ 501,973	\$ 5,785,317	\$ 27,871,715	\$ 1,843,314	\$ 2,144,408	

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

Exhibit C-1

Coffee County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2011

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	Highway /	Education	Other	
		Public Works	Capital Projects	Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 1,870	\$ 0	\$ 2,807,401	\$ 383,245	\$ 3,192,516
Equity in Pooled Cash and Investments	1,012,929	446,401	0	7,456,891	8,916,221
Inventories	6,344	0	0	0	6,344
Accounts Receivable	3,571,734	0	0	81,772	3,653,506
Allowance for Uncollectibles	(1,482,387)	0	0	0	(1,482,387)
Due from Other Governments	580,002	344,446	0	685,240	1,609,688
Due from Other Funds	134,436	0	0	61,461	195,897
Property Taxes Receivable	8,422,305	0	0	3,137,037	11,559,342
Allowance for Uncollectible Property Taxes	(202,015)	0	0	(139,580)	(341,595)
Total Assets	\$ 12,045,218	\$ 790,847	\$ 2,807,401	\$ 11,666,066	\$ 27,309,532
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 73,581	\$ 13,889	\$ 0	\$ 35,445	\$ 122,915
Accrued Payroll	0	246	0	0	246
Payroll Deductions Payable	116,301	8,329	0	4,428	129,058
Due to Other Funds	61,461	0	0	134,436	195,897
Due to State of Tennessee	3,767	0	0	347	4,114
Deferred Revenue - Current Property Taxes	7,933,507	0	0	2,863,862	10,797,369
Deferred Revenue - Delinquent Property Taxes	256,671	0	0	123,801	380,472
Other Deferred Revenues	2,108,184	162,184	0	201,813	2,472,181
Total Liabilities	\$ 10,553,472	\$ 184,648	\$ 0	\$ 3,364,132	\$ 14,102,252
<u>Fund Balances</u>					
Nonspendable:					
Inventory	\$ 6,344	\$ 0	\$ 0	\$ 0	\$ 6,344
Restricted:					
Restricted for General Government	26,540	0	0	0	26,540
Restricted for Finance	140,616	0	0	0	140,616
Restricted for Administration of Justice	30,616	0	0	116,315	146,931
Restricted for Public Safety	11,808	0	0	689,834	701,642
Restricted for Public Health and Welfare	5,860	0	0	1,651,310	1,657,170
Restricted for Other Operations	0	0	0	145,496	145,496
Restricted for Highways/Public Works	0	606,199	0	113,650	719,849
Restricted for Capital Outlay	0	0	2,807,401	0	2,807,401
Restricted for Debt Service	0	0	0	5,251,497	5,251,497
Committed:					
Committed for General Government	0	0	0	39,371	39,371
Committed for Finance	0	0	0	87,323	87,323
Committed for Administration of Justice	0	0	0	129,453	129,453
Committed for Public Safety	15,617	0	0	0	15,617
Committed for Public Health and Welfare	2,003	0	0	0	2,003
Committed for Social, Cultural, and Recreational Services	406,960	0	0	0	406,960

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	Highway /	Education	Other Govern- mental Funds	
		Public Works	Capital Projects		

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)

Assigned:					
Assigned for General Government	\$ 6,805	\$ 0	\$ 0	\$ 0	6,805
Assigned for Finance	6,420	0	0	0	6,420
Assigned for Public Safety	92,671	0	0	74,611	167,282
Assigned for Public Health and Welfare	3,230	0	0	3,074	6,304
Assigned for Social, Cultural, and Recreational Services	17,659	0	0	0	17,659
Unassigned	718,597	0	0	0	718,597
Total Fund Balances	<u>\$ 1,491,746</u>	<u>\$ 606,199</u>	<u>\$ 2,807,401</u>	<u>\$ 8,301,934</u>	<u>\$ 13,207,280</u>
Total Liabilities and Fund Balances	<u>\$ 12,045,218</u>	<u>\$ 790,847</u>	<u>\$ 2,807,401</u>	<u>\$ 11,666,066</u>	<u>\$ 27,309,532</u>

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

Exhibit C-2

Coffee County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Assets
June 30, 2011

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)		\$ 13,207,280
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 3,428,680	
Add: infrastructure net of accumulated depreciation	8,271,453	
Add: buildings and improvements net of accumulated depreciation	10,609,430	
Add: other capital assets net of accumulated depreciation	<u>2,295,362</u>	24,604,925
(2) Long-term liabilities are not due in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	\$ (14,287,000)	
Less: bonds payable	(19,081,719)	
Add: deferred amount on refunding	165,665	
Add: deferred charges - debt issuance costs	943,080	
Less: compensated absences payable	(606,602)	
Less: other postemployment benefits liability	(337,983)	
Less: claims and judgments payable	(1,750,000)	
Less: accrued interest on outstanding debt	(286,967)	
Less: other deferred revenue - premium on debt	<u>(139,988)</u>	(35,381,514)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		
		<u>2,852,653</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 5,283,344</u>

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

Exhibit C-3

Coffee County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway /	Education	Other	
		Public Works	Capital Projects	Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 9,410,476	\$ 64,422	\$ 0	\$ 5,372,813	\$ 14,847,711
Licenses and Permits	184,628	0	0	5,963	190,591
Fines, Forfeitures, and Penalties	395,457	0	0	299,541	694,998
Charges for Current Services	1,705,923	0	0	1,623,667	3,329,590
Other Local Revenues	325,839	8,979	4,105	356,339	695,262
Fees Received from County Officials	1,209,881	0	0	0	1,209,881
State of Tennessee	2,092,588	2,216,251	0	85,984	4,394,823
Federal Government	295,151	0	0	492,911	788,062
Other Governments and Citizens Groups	55,176	0	0	2,050	57,226
Total Revenues	\$ 15,675,119	\$ 2,289,652	\$ 4,105	\$ 8,239,268	\$ 26,208,144
<u>Expenditures</u>					
Current:					
General Government	\$ 1,738,492	\$ 0	\$ 0	\$ 180,163	\$ 1,918,655
Finance	823,569	0	0	435,070	1,258,639
Administration of Justice	1,315,092	0	0	942,307	2,257,399
Public Safety	6,686,366	0	0	143,687	6,830,053
Public Health and Welfare	3,202,864	0	0	1,182,343	4,385,207
Social, Cultural, and Recreational Services	1,076,249	0	0	0	1,076,249
Agriculture and Natural Resources	276,742	0	0	0	276,742
Other Operations	1,200,384	0	0	103,512	1,303,896
Highways	0	3,125,118	0	0	3,125,118
Debt Service:					
Principal on Debt	0	0	0	1,744,000	1,744,000
Interest on Debt	0	0	0	2,164,059	2,164,059
Other Debt Service	0	0	26,954	71,897	98,851
Capital Projects	0	0	0	73,630	73,630
Capital Projects - Donated	0	0	946,750	0	946,750
Total Expenditures	\$ 16,319,758	\$ 3,125,118	\$ 973,704	\$ 7,040,668	\$ 27,459,248
Excess (Deficiency) of Revenues Over Expenditures	\$ (644,639)	\$ (835,466)	\$ (969,599)	\$ 1,198,600	\$ (1,251,104)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 3,777,000	\$ 0	\$ 3,777,000
Proceeds from Sale of Capital Assets	0	53,350	0	0	53,350
Transfers In	397,869	0	0	0	397,869
Transfers Out	0	0	0	(411,524)	(411,524)
Total Other Financing Sources (Uses)	\$ 397,869	\$ 53,350	\$ 3,777,000	\$ (411,524)	\$ 3,816,695
Net Change in Fund Balances	\$ (246,770)	\$ (782,116)	\$ 2,807,401	\$ 787,076	\$ 2,565,591
Fund Balance, July 1, 2010	1,738,516	1,388,315	0	7,514,858	10,641,689
Fund Balance, June 30, 2011	\$ 1,491,746	\$ 606,199	\$ 2,807,401	\$ 8,301,934	\$ 13,207,280

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

Exhibit C-4

Coffee 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, 2011

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$	2,565,591
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period		\$	1,949,589
Less: current-year depreciation expense			<u>(1,309,618)</u>
			639,971
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			
Less: loss on the disposal of capital assets			(148,153)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2011		\$	2,852,653
Less: deferred delinquent property taxes and other deferred June 30, 2010			<u>(2,473,802)</u>
			378,851
(4) The issuance of long-term debt (e.g., bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:			
Less: bond proceeds		\$	(3,777,000)
Add: change in premium on debt issuances			21,781
Less: change in deferred debt issuance costs			(29,898)
Add: principal payments on bonds			1,055,000
Add: principal payments on notes			109,000
Add: principal payments on other loans			580,000
Less: change in deferred amount on refunding debt			<u>(38,834)</u>
			(2,079,951)
(5) Some expenses reported in the statement of activities do not require the uses of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable		\$	14,718
Change in compensated absences payable			(35,183)
Change in claims and judgments payable			250,000
Change in other postemployment benefits liability			<u>(112,513)</u>
			117,022
Change in net assets of governmental activities (Exhibit B)		\$	<u>1,473,331</u>

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

Exhibit D-1

Coffee County, Tennessee
Statement of Net Assets
Proprietary Fund
June 30, 2011

	Business-type Activities
	Nonmajor Enterprise Fund
	Wayside Acres Sewer Fund
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Assets and Investments	\$ 7,945
Accounts Receivable	2,544
Total Current Assets	<u>\$ 10,489</u>
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation):	
Land	\$ 30,120
Buildings and Improvements	768,745
Total Noncurrent Assets	<u>\$ 798,865</u>
Total Assets	<u>\$ 809,354</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 856
Current Portion of Long-term Debt	4,305
Total Current Liabilities	<u>\$ 5,161</u>
Noncurrent Liabilities:	
Due in More Than One Year	\$ 302,220
Total Noncurrent Liabilities	<u>\$ 302,220</u>
Total Liabilities	<u>\$ 307,381</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 492,340
Unrestricted	9,633
Total Net Assets	<u><u>\$ 501,973</u></u>

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

Exhibit D-2

Coffee County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2011

	Business-type Activities
	Nonmajor Enterprise Fund
	Wayside Acres Sewer Fund
<u>Operating Revenues</u>	
Charges for Current Services	\$ 30,528
Total Operating Revenues	<u>\$ 30,528</u>
<u>Operating Expenses</u>	
Public Health and Welfare	\$ 23,129
Depreciation	35,475
Total Operating Expenses	<u>\$ 58,604</u>
Operating Income (Loss)	<u>\$ (28,076)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Interest on Other Loans	\$ (13,049)
Total Nonoperating Expenses	<u>\$ (13,049)</u>
Income (Loss) Before Transfers	\$ (41,125)
Transfers In	<u>13,655</u>
Change in Net Assets	\$ (27,470)
Net Assets, July 1, 2010	<u>529,443</u>
Net Assets, June 30, 2011	<u><u>\$ 501,973</u></u>

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

Exhibit D-3

Coffee County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2011

	Business-type Activities
	Nonmajor Enterprise Fund
	Wayside Acres Sewer Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 30,528
Payments to Suppliers	(22,671)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 7,857</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Paid on Other Loans	\$ (4,063)
Interest Paid on Other Loans	(13,049)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (17,112)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers In	\$ 13,655
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 13,655</u>
Net Increase (Decrease) in Cash	\$ 4,400
Cash, July 1, 2010	<u>3,545</u>
Cash, June 30, 2011	<u><u>\$ 7,945</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u> Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (28,076)
Adjustment to Reconcile Net Operating Income	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	35,475
Change in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	<u>458</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 7,857</u></u>

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

Exhibit E

Coffee County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2011

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,871,503
Equity in Pooled Cash and Investments	194,395
Accounts Receivable	1,311
Due from Other Governments	1,708,274
Property Taxes Receivable	8,164,022
Allowance for Uncollectible Property Taxes	<u>(197,456)</u>
Total Assets	<u><u>\$ 11,742,049</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 741
Payroll Deductions Payable	883
Cash Overdraft	16,100
Due to State of Tennessee	103
Due to Other Taxing Units	9,701,571
Due to Litigants, Heirs, and Others	1,872,814
Due to Joint Ventures	<u>149,837</u>
Total Liabilities	<u><u>\$ 11,742,049</u></u>

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

COFFEE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Coffee 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 Coffee County:

A. Reporting Entity

Coffee County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Coffee 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 Coffee County School Department operates the public school system in the county, and the voters of Coffee 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 Coffee County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Coffee County, and the Coffee 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 Industrial Board of Coffee County provides and assists industry in Coffee County, and the Coffee County Commission appoints its board of directors. The board comprises three members each from the City of Tullahoma, the City of Manchester, and from rural areas. The board is primarily funded by appropriations from the county. The financial statements of the Industrial Board of Coffee County were not available from other auditors in time for inclusion in this report.

The Coffee County Public Building Authority oversees the operations of the conference center, which benefits the citizens of the City of Manchester and Coffee County. The Coffee County Commission appoints the seven-member board of directors, and Coffee County and the City of Manchester share equally in the profits and losses of the conference center. The center is primarily funded by charges assessed for the use of the facility.

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

Administrative Offices:

Coffee County Emergency Communications District
911 Jack Welch Drive
Manchester, TN 37355

Industrial Board of Coffee County
1329 McArthur Street, Suite 4
Manchester, TN 37355

Coffee County Public Building Authority
147 Hospitality Boulevard
Manchester, TN 37355

B. Government-wide and Fund Financial Statements

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

Coffee County issues debt for the discretely presented Coffee County School Department. Net debt issues totaling \$946,750 were contributed by the county to the School Department during the year ended June 30, 2011.

Separate financial statements are provided for governmental funds, proprietary funds (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the nonmajor 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 Coffee 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 category. Coffee County only reports one proprietary fund, an enterprise fund.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds and the 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. 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. Coffee 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 county's debt service funds 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Coffee County reports the following major governmental funds:

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

Highway/Public Works Fund – This special revenue fund accounts for transactions of the county's Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

Education Capital Projects Fund – This fund accounts for debt proceeds issued by Coffee County that are contributed to the Coffee County School Department.

Additionally, Coffee County reports the following fund types:

Enterprise Fund – The Wayside Acres Sewer Fund is used to account for the transactions of the Wayside Acres sewer operation.

Debt Service Funds – These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Coffee County, the city school systems' share of educational revenues, and state grants and other restricted revenues held for the benefit of the Fourteenth Judicial District Drug Task Force. 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 Coffee County School Department reports the following major governmental fund:

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

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

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund – The Other Capital Projects Fund is used to account for school building construction and renovations.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund used to account for the transactions of the Wayside Acres sewer operation. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are charges for services.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For 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 Coffee 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. Coffee County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized

cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. **Receivables and Payables**

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

All ambulance and property taxes receivables 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 1.4 percent of total taxes levied.

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

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

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

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

Additional costs attach to delinquent taxes after a court suit has been filed.

Most payables are disaggregated on the face of the financial statements. Claims and judgments payable totaling \$180,590 is discussed in Note V.A. Risk Management.

3. Inventories

Inventories in governmental funds consist of expendable supplies held for consumption and are valued at the lower of cost or market based on the first-in, first-out method. Inventories are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental 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 \$5,000 (\$10,000 for the discretely presented Coffee County School Department) or more and an estimated useful life of more than three 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	10 - 50
Land Improvements	10 - 50
Infrastructure	15 - 40
Other Capital Assets	3 - 20
Library Assets	2 - 40

5. Compensated Absences

The general policy of Coffee County allows employees to accumulate a limited number of unused vacation days; however, the unused vacation days that exceed the limit allowed by county policy are transferred to sick days on the employee's anniversary date. The remaining unused vacation days are paid to employees when they separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

County employees are allowed to accumulate unlimited sick leave days; however, the granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

The general policy of the discretely presented Coffee County School Department does not allow for the accumulation of vacation days beyond year-end for professional employees. Support staff are allowed to accumulate unused vacation days. Vacation pay is accrued for support staff when incurred in the government-wide financial statements for the School Department. A liability for vacation pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. All professional personnel (teachers) of the School Department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

6. Long-term Obligations

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported

as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

7. Net Assets and Fund Equity

In the government-wide financial statements 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 \$646,364, with the primary restrictions being for: library operations (\$406,960) and state reappraisal grant funds (\$132,481).

As of June 30, 2011, Coffee County had \$26,553,719 in outstanding debt for capital purposes for the discretely presented Coffee County School Department. This debt is a liability of Coffee County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Coffee 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 fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county's Budget/Finance Committee and the Board of Education are authorized bodies to make assignments.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

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 Coffee County School Department

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

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

Primary Government

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

Discretely Presented Coffee County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2011, Coffee County and the Coffee County School Department reported the following significant encumbrances:

Fund	Description	Amount
Primary Government		
Major Fund:		
General	Sheriff vehicles	\$ 43,842
"	Jail food supplies	22,000
Nonmajor Fund:		
Drug Control	Sheriff vehicles	73,690
School Department:		
Major Fund:		
General Purpose School	High school building improvements	133,350
"	Maintenance and repairs - equipment	46,631

B. Cash Overdraft

The City School ADA – Tullahoma Fund (agency fund) had a cash overdraft of \$16,100 at June 30, 2011. This cash overdraft resulted from required adjustments to applicable property and other taxes for the current average daily attendance proration. Subsequent to June 30, 2011, this cash overdraft was liquidated from funds received from various taxes.

C. Cash Shortage

As discussed in the Schedule of Findings and Questioned Costs, a cash shortage of \$4,768.06 existed at March 15, 2011, as a result of the county continuing to pay an employee of the Sheriff's Department who was physically unable to work and had exhausted all accrued leave balances.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Equity in Pooled Cash and Investments. Cash reflected in the fund financial statements 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, 2011.

B. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 3,426,551	\$ 6,629	\$ (4,500)	\$ 3,428,680
Total Capital Assets Not Depreciated	<u>\$ 3,426,551</u>	<u>\$ 6,629</u>	<u>\$ (4,500)</u>	<u>\$ 3,428,680</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 17,705,014	\$ 214,371	\$ 0	\$ 17,919,385
Infrastructure	13,309,529	1,310,590	0	14,620,119
Other Capital Assets	5,401,904	417,999	(536,336)	5,283,567
Total Capital Assets Depreciated	<u>\$ 36,416,447</u>	<u>\$ 1,942,960</u>	<u>\$ (536,336)</u>	<u>\$ 37,823,071</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,757,247	\$ 552,708	\$ 0	\$ 7,309,955
Infrastructure	5,862,105	486,561	0	6,348,666
Other Capital Assets	3,110,539	270,349	(392,683)	2,988,205
Total Accumulated Depreciation	<u>\$ 15,729,891</u>	<u>\$ 1,309,618</u>	<u>\$ (392,683)</u>	<u>\$ 16,646,826</u>
Total Capital Assets Depreciated, Net	<u>\$ 20,686,556</u>	<u>\$ 633,342</u>	<u>\$ (143,653)</u>	<u>\$ 21,176,245</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,113,107</u>	<u>\$ 639,971</u>	<u>\$ (148,153)</u>	<u>\$ 24,604,925</u>

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

Governmental Activities:

General Government	\$	332,663
Finance		4,282
Administration of Justice		5,409
Public Safety		118,362
Public Health and Welfare		154,934
Social, Cultural, and Recreational		139,530
Other General Government		1,255
Highways/Public Works		<u>553,183</u>

Total Depreciation Expense - Governmental Activities		<u><u>\$ 1,309,618</u></u>
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Business-type Activities

	Balance 7-1-10	Increases	Balance 6-30-11
Capital Assets Not Depreciated:			
Land	\$ 30,120	\$ 0	\$ 30,120
Total Capital Assets Not Depreciated	<u>\$ 30,120</u>	<u>\$ 0</u>	<u>\$ 30,120</u>
Capital Assets Depreciated:			
Infrastructure	\$ 886,852	\$ 0	\$ 886,852
Total Capital Assets Depreciated	<u>\$ 886,852</u>	<u>\$ 0</u>	<u>\$ 886,852</u>
Less Accumulated Depreciation For:			
Infrastructure	\$ 82,633	\$ 35,474	\$ 118,107
Total Accumulated Depreciation	<u>\$ 82,633</u>	<u>\$ 35,474</u>	<u>\$ 118,107</u>
Total Capital Assets Depreciated, Net	<u>\$ 804,219</u>	<u>\$ (35,474)</u>	<u>\$ 768,745</u>
Business-type Activities Capital Assets, Net	<u>\$ 834,339</u>	<u>\$ (35,474)</u>	<u>\$ 798,865</u>

The business-type activities had no decreases in capital assets during the year ended June 30, 2011.

Discretely Presented Coffee County School Department

Governmental Activities:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 1,438,853	\$ 0	\$ 0	\$ 1,438,853
Construction in Progress	8,561,972	3,493,066	(11,858,288)	196,750
Total Capital Assets Not Depreciated	\$ 10,000,825	\$ 3,493,066	\$ (11,858,288)	\$ 1,635,603
Capital Assets Depreciated:				
Buildings and Improvements	\$ 21,122,881	\$ 11,858,288	\$ 0	\$ 32,981,169
Other Capital Assets	3,439,642	461,196	(280,298)	3,620,540
Total Capital Assets Depreciated	\$ 24,562,523	\$ 12,319,484	\$ (280,298)	\$ 36,601,709
Less Accumulated Depreciation:				
Buildings and Improvements	\$ 7,408,963	\$ 694,431	\$ 0	\$ 8,103,394
Other Capital Assets	1,698,124	259,975	(280,298)	1,677,801
Total Accumulated Depreciation	\$ 9,107,087	\$ 954,406	\$ (280,298)	\$ 9,781,195
Total Capital Assets Depreciated, Net	\$ 15,455,436	\$ 11,365,078	\$ 0	\$ 26,820,514
Governmental Activities Capital Assets, Net	\$ 25,456,261	\$ 14,858,144	\$ (11,858,288)	\$ 28,456,117

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

Governmental Activities:

Instruction	\$ 697,015
Support Services	237,841
Operation of Non-Instructional Services	<u>19,550</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 954,406</u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 134,436
Nonmajor governmental	General	61,461
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	1,487

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2011, consisted of the following amounts:

Primary Government

<u>Transfers Out</u>	<u>Transfers In</u>	
	General Fund	Nonmajor Enterprise Fund
Nonmajor governmental funds	\$ 397,869	\$ 13,655

Discretely Presented Coffee County School Department

<u>Transfer Out</u>	<u>Transfer In</u>
	General Purpose School Fund
Nonmajor governmental fund	\$ 26,661

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

D. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 33 years for bonds and up to 18 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. General obligation bonds included in long-term debt as of June 30, 2011, will be retired from the General Debt Service, Rural Debt Service, Special Debt Service, and Education Debt Service funds. Other loans included in long-term debt will be retired from the General Debt Service and Special Debt Service funds.

General obligation bonds and other loans outstanding as of June 30, 2011, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
General Obligation Bonds - Refunding	2.56 to 4 %	\$ 10,970,000	\$ 6,715,000
General Obligation Bonds	4.75	12,366,719	12,366,719
Other Loans	0 to 5	15,417,000	14,287,000

During the year, Coffee County entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the authority loaned Lauderdale County \$3,037,000 for rehabilitation and repairs of county school buildings. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The county pays an annual administrative fee of \$2,018 under this agreement. The loan retirement schedule also includes equal monthly payments of interest; however, the county will semi-annually receive a federal interest subsidy, which will offset these payments resulting in a zero percent interest rate.

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2011, including interest payments, are presented in the following tables:

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2012	\$ 642,400	\$ 637,656	\$ 1,280,056
2013	708,880	618,257	1,327,137
2014	753,880	597,457	1,351,337
2015	788,880	574,857	1,363,737
2016	1,038,880	550,857	1,589,737
2017-2021	6,029,400	2,189,814	8,219,214
2022-2026	4,099,400	1,187,495	5,286,895
2027-2028	225,280	220,120	445,400

Total	\$ 14,287,000	\$ 6,576,513	\$ 20,863,513
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Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 1,095,000	\$ 1,474,525	\$ 2,569,525
2013	1,125,000	1,430,725	2,555,725
2014	1,160,000	1,388,725	2,548,725
2015	1,200,000	1,345,325	2,545,325
2016	1,005,000	1,300,325	2,305,325
2017-2021	1,035,000	6,165,746	7,200,746
2022-2026	95,000	6,121,500	6,216,500
2027-2031	0	6,121,500	6,121,500
2032-2036	0	6,121,500	6,121,500
2037-2041	9,100,000	5,668,250	14,768,250
2042-2043	3,266,719	858,019	4,124,738

Total	\$ 19,081,719	\$ 37,996,140	\$ 57,077,859
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There is \$5,251,497 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$419, based on the 2010 federal census. Debt per capita, including bonds and other loans totaled \$632, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2010	\$ 19,386,719	\$ 109,000	\$ 11,840,000
Additions	750,000	0	3,027,000
Deductions	(1,055,000)	(109,000)	(580,000)
Balance, June 30, 2011	<u>\$ 19,081,719</u>	<u>\$ 0</u>	<u>\$ 14,287,000</u>
Balance Due Within One Year	<u>\$ 1,095,000</u>	<u>\$ 0</u>	<u>\$ 642,400</u>

	Claims and Judgments	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2010	\$ 2,000,000	\$ 571,419	\$ 225,470
Additions	0	609,988	140,536
Deductions	(250,000)	(574,805)	(28,023)
Balance, June 30, 2011	<u>\$ 1,750,000</u>	<u>\$ 606,602</u>	<u>\$ 337,983</u>
Balance Due Within One Year	<u>\$ 350,000</u>	<u>\$ 30,329</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 36,063,304
Less: Balance Due Within One Year	(2,117,729)
Add: Unamortized Premium on Debt	139,988
Less: Deferred Amount on Refunding	<u>(165,665)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 33,919,898</u>

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

Wayside Acres Sewer Fund (enterprise fund)

Other loans outstanding were issued for original terms of up to 38 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The other loans included in long-term liabilities as of June 30, 2011, will be retired by the enterprise fund.

Other loans outstanding as of June 30, 2011, for business-type activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
Other Loans	4.125 to 4.375 %	\$ 324,000	\$ 306,525

The annual requirements to amortize all other loans outstanding as of June 30, 2011, including interest payments, are presented in the following table:

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2012	\$ 4,305	\$ 12,807	\$ 17,112
2013	4,489	12,623	17,112
2014	4,680	12,432	17,112
2015	4,880	12,232	17,112
2016	5,089	12,023	17,112
2017-2021	28,899	56,661	85,560
2022-2026	35,633	49,927	85,560
2027-2031	43,941	41,619	85,560
2032-2036	54,189	31,371	85,560
2037-2041	66,834	18,725	85,559
2042-2045	53,586	3,962	57,548
Total	\$ 306,525	\$ 264,382	\$ 570,907

Changes in Long-term Liabilities

Long-term liability activity for the Wayside Acres Sewer Fund (enterprise fund) for the year ended June 30, 2011, was as follows:

Business-type Activities:

	<u>Other Loans</u>
Balance, July 1, 2010	\$ 310,588
Deductions	<u>(4,063)</u>
Balance, June 30, 2011	<u>\$ 306,525</u>
Balance Due Within One Year	<u>\$ 4,305</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 306,525
Less: Balance Due Within One Year	<u>(4,305)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 302,220</u>

Discretely Presented Coffee County School Department

Capital Outlay Notes

Coffee County issues capital outlay notes on behalf of the School Department to fund capital facilities and other capital outlay purchases, such as equipment.

Capital outlay notes are direct obligations and pledge the full faith and credit of the government. Capital outlay notes outstanding were issued for an original term of up to eight years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Capital outlay notes outstanding at June 30, 2011, will be retired from the General Purpose School Fund.

The capital outlay notes outstanding as of June 30, 2011, for governmental activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-11</u>
Capital Outlay Notes	0 %	\$ 872,000	\$ 357,142

The annual requirements to amortize capital outlay notes outstanding as of June 30, 2011, are presented in the following table:

<u>Year Ending June 30</u>	<u>Notes Principal</u>
2012	\$ 71,429
2013	71,429
2014	71,428
2015	71,428
2016	<u>71,428</u>
Total	<u>\$ 357,142</u>

Debt per capita for the School Department totaled \$7, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

Governmental Activities:

	Notes	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2010	\$ 509,112	\$ 49,021	\$ 2,343,161
Additions	0	55,566	1,382,567
Deductions	(151,970)	(38,644)	(550,784)
Balance, June 30, 2011	<u>\$ 357,142</u>	<u>\$ 65,943</u>	<u>\$ 3,174,944</u>
Balance Due Within One Year	<u>\$ 71,429</u>	<u>\$ 52,755</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 3,598,029
Less: Balance Due Within One Year	<u>(124,184)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,473,845</u>

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

E. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Coffee County. These payments are made by the state to the Medicare Supplement Plan, which is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2011, were \$601. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

Discretely Presented Coffee County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Coffee 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, 2011, were \$188,011 and \$28,648, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

F. Short-term Debt

The county issued revenue anticipation notes in advance of collections and deposited the proceeds in the General, General Debt Service, General Purpose School, and School Federal Projects funds. These notes were necessary because funds were not available to meet fund obligations coming due before current revenue collections. Short-term debt activity for the year ended June 30, 2011, was as follows:

Fund	Balance 7-1-10	Issued	Paid	Balance 6-30-11
Primary Government:				
General	\$ 0	\$ 2,000,000	\$ (2,000,000)	0
General Debt Service	0	250,000	(250,000)	0
School Department:				
General Purpose School	0	1,375,000	(1,375,000)	0
School Federal Projects	0	125,000	(125,000)	0

V. OTHER INFORMATION

A. Risk Management

Primary Government

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

The Highway Department's risk of loss relating to general liability, property, casualty, and workers' compensation is covered by participation in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund, which are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The Highway Department pays an annual premium to the pools for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of these pools provides for them to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims of more than \$100,000 for each insured event.

The Coffee County Ambulance Service purchases commercial insurance for the risk of losses to which it is exposed. These risks include general liability, property, casualty, and accident. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Coffee County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Coffee County School Department

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

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

The School Department provides a self-insured dental and vision plan for all full-time employees through the General Purpose School Fund. Retirees are not allowed to participate in the program. The cost of this plan was provided by appropriations made for that purpose. Payroll deductions were made from employees' compensation for the portion of premiums relating to family coverage. The dental and vision plan provides maximum yearly benefit amounts for participants. The maximum calendar year benefit under the dental plan is \$1,500 per person. The vision plan also contains limits on benefits and the number of procedures covered by the plan. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The self-insurance program funds established claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustments and expenditures, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	End of Fiscal Year Liability
2009-10	\$ 178,755	\$ 431,564	\$ 404,388	205,931
2010-11	205,931	428,379	453,720	180,590

B. Accounting Change

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications include nonspendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be spent. Also, Statement No. 54 clarified the definitions of the General Fund and the special revenue, capital projects, debt service, and permanent fund types. Coffee County and the Coffee County School Department have implemented provisions of this statement in the financial statements of this report for their governmental funds.

C. Subsequent Events

Subsequent to June 30, 2011, the county issued revenue anticipation notes in advance of collections and deposited the proceeds as follows:

<u>Fund</u>	<u>Date Issued</u>	<u>Amount</u>
Primary Government:		
General	8-19-11	\$ 500,000
"	9-9-11	500,000
"	10-14-11	500,000
School Department:		
General Purpose School	9-13-11	500,000
"	10-13-11	400,000
School Federal Projects	8-31-11	125,000
"	9-12-11	75,000

Between October 2011 and January 2012, the county issued Qualified School Construction Bonds totaling \$1,428,199 for school construction projects.

In November 2011, the County Commission approved a resolution, which included a plan approved by the City of Tullahoma where the county would repay the balance of the 2009 judgment (\$1,750,000) over a period of five years. Under the terms of this agreement, the county will make five equal annual payments of \$350,000 plus interest calculated in accordance with the agreement.

D. Contingent Liabilities

The county is involved in several pending lawsuits. However, attorneys for the county and the School Department estimate that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

E. Change in Administration

On August 31, 2010, Alvin Harper left the Office of Road Superintendent and was succeeded by Steve Parks.

F. Claims and Judgments Payable

The county was the defendant in a lawsuit filed by the City of Tullahoma and its board of education. The city was seeking reimbursement of certain sales tax proceeds that they alleged was due them since Coffee County failed to follow state statute relative to the disbursement of sales tax proceeds, which are used for educational purposes. In October 2009, a settlement was reached

between the parties for a payment to the City of Tullahoma totaling \$2,000,000. In accordance with the settlement, Coffee County made a payment to the City of Tullahoma for \$250,000 from the General Fund on October 1, 2010. The balance of \$1,750,000 was originally to be paid on or before December 31, 2011; however, as described in Note V.C., an agreement was reached between the county and the City of Tullahoma to allow the balance to be repaid over a period of five years.

G. Joint Venture

The Fourteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourteenth Judicial District and participating municipalities in the district. The DTF interlocal agreement was signed by the sheriff of Coffee County and the police chiefs of the cities of Manchester and Tullahoma. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriff, and police chiefs of participating law enforcement agencies within each judicial district. Coffee County made no contributions to the DTF for the year ended June 30, 2011.

Coffee County does not have an equity interest in the above-noted joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Fourteenth Judicial District
307 South Woodland
Manchester, TN 37355

H. Jointly Governed Organization

Primary Government

The Tri-County Railroad Authority is jointly operated by Coffee County, in conjunction with Warren and White counties. The authority's board comprises the county mayor/executive 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.

Discretely Presented Coffee County School Department

The Coffee County School Department is a member of the Volunteer State Cooperative (VOLCO). The cooperative was established through a contractual

agreement between the Boards of Education of Bedford County, Coffee County, Dickson County, Humphreys County, Marshall County, Fayetteville City, Manchester City, Maury County, Stewart County, and Robertson County. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Stewart County School Department) and a service provider to provide these services. The cooperative is governed by a Representative Committee, including one representative from each of the member districts, and an Executive Council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the Representative Committee. The cooperative began operations in July 1998.

I. Retirement Commitments

Plan Description

Employees of Coffee 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 Coffee 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

Coffee County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 8.88 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, 2011, the county's annual pension cost of \$1,126,006 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-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, 2009, was nine 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
6-30-11	\$1,126,006	100%	\$0
6-30-10	1,019,296	100	0
6-30-09	1,008,995	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 83.12 percent funded. The actuarial accrued liability for benefits was \$28 million, and the actuarial value of assets was \$23 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$5 million. The covered payroll (annual payroll of active employees covered by the plan) was

\$12 million, and the ratio of the UAAL to the covered payroll was 38.44 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 Coffee 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 salary 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, 2011, was 9.05 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, 2011, 2010, and 2009 were \$1,545,257, \$1,059,169, and \$1,068,966, respectively, equal to the required contributions for each year.

J. Other Postemployment Benefits (OPEB)

Plan Description

Coffee County and the Coffee County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees and Section 8-27-207, *TCA*, for local governments. In previous fiscal years, prior to reaching the age of 65, all members had the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan structure was changed, and as a result all members now have the option of choosing between the standard or partnership preferred provider organization (PPO) 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://tennessee.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a

subsidy for local government participants, however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for retirees ranges from ten percent to 55 percent based on the years of service. During the year ended June 30, 2011, the county and the discretely presented School Department contributed \$28,023 and \$550,784, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 140,000	\$ 1,377,000
Interest on the NPO	10,146	105,442
Adjustment to the ARC	(9,610)	(99,875)
Annual OPEB cost	\$ 140,536	\$ 1,382,567
Amount of contribution	(28,023)	(550,784)
Increase/decrease in NPO	\$ 112,513	\$ 831,783
Net OPEB obligation, 7-1-10	225,470	2,343,161
Net OPEB obligation, 6-30-11	\$ 337,983	\$ 3,174,944

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Local Government Group	\$ 63,564	61 %	\$ 116,467
6-30-10	"	135,277	19	225,470
6-30-11	"	140,536	20	337,983
6-30-09	Local Education Group	1,142,866	32	1,495,171
6-30-10	"	1,363,553	38	2,343,161
6-30-11	"	1,382,568	40	3,174,944

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, was as follows:

	Local Government Group Plan	Local Education Group Plan
Actuarial valuation date	7-1-10	7-1-10
Actuarial accrued liability (AAL)	\$ 1,114,000	\$ 11,583,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,114,000	\$ 11,583,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 7,192,986	\$ 19,838,260
UAAL as a % of covered payroll	15%	58%

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, 2010, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Local Government Plan was ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 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 Accounts and Budgets

Coffee County operates under the provisions a local resolution for central accounting and budgeting covering all funds administered by the county mayor and road superintendent. These funds are maintained in the Office of Central Accounting, Budgeting, and Purchasing under the supervision of the director of accounts and budgets.

L. Purchasing Laws

Offices of County Mayor and Road Superintendent

Purchasing procedures for these offices are governed by provisions of the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures in the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for the purchasing agent to make purchases for these departments, with purchases exceeding \$5,000 (\$10,000 Highway Department) to be made on the basis of competitive bids solicited through public advertisement.

Office of Director of Schools

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

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

A. Summary of Significant Accounting Policies

The Coffee County Emergency Communications District was established on April 4, 1987, to provide an enhanced level of 911 service to Coffee County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of address and information. It is a discretely presented component

unit of Coffee County. A board of directors appointed by Coffee County runs the Coffee County Emergency Communications District. The district must file a budget with Coffee County each year. Any bond issued by the district is subject to approval by Coffee County.

The district uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*, and by the Financial Accounting Standards Board. As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the board has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989.

1. Depreciation

Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives using the straight-line method. Depreciation begins when the capital assets are placed in service. Depreciation is summarized as follows:

	<u>Method</u>	<u>Estimated Useful Life (Years)</u>	<u>2011 Depreciation</u>
Buildings/Improvements	S/L	10-30	\$ 6,465
Office Equipment	S/L	5-10	4,499
Furniture and Fixtures	S/L	5-10	5,889
Communication Equipment	S/L	5-20	66,121
Total			<u>\$ 82,974</u>

2. Major Source of Revenue

The major source of operating revenue is emergency telephone and wireless surcharges. The district's nonoperating revenue consists of a grant, contributions from other governments and agencies, insurance proceeds, interest/investment income, and sales of map books.

B. Cash and Cash Investments

The following is a schedule of bank accounts at June 30, 2011:

Checking – First National Bank	\$ 111,341
Money Market – American City Bank	203,067
Tower Fund – Coffee County Bank	5,252
Certificates of Deposit – Coffee County Bank	538,795
Certificates of Deposit – Peoples Bank	<u>403,750</u>
 Total	 <u><u>\$ 1,262,205</u></u>

At June 30, 2011, the carrying amount of the Coffee County Emergency Communications District’s cash deposits was \$1,265,205. The district’s deposit accounts are covered up to \$250,000 by the Federal Deposit Insurance Corporation. Any amounts over \$250,000 are covered by collateralization held by First National Bank and Coffee County Bank in the district’s name. Peoples Bank and American City Bank are members of the Government Collateralization Pool. The district is authorized to deposit and invest funds according to the provisions of Section 5-8-301, *Tennessee Code Annotated*.

C. Bonding and Insurance

Coffee County Emergency Communications District had a bond covering certain members of the board at June 30, 2011. The district has liability insurance covering the building and its contents. The policy also insures employees automobiles used in the conduct of business. The district had no settlements that exceeded the coverage for the past three years.

D. Capital Assets

The following is a schedule of capital assets at June 30, 2011:

<u>Assets</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Buildings/Improvements	\$ 185,451	\$ 91,933	\$ 93,518
Office Equipment	38,279	31,770	6,509
Furniture and Fixtures	50,031	39,903	10,128
Communication Equipment	846,194	422,652	423,542
 Total	 <u><u>\$ 1,119,955</u></u>	 <u><u>\$ 586,258</u></u>	 <u><u>\$ 533,697</u></u>

Assets	Balance 7-1-10	Additions	Reclass- ification	Balance 6-30-11
Non-Depreciable Assets				
Construction in Progress	\$ 158,398	\$ 0	\$ (158,398)	\$ 0
Depreciable Assets				
Buildings/Improvements	\$ 185,451	\$ 0	\$ 0	\$ 185,451
Office Equipment	37,014	1,265	0	38,279
Furniture and Fixtures	46,404	3,626	0	50,030
Communication Equipment	629,227	58,570	158,398	846,195
Subtotal	<u>\$ 898,096</u>	<u>\$ 63,461</u>	<u>\$ 158,398</u>	<u>\$ 1,119,955</u>
Total	<u>\$ 1,056,494</u>	<u>\$ 63,461</u>	<u>\$ 0</u>	<u>\$ 1,119,955</u>

E. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

F. Accounts Receivable/Due from Other Governments

The amounts due to the district from subscriber services and wireless charges include the following:

AT&T	\$ 11,536
Ben Lomand	1,399
Other Telephone Companies	5,739
Sub-total	<u>\$ 18,674</u>
State Emergency Communications Board	<u>20,824</u>
Total	<u><u>\$ 39,498</u></u>

G. Compensated Absences

There were no compensated absences as of June 30, 2011.

H. Salaries and Wages

In accordance with a contract, Coffee County provides the director and dispatcher for the district.

I. Calculation of Invested in Capital Assets

Net Book Value	\$ 533,697
Current and Noncurrent Debt	<u>0</u>
Total Invested in Capital Assets	<u><u>\$ 533,697</u></u>

J. Budgetary Information

The district must file a budget with the county each year, which must be legally adopted by the county. The budget is prepared on the accrual basis of accounting. Compliance with the legally adopted budget is required at the program level as well as the object level.

VII. OTHER NOTES – DISCRETELY PRESENTED PUBLIC BUILDING AUTHORITY OF COFFEE COUNTY

A. Summary of Significant Accounting Policies

The Public Building Authority of Coffee County, Tennessee (the authority) was incorporated September 5, 2000. The purpose of the authority is to provide the capital resources (through the sale of bonds, notes, and other obligations) necessary to acquire, construct, reconstruct, rehabilitate, or improve facilities necessary or convenient to the operation of the related entities. In accordance with Section 12-10-108, *Tennessee Code Annotated*, the authority has seven Board of Directors that are elected by the governing body, the County Commission of Coffee County, Tennessee, and they hold office for staggered six-year terms. As defined in GASB Statement No. 14, the authority is a legal entity that meets the definition of a component unit of Coffee County in that a financial benefit/burden relationship exists between the county and the authority.

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

1. Reporting Entity

The authority follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, to define the reporting entity. The financial statements include all operations over which the authority is financially accountable. The authority is not a participant in any joint venture and has not identified any entities, which would be component units of the authority.

2. 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 authority's activities. 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 or segment. 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 as general revenues. The effect of interfund activity has been removed from the government-wide financial statements.

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

3. Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are 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. Revenues susceptible to accrual are interest on investments and intergovernmental revenues. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific expenditures are recognized when all eligibility requirements are met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The authority has presented the following major governmental funds:

General Fund – This fund is the main operating fund of the authority. This fund is used to account for all financial resources not accounted for in other funds. All general revenues and other receipts that are not restricted by law or

contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Bond Fund – This fund is a special revenue fund used to account for the loans made by the authority to the city and county for capital projects such as the joint industrial park, vocational rehab center, and water lines for the county. The collection of principal and interest on these loans is recorded in the bond fund.

Proprietary Fund Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenues of the conference center are charges for catering, space rental, and related services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The authority applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure. In addition, the authority applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements to its business-type activities.

The authority has presented the following major proprietary fund:

Manchester Conference Center – This fund is used to account for the services provided at the conference center.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

4. **Equipment**

Plant and equipment are stated at cost, and depreciation is computed using the straight-line method based upon the estimated useful lives of the assets. The estimated useful lives vary from five to 40 years. Major expenditures for plant and equipment are capitalized while maintenance and repairs are expensed when incurred.

5. **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

6. **Statement of Cash Flows**

For purposes of the Statement of Cash Flows, the authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and all local government investment pools to be cash equivalents.

7. **Interfund Receivables, Payables, and Transactions Between Funds**

Short-term amounts owed between funds are classified as Due to/from Other Funds. Legally authorized transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

8. **Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the authority is bound to honor constraints on specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The authority has classified certain prepaid expenses and inventories as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The authority has classified certificates of deposit totaling \$16,253 as being restricted.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the board. These amounts cannot be used for any other purpose unless the board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The authority did not have any committed resources as of June 30, 2011.

Assigned: This classification includes amounts that are constrained by the authority's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the board or through the board delegating this responsibility to the manager through the budgetary process. The authority did not have any assigned resources as of June 30, 2011.

Unassigned: This classification includes the residual fund balance for the General Fund.

The authority would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to deter the use of these other classified funds.

9. Conference Center

During the year ended June 30, 2002, the authority completed construction of the Manchester-Coffee County Conference Center, located adjacent to the Holiday Inn in Manchester. The Public Building Authority (PBA) is responsible for operating the conference center. Operations of the conference center are reported as an enterprise fund of the PBA. In an agreement with the authority, the City of Manchester, and Coffee County are jointly responsible for underwriting the debt and operations of the center. Furthermore, any

net profits and losses attributable to the operation of the conference center are born equally by the City of Manchester and Coffee County.

B. Cash

The authority is authorized to invest funds in financial institutions and direct obligations of the federal government. During 2011, the authority invested funds that are not immediately needed in certificates of deposit, savings accounts, and money market accounts. The authority's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the authority's bank in the authority's name. The carrying amount of total cash deposits (including petty cash) at June 30, 2011, was \$207,569.

C. Receivables

A summary of governmental receivables for the year ended June 30, 2011, follows:

Governmental Entity:	Balance 6-30-11
Coffee County	\$ 4,385,000
City of Manchester	<u>1,430,000</u>
Total	<u><u>\$ 5,815,000</u></u>

Of the total, the Public Building Authority expects to receive \$65,000 from the City of Manchester and \$375,000 from Coffee County for bond payment within the next 12 months.

The business-type activities consist of the following receivables for the year ended June 30, 2011:

	Balance 6-30-11
Trade Receivables	\$ 15,886
Coffee County	17,243
City of Manchester	<u>17,243</u>
Total	<u><u>\$ 50,372</u></u>

D. Capital Assets

A summary of changes in property, plant, and equipment for the year ended June 30, 2011, follows:

Governmental Activities

	Balance 7-1-10	Increases	Balance 6-30-11
Capital Assets Not Depreciated:			
Land	\$ 25,000	\$ 0	\$ 25,000
Total Capital Assets Not Depreciated	\$ 25,000	\$ 0	\$ 25,000
Capital Assets Depreciated:			
Other Capital Assets	\$ 27,042	\$ 0	\$ 27,042
Total Capital Assets Depreciated	\$ 27,042	\$ 0	\$ 27,042
Less Accumulated Depreciation For:			
Other Capital Assets	\$ 1,844	\$ 1,760	\$ 3,604
Total Accumulated Depreciation	\$ 1,844	\$ 1,760	\$ 3,604
Total Capital Assets Depreciated, Net	\$ 25,198	\$ (1,760)	\$ 23,438
Governmental Activities Capital Assets, Net	\$ 50,198	\$ (1,760)	\$ 48,438

Depreciation expense totaled \$1,760 for the year ended June 30, 2011.

Business-type Activities:

	Balance 7-1-10	Increases	Balance 6-30-11
Capital Assets Depreciated:			
Buildings	\$ 2,375,569	\$ 28,037	\$ 2,403,606
Other Capital Assets	310,148	13,497	323,645
Total Capital Assets Depreciated	\$ 2,685,717	\$ 41,534	\$ 2,727,251
Less Accumulated Depreciation For:			
Buildings	\$ 473,150	\$ 60,820	\$ 533,970
Other Capital Assets	294,275	4,638	298,913
Total Accumulated Depreciation	\$ 767,425	\$ 65,458	\$ 832,883
Total Capital Assets, Net	\$ 1,918,292	\$ (23,924)	\$ 1,894,368

Depreciation expense totaled \$65,458 for the year ended June 30, 2011.

E. Bonds Payable

The following is a summary of the authority's bonded debt transactions for the year ended June 30, 2011:

	Series 2001A 3.25% to 5%	Series Z-4A 4.5% to 5%	Total
Balance, July 1, 2010	\$ 450,000	\$ 5,845,000	\$ 6,295,000
Deductions	(450,000)	(30,000)	(480,000)
Balance, June 30, 2011	<u>\$ 0</u>	<u>\$ 5,815,000</u>	<u>\$ 5,815,000</u>

Annual debt service requirements for bonds, Series Z-4A outstanding to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2012	\$ 425,000	\$ 232,600	\$ 657,600
2013	455,000	215,600	670,600
2014	490,000	197,400	687,400
2015	520,000	177,800	697,800
2016	555,000	157,000	712,000
2017-2021	3,370,000	421,400	3,791,400
Total	<u>\$ 5,815,000</u>	<u>\$ 1,401,800</u>	<u>\$ 7,216,800</u>

The City of Manchester and Coffee County are jointly responsible for the bonds payable.

F. Conduit Debt

The authority is an unauthorized conduit debt issuer under the Tennessee Local Government Alternative Loan Program (TN-LOANS Program). The authority has issued bonds as conduit debt on behalf of the cities of Manchester, Winchester, Fayetteville, White House, Lawrenceburg, Harrison County, and Coffee County, Tennessee. The borrowers have guaranteed, insured, and pledged certain revenues for repayments of these bond issues. The bonds do not constitute a debt or pledge of faith and credit of the authority and, accordingly, have not been reported in the accompanying financial statements. The total conduit debt outstanding as of June 31, 2011, for all conduit bond issues is \$40,560,000.

G. Inventory

Inventory is stated at cost and includes food and supplies used by the conference center.

H. Other Revenues

Total other revenues for the year were \$3,518. This amount is comprised of various other revenues and fees.

I. Budgetary Data

Formal budgetary accounting is employed as a management control for all funds of the authority. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required, and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principles basis. Budgetary control is exercised at the department level.

J. Risk Financing Activities

It is the policy of the authority to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, worker's compensation, and environmental. Settled claims have not exceeded commercial coverage in the past three fiscal years, and there are currently no pending lawsuits.

K. Retirement Plan

The employees of the authority are covered under the plan covering employees of Coffee County. The Coffee County government unit pays for this plan.

L. Allowance for Doubtful Accounts

The authority has adopted the direct write-off method to account for bad debt expense. Receivables are reviewed annually, and uncollectable accounts are currently expensed. There was no bad debt expense in 2011.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Coffee County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund
 For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 9,410,476	\$ 0	\$ 0	\$ 9,410,476	\$ 9,553,887	\$ 9,360,597	\$ 49,879
Licenses and Permits	184,628	0	0	184,628	198,500	184,500	128
Fines, Forfeitures, and Penalties	395,457	0	0	395,457	429,600	418,317	(22,860)
Charges for Current Services	1,705,923	0	0	1,705,923	2,831,340	1,870,440	(164,517)
Other Local Revenues	325,839	0	0	325,839	268,680	272,980	52,859
Fees Received from County Officials	1,209,881	0	0	1,209,881	1,308,000	1,308,000	(98,119)
State of Tennessee	2,092,588	0	0	2,092,588	1,923,082	2,024,531	68,057
Federal Government	295,151	0	0	295,151	105,423	348,139	(52,988)
Other Governments and Citizens Groups	55,176	0	0	55,176	30,350	46,872	8,304
Total Revenues	\$ 15,675,119	\$ 0	\$ 0	\$ 15,675,119	\$ 16,648,862	\$ 15,834,376	\$ (159,257)
Expenditures							
General Government							
County Commission	\$ 39,990	\$ 0	\$ 0	\$ 39,990	\$ 48,983	\$ 48,983	\$ 8,993
Board of Equalization	1,464	0	0	1,464	4,306	4,306	2,842
Other Boards and Committees	24,362	0	0	24,362	24,685	26,838	2,476
County Mayor/Executive	211,302	0	0	211,302	215,528	215,528	4,226
County Attorney	45,815	0	0	45,815	52,800	52,800	6,985
Election Commission	374,121	0	0	374,121	380,772	389,692	15,571
Register of Deeds	74,899	(1,800)	1,170	74,269	94,702	84,702	10,433
Codes Compliance	109,349	0	0	109,349	169,424	144,172	34,823
County Buildings	756,636	(14,452)	5,635	747,819	792,393	885,846	138,027
Other General Administration	100,450	0	0	100,450	103,800	104,401	3,951
Preservation of Records	104	0	0	104	500	500	396

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Finance							
Accounting and Budgeting	\$ 258,427	\$ 0	158	\$ 258,585	\$ 271,941	\$ 271,941	\$ 13,356
Property Assessor's Office	371,775	0	0	371,775	379,218	378,008	6,233
Reappraisal Program	4,948	0	0	4,948	21,673	12,673	7,725
County Trustee's Office	81,121	(1,508)	0	79,613	90,426	87,426	7,813
County Clerk's Office	107,298	0	0	107,298	125,515	117,515	10,217
Administration of Justice							
Circuit Court	273,628	(290)	0	273,338	278,694	278,194	4,856
General Sessions Court	17,446	(238)	0	17,208	17,500	17,500	292
General Sessions Judge	355,836	0	0	355,836	361,972	360,972	5,136
Drug Court	202,410	0	0	202,410	195,000	202,410	0
Chancery Court	128,663	(740)	0	127,923	130,951	131,126	3,203
Judicial Commissioners	126,140	0	0	126,140	128,919	128,919	2,779
Probation Services	210,969	(360)	0	210,609	223,404	223,404	12,795
Public Safety							
Sheriff's Department	2,362,207	(2,654)	47,429	2,406,982	2,475,071	2,450,722	43,740
Traffic Control	13,897	0	0	13,897	29,000	21,500	7,603
Administration of the Sexual Offender Registry	1,600	0	0	1,600	3,000	3,000	1,400
Jail	2,595,652	(34,328)	26,817	2,588,141	2,395,972	2,622,572	34,431
Juvenile Services	315,442	(392)	418	315,468	334,520	323,440	7,972
Rural Fire Protection	282,000	0	0	282,000	282,000	282,000	0
Civil Defense	258,189	(13,087)	18,007	263,109	159,260	273,159	10,050
Rescue Squad	17,000	0	0	17,000	17,000	17,000	0
County Coroner/Medical Examiner	45,130	0	0	45,130	38,000	45,500	370
Other Public Safety	795,249	0	0	795,249	812,991	807,991	12,742

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare</u>							
Local Health Center	\$ 660,679	\$ (18,820)	750	\$ 642,609	\$ 742,773	\$ 719,773	\$ 77,164
Rabies and Animal Control	91,956	0	406	92,362	97,916	97,916	5,554
Ambulance/Emergency Medical Services	2,269,727	(39,930)	2,074	2,231,871	2,263,670	2,343,231	111,360
Alcohol and Drug Programs	2,000	0	0	2,000	3,000	2,000	0
Appropriation to State	85,461	0	0	85,461	86,378	86,378	917
General Welfare Assistance	31,580	0	0	31,580	31,580	31,580	0
Other Waste Disposal	61,461	0	0	61,461	61,461	61,461	0
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	194,968	0	0	194,968	181,087	195,087	119
Libraries	858,170	0	17,659	875,829	900,725	899,725	23,896
Other Social, Cultural, and Recreational Agriculture and Natural Resources	23,111	0	0	23,111	0	24,722	1,611
Agriculture Extension Service	204,361	0	0	204,361	204,551	206,986	2,625
Soil Conservation	72,381	0	0	72,381	88,348	88,348	15,967
<u>Other Operations</u>							
Industrial Development	251,761	0	0	251,761	251,761	259,261	7,500
Veterans' Services	14,862	0	0	14,862	19,427	19,427	4,565
Other Charges	862,761	(9,450)	6,262	859,573	890,000	867,500	7,927
Contributions to Other Agencies	39,000	0	0	39,000	39,000	39,000	0
Payments to Cities	28,500	0	0	28,500	28,500	28,500	0
Miscellaneous	3,500	0	0	3,500	0	3,500	0
Total Expenditures	\$ 16,319,758	\$ (138,049)	\$ 126,785	\$ 16,308,494	\$ 16,550,097	\$ 16,989,135	\$ 680,641
Excess (Deficiency) of Revenues Over Expenditures	\$ (644,639)	\$ 138,049	\$ (126,785)	\$ (633,375)	\$ 98,765	\$ (1,154,759)	\$ 521,384

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	113,758 \$	(113,758)
Transfers In	397,869	0	0	397,869	0	0	397,869
Total Other Financing Sources (Uses)	\$ 397,869 \$	0 \$	0 \$	397,869 \$	0 \$	113,758 \$	284,111
Net Change in Fund Balance	\$ (246,770) \$	138,049 \$	(126,785) \$	(235,506) \$	98,765 \$	(1,041,001) \$	805,495
Fund Balance, July 1, 2010	1,738,516	(138,049)	0	1,600,467	1,336,948	1,336,948	263,519
Fund Balance, June 30, 2011	\$ 1,491,746 \$	0 \$	(126,785) \$	1,364,961 \$	1,435,713 \$	295,947 \$	1,069,014

Exhibit F-2

Coffee 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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 64,422	\$ 0	\$ 64,422	\$ 79,620	\$ 79,620	\$ (15,198)
Other Local Revenues	8,979	0	8,979	350	7,686	1,293
State of Tennessee	2,216,251	0	2,216,251	1,970,112	2,156,949	59,302
Total Revenues	\$ 2,289,652	\$ 0	\$ 2,289,652	\$ 2,050,082	\$ 2,244,255	\$ 45,397
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 239,019	\$ 0	\$ 239,019	\$ 233,764	\$ 240,804	\$ 1,785
Highway and Bridge Maintenance	2,368,257	(17,340)	2,350,917	2,288,055	2,430,919	80,002
Operation and Maintenance of Equipment	366,301	(600)	365,701	305,846	378,355	12,654
Other Charges	151,541	0	151,541	131,200	153,068	1,527
Total Expenditures	\$ 3,125,118	\$ (17,940)	\$ 3,107,178	\$ 2,958,865	\$ 3,203,146	\$ 95,968
Excess (Deficiency) of Revenues Over Expenditures	\$ (835,466)	\$ 17,940	\$ (817,526)	\$ (908,783)	\$ (958,891)	\$ 141,365
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 53,350	\$ 0	\$ 53,350	\$ 0	\$ 53,350	\$ 0
Insurance Recovery	0	0	0	0	12,406	(12,406)
Total Other Financing Sources (Uses)	\$ 53,350	\$ 0	\$ 53,350	\$ 0	\$ 65,756	\$ (12,406)
Net Change in Fund Balance	\$ (782,116)	\$ 17,940	\$ (764,176)	\$ (908,783)	\$ (893,135)	\$ 128,959
Fund Balance, July 1, 2010	1,388,315	(17,940)	1,370,375	1,370,374	1,370,374	1
Fund Balance, June 30, 2011	\$ 606,199	\$ 0	\$ 606,199	\$ 461,591	\$ 477,239	\$ 128,960

Exhibit F-3

Coffee County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and the Discretely Presented Coffee County School Department
June 30, 2011

(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	\$ 23,177	\$ 27,884	\$ 4,707	83.12 %	\$ 12,247	38.44 %
7-1-07	20,582	24,136	3,554	85.28	11,243	31.61

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 year of the 2007 actuarial valuation; therefore, only the two most recent actuarial valuations are presented.

Exhibit F-4

Coffee County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and the Discretely Presented Coffee County School Department
June 30, 2011

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial			Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
		Value of Assets (a)	Accrued Liability (AAL) (b)	AAL (UAAL) (b)-(a)				
<u>PRIMARY GOVERNMENT</u>								
Local Government Group	7-1-07	\$ 0	\$ 1,645	\$ 1,645	0 %	\$ 7,319	22 %	
"	7-1-09	0	1,040	1,040	0	7,193	14	
"	7-1-10	0	1,114	1,114	0	7,193	15	
<u>DISCRETELY PRESENTED COFFEE COUNTY SCHOOL DEPARTMENT</u>								
Local Education Group	7-1-07	0	9,666	9,666	0	20,180	48	
"	7-1-09	0	11,462	11,462	0	19,838	58	
"	7-1-10	0	11,583	11,583	0	19,838	58	

COFFEE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2011

A. BUDGETARY INFORMATION

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

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

The county's budgetary basis of accounting is consistent with 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.

At June 30, 2011, Coffee County reported the following significant encumbrances:

Fund	Description	Amount
Primary Government		
Major Fund:		
General	Sheriff vehicles	\$ 43,842
"	Jail food supplies	22,000

B. Cash Shortage

As discussed in the Schedule of Findings and Questioned Costs, a cash shortage of \$4,768.06 existed at March 15, 2011, as a result of the county continuing to pay an employee of the Sheriff's Department who was physically unable to work and had exhausted all accrued leave balances.

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

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Public Library Fund – The Public Library Fund is used to account for the transactions of the Coffee County Public Libraries. This fund was closed during the year examined.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for the transactions relating to the disposal of solid waste.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for a special property tax levied on the Interstate Industrial Park to provide city services for the park.

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

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenues for the benefit of the Office of District Attorney General.

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.

Debt Service Funds

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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.

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the retirement of bonds issued for school projects outside the territorial limits of the Special School District.

Special Debt Service Fund – The Special 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 of school construction and renovation projects to be financed with the first-half of the additional three-fourths cent sales tax approved in 2007.

Education Debt Service Fund – The Education Debt Service Fund is used to account for the retirement of bonds issued for improvements to the county's senior high school.

Other Rural Debt Service Fund – The Other Rural 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 of future school construction and renovation projects to be financed with the second-half of the additional three-fourths cent sales tax approved in 2007.

Capital Projects Fund

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities or capital assets.

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county. The remaining balance in this fund represents unexpended bond proceeds to be used for various projects including renovation of the justice center, construction of a workhouse at the jail, paving projects, and construction of water and sewer lines in the rural areas of the county.

Exhibit G-1

Coffee County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2011

	Special Revenue Funds						Total
	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Constitutional Officers - Fees		
\$	0	0	0	0	0	0	383,245
Equity in Pooled Cash and Investments	1,101,046	145,496	764,492	116,315	0	0	2,127,349
Accounts Receivable	74,434	0	0	0	7,338	0	81,772
Due from Other Governments	44,544	0	0	0	0	0	44,544
Due from Other Funds	61,461	0	0	0	0	0	61,461
Property Taxes Receivable	852,259	148,523	0	0	0	0	1,000,782
Allowance for Uncollectible Property Taxes	(46,533)	(32,586)	0	0	0	0	(79,119)
Total Assets	\$ 2,087,211	\$ 261,433	\$ 764,492	\$ 116,315	\$ 390,583	\$ 3,620,034	

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable
 Payroll Deductions Payable
 Due to Other Funds
 Due to State of Tennessee
 Deferred Revenue - Current Property Taxes
 Deferred Revenue - Delinquent Property Taxes
 Other Deferred Revenues

Total Liabilities

Fund Balances

Restricted:
 Restricted for Administration of Justice
 Restricted for Public Safety
 Restricted for Public Health and Welfare

\$	34,510	0	47	0	0	0	34,557
	4,428	0	0	0	0	0	4,428
	0	0	0	0	134,436	0	134,436
	347	0	0	0	0	0	347
	738,016	114,420	0	0	0	0	852,436
	63,931	1,517	0	0	0	0	65,448
	6,842	0	0	0	0	0	6,842
\$	848,074	115,937	47	0	134,436	0	1,098,494
\$	0	0	0	116,315	0	0	116,315
	0	0	689,834	0	0	0	689,834
	1,236,063	0	0	0	0	0	1,236,063

(Continued)

	Special Revenue Funds						Total
	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Constitutional Officers - Fees		
\$	0	145,496	0	0	0	0	145,496
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	39,371	0	39,371
	0	0	0	0	87,323	0	87,323
	0	0	0	0	129,453	0	129,453
	0	0	74,611	0	0	0	74,611
	3,074	0	0	0	0	0	3,074
\$	1,239,137	145,496	764,445	116,315	256,147	0	2,521,540
\$	2,087,211	261,433	764,492	116,315	390,583	0	3,620,034

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)

Restricted (Cont.):

- Restricted for Other Operations
- Restricted for Highways/Public Works
- Restricted for Debt Service
- Committed:
- Committed for General Government
- Committed for Finance
- Committed for Administration of Justice

Assigned:

- Assigned for Public Safety
- Assigned for Public Health and Welfare

Total Fund Balances

Total Liabilities and Fund Balances

(Continued)

Exhibit G-1

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

	Debt Service Funds						Total	Capital Projects Fund		Total Nonmajor Governmental Funds
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other Rural Debt Service			General Capital Projects		
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 383,245	
Equity in Pooled Cash and Investments	382,126	515,804	2,262,333	243,550	1,474,984	4,878,797	450,745	0	7,456,891	
Accounts Receivable	0	0	0	0	0	0	0	0	81,772	
Due from Other Governments	0	132,756	270,085	0	138,288	541,129	99,567	0	685,240	
Due from Other Funds	0	0	0	0	0	0	0	0	61,461	
Property Taxes Receivable	1,115,408	528,842	0	492,005	0	2,136,255	0	0	3,137,037	
Allowance for Uncollectible Property Taxes	(26,754)	(15,389)	0	(18,318)	0	(60,461)	0	0	(139,580)	
Total Assets	\$ 1,470,780	\$ 1,162,013	\$ 2,532,418	\$ 717,237	\$ 1,613,272	\$ 7,495,720	\$ 550,312	\$ 0	\$ 11,666,066	

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 888	\$ 35,445
Accounts Payable	0	0	0	0	0	0	0	0	4,428
Payroll Deductions Payable	0	0	0	0	0	0	0	0	134,436
Due to Other Funds	0	0	0	0	0	0	0	0	347
Due to State of Tennessee	0	0	0	0	0	0	0	0	2,863,862
Deferred Revenue - Current Property Taxes	1,050,674	513,070	0	447,682	0	2,011,426	0	0	123,801
Deferred Revenue - Delinquent Property Taxes	34,020	251	0	24,082	0	58,353	0	0	201,813
Other Deferred Revenues	0	27,369	118,565	0	28,510	174,444	20,527	0	3,364,132
Total Liabilities	\$ 1,084,694	\$ 540,690	\$ 118,565	\$ 471,764	\$ 28,510	\$ 2,244,223	\$ 21,415	\$ 0	\$ 0
Fund Balances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 116,315
Restricted:	0	0	0	0	0	0	0	0	689,834
Restricted for Administration of Justice	0	0	0	0	0	0	0	0	1,651,310
Restricted for Public Safety	0	0	0	0	0	0	0	0	0
Restricted for Public Health and Welfare	0	0	0	0	0	0	0	0	0

(Continued)

	Debt Service Funds						Total	Capital Projects Fund		Total Nonmajor Governmental Funds
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other Rural Debt Service	Total		General Capital Projects		
\$	0	0	0	0	0	0	0	0	0	145,496
	0	0	0	0	0	0	113,650	0	0	113,650
386,086	621,323	2,413,853	245,473	1,584,762	5,251,497	0	0	0	0	5,251,497
0	0	0	0	0	0	0	0	0	0	39,371
0	0	0	0	0	0	0	0	0	0	87,323
0	0	0	0	0	0	0	0	0	0	129,453
0	0	0	0	0	0	0	0	0	0	74,611
0	0	0	0	0	0	0	0	0	0	3,074
\$ 386,086	\$ 621,323	\$ 2,413,853	\$ 245,473	\$ 1,584,762	\$ 5,251,497	\$ 528,897	\$ 528,897	\$ 8,301,934		
\$ 1,470,780	\$ 1,162,013	\$ 2,532,418	\$ 717,237	\$ 1,613,272	\$ 7,495,720	\$ 550,312	\$ 550,312	\$ 11,666,066		

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)

Restricted (Cont.):
 Restricted for Other Operations
 Restricted for Highways/Public Works
 Restricted for Debt Service
 Committed:
 Committed for General Government
 Committed for Finance
 Committed for Administration of Justice
 Assigned:
 Assigned for Public Safety
 Assigned for Public Health and Welfare
 Total Fund Balances

Total Liabilities and Fund Balances

Exhibit G-2

Coffee County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2011

	Special Revenue Funds							Total
	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Constitutional Officers - Fees		
Revenues								
Local Taxes	0	1,139,182	141,252	0	0	0	0	1,280,434
Licenses and Permits	0	5,963	0	0	0	0	0	5,963
Fines, Forfeitures, and Penalties	0	0	0	262,828	36,713	0	0	299,541
Charges for Current Services	0	107,694	0	0	0	1,515,973	0	1,623,667
Other Local Revenues	0	58,424	0	262	0	0	0	58,686
State of Tennessee	0	60,299	0	25,685	0	0	0	85,984
Federal Government	0	0	0	0	0	0	0	0
Other Governments and Citizens Groups	0	0	0	0	2,050	0	0	2,050
Total Revenues	0	1,371,562	141,252	288,775	38,763	1,515,973	0	3,356,325
Expenditures								
Current:								
General Government	0	0	0	0	0	180,163	0	180,163
Finance	0	0	0	0	0	435,070	0	435,070
Administration of Justice	0	0	0	0	39,379	902,928	0	942,307
Public Safety	0	0	0	143,687	0	0	0	143,687
Public Health and Welfare	0	1,182,343	0	0	0	0	0	1,182,343
Other Operations	0	25,687	77,825	0	0	0	0	103,512
Debt Service:								
Principal on Debt	0	0	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0	0	0
Total Expenditures	0	1,208,030	77,825	143,687	39,379	1,518,161	0	2,987,082
Excess (Deficiency) of Revenues Over Expenditures	0	163,532	63,427	145,088	(616)	(2,188)	0	369,243
Other Financing Sources (Uses)								
Transfers Out	(397,869)	0	0	0	0	0	0	(397,869)
Total Other Financing Sources (Uses)	(397,869)	0	0	0	0	0	0	(397,869)
Net Change in Fund Balances	(397,869)	163,532	63,427	145,088	(616)	(2,188)	0	(28,626)
Fund Balance, July 1, 2010	397,869	1,075,605	82,069	619,357	116,931	258,335	0	2,550,166
Fund Balance, June 30, 2011	0	1,239,137	145,496	764,445	116,315	256,147	0	2,521,540

Exhibit G-2

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

	Debt Service Funds						Capital Projects Fund		Total Nonmajor Governmental Funds
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other Rural Debt Service	Total	General Capital Projects		
Revenues									
Local Taxes	\$ 1,255,736	\$ 393,282	\$ 1,333,278	\$ 453,706	\$ 381,614	\$ 3,817,616	\$ 274,763	\$ 5,372,813	
Licenses and Permits	0	0	0	0	0	0	0	5,963	
Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	299,541	
Charges for Current Services	0	0	0	0	0	0	0	1,623,667	
Other Local Revenues	297,588	0	65	0	0	297,653	0	356,339	
State of Tennessee	0	0	0	0	0	0	0	85,984	
Federal Government	0	0	492,911	0	0	492,911	0	492,911	
Other Governments and Citizens Groups	0	0	0	0	0	0	0	2,050	
Total Revenues	\$ 1,553,324	\$ 393,282	\$ 1,826,254	\$ 453,706	\$ 381,614	\$ 4,608,180	\$ 274,763	\$ 8,239,268	
Expenditures									
Current:									
General Government	0	0	0	0	0	0	0	180,163	
Finance	0	0	0	0	0	0	0	435,070	
Administration of Justice	0	0	0	0	0	0	0	942,307	
Public Safety	0	0	0	0	0	0	0	143,687	
Public Health and Welfare	0	0	0	0	0	0	0	1,182,343	
Other Operations	0	0	0	0	0	0	0	103,512	
Debt Service:									
Principal on Debt	949,000	310,000	175,000	310,000	0	1,744,000	0	1,744,000	
Interest on Debt	292,064	68,200	1,679,170	124,625	0	2,164,059	0	2,164,059	
Other Debt Service	37,846	4,580	16,228	9,569	3,674	71,897	0	71,897	
Capital Projects	0	0	0	0	0	0	73,630	73,630	
Total Expenditures	\$ 1,278,910	\$ 382,780	\$ 1,870,398	\$ 444,194	\$ 3,674	\$ 3,979,956	\$ 73,630	\$ 7,040,688	
Excess (Deficiency) of Revenues Over Expenditures	\$ 274,414	\$ 10,502	\$ (44,144)	\$ 9,512	\$ 377,940	\$ 628,224	\$ 201,133	\$ 1,198,600	
Other Financing Sources (Uses)									
Transfers Out	0	0	0	0	0	0	(13,655)	(41,524)	
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (13,655)	\$ (41,524)	
Net Change in Fund Balances	\$ 274,414	\$ 10,502	\$ (44,144)	\$ 9,512	\$ 377,940	\$ 628,224	\$ 187,478	\$ 787,076	
Fund Balance, July 1, 2010	111,672	610,821	2,457,997	235,961	1,206,822	4,623,273	341,419	7,514,858	
Fund Balance, June 30, 2011	\$ 386,086	\$ 621,323	\$ 2,413,853	\$ 245,473	\$ 1,584,762	\$ 5,251,497	\$ 528,897	\$ 8,301,934	

Exhibit G-3

Coffee County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Solid Waste/Sanitation Fund
 For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,139,182	\$ 0	\$ 0	\$ 1,139,182	\$ 1,139,386	\$ 1,139,386	\$ (204)
Licenses and Permits	5,963	0	0	5,963	6,500	6,500	(537)
Charges for Current Services	107,694	0	0	107,694	104,461	104,461	3,233
Other Local Revenues	58,424	0	0	58,424	25,000	25,000	33,424
State of Tennessee	60,299	0	0	60,299	79,007	79,007	(18,708)
Total Revenues	\$ 1,371,562	\$ 0	\$ 0	\$ 1,371,562	\$ 1,354,354	\$ 1,354,354	\$ 17,208
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Management	\$ 156,335	\$ 0	\$ 350	\$ 156,685	\$ 168,042	\$ 168,042	\$ 11,357
Waste Pickup	628,880	(3,425)	0	625,455	708,727	708,727	83,272
Convenience Centers	299,013	(11,319)	0	287,694	345,805	345,805	58,111
Other Waste Collection	98,115	0	2,724	100,839	102,986	127,986	27,147
Other Waste Disposal	0	0	0	0	4,500	4,500	4,500
<u>Other Operations</u>							
Other Charges	25,687	0	0	25,687	25,687	25,687	0
Total Expenditures	\$ 1,208,030	\$ (14,744)	\$ 3,074	\$ 1,196,360	\$ 1,355,747	\$ 1,380,747	\$ 184,387
Excess (Deficiency) of Revenues Over Expenditures	\$ 163,532	\$ 14,744	\$ (3,074)	\$ 175,202	\$ (1,393)	\$ (26,393)	\$ 201,595
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 1,075,605	\$ (14,744)	\$ 0	\$ 1,060,861	\$ 1,061,377	\$ 1,061,377	\$ (516)
Fund Balance, June 30, 2011	\$ 1,239,137	\$ 0	\$ (3,074)	\$ 1,236,063	\$ 1,059,984	\$ 1,034,984	\$ 201,079

Exhibit G-4

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 141,252	\$ 132,926	\$ 132,926	\$ 8,326
Total Revenues	\$ 141,252	\$ 132,926	\$ 132,926	\$ 8,326
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 77,825	\$ 79,000	\$ 79,000	\$ 1,175
Total Expenditures	\$ 77,825	\$ 79,000	\$ 79,000	\$ 1,175
Excess (Deficiency) of Revenues Over Expenditures	\$ 63,427	\$ 53,926	\$ 53,926	\$ 9,501
Net Change in Fund Balance	\$ 63,427	\$ 53,926	\$ 53,926	\$ 9,501
Fund Balance, July 1, 2010	82,069	82,069	82,069	0
Fund Balance, June 30, 2011	\$ 145,496	\$ 135,995	\$ 135,995	\$ 9,501

Exhibit G-5

Coffee 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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 262,828	\$ 0	\$ 0	\$ 262,828	\$ 130,000	\$ 130,000	\$ 132,828
Other Local Revenues	262	0	0	262	25,000	25,000	(24,738)
State of Tennessee	25,685	0	0	25,685	0	0	25,685
Total Revenues	\$ 288,775	\$ 0	\$ 0	\$ 288,775	\$ 155,000	\$ 155,000	\$ 133,775
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 143,687	(1,424)	74,611	216,874	322,000	322,000	105,126
Total Expenditures	\$ 143,687	(1,424)	74,611	216,874	322,000	322,000	105,126
Excess (Deficiency) of Revenues Over Expenditures	\$ 145,088	1,424	(74,611)	71,901	(167,000)	(167,000)	238,901
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 145,088	1,424	(74,611)	71,901	(167,000)	(167,000)	238,901
	619,357	(1,424)	0	617,933	617,933	617,933	0
Fund Balance, June 30, 2011	\$ 764,445	0	(74,611)	689,834	450,933	450,933	238,901

Exhibit G-6

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,255,736	\$ 1,378,598	\$ 1,378,598	\$ (122,862)
Other Local Revenues	297,588	305,040	305,040	(7,452)
Total Revenues	<u>\$ 1,553,324</u>	<u>\$ 1,683,638</u>	<u>\$ 1,683,638</u>	<u>\$ (130,314)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 949,000	\$ 949,000	\$ 949,000	\$ 0
<u>Interest on Debt</u>				
General Government	292,064	311,000	299,888	7,824
<u>Other Debt Service</u>				
General Government	37,846	30,000	41,112	3,266
Total Expenditures	<u>\$ 1,278,910</u>	<u>\$ 1,290,000</u>	<u>\$ 1,290,000</u>	<u>\$ 11,090</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 274,414</u>	<u>\$ 393,638</u>	<u>\$ 393,638</u>	<u>\$ (119,224)</u>
Net Change in Fund Balance	\$ 274,414	\$ 393,638	\$ 393,638	\$ (119,224)
Fund Balance, July 1, 2010	111,672	111,672	111,672	0
Fund Balance, June 30, 2011	<u>\$ 386,086</u>	<u>\$ 505,310</u>	<u>\$ 505,310</u>	<u>\$ (119,224)</u>

Exhibit G-7

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural Debt Service Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 393,282	\$ 368,223	\$ 368,223	\$ 25,059
Total Revenues	\$ 393,282	\$ 368,223	\$ 368,223	\$ 25,059
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 310,000	\$ 310,000	\$ 310,000	\$ 0
<u>Interest on Debt</u>				
Education	68,200	69,000	69,000	800
<u>Other Debt Service</u>				
General Government	0	25,000	5,000	5,000
Education	4,580	0	20,000	15,420
Total Expenditures	\$ 382,780	\$ 404,000	\$ 404,000	\$ 21,220
Excess (Deficiency) of Revenues Over Expenditures	\$ 10,502	\$ (35,777)	\$ (35,777)	\$ 46,279
Net Change in Fund Balance	\$ 10,502	\$ (35,777)	\$ (35,777)	\$ 46,279
Fund Balance, July 1, 2010	610,821	610,822	610,822	(1)
Fund Balance, June 30, 2011	\$ 621,323	\$ 575,045	\$ 575,045	\$ 46,278

Exhibit G-8

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Debt Service Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,333,278	\$ 1,300,000	\$ 1,300,000	\$ 33,278
Other Local Revenues	65	0	0	65
Federal Government	492,911	0	492,912	(1)
Total Revenues	\$ 1,826,254	\$ 1,300,000	\$ 1,792,912	\$ 33,342
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 175,000	\$ 175,000	\$ 175,000	\$ 0
<u>Interest on Debt</u>				
Education	1,679,170	1,321,695	1,814,607	135,437
<u>Other Debt Service</u>				
General Government	0	25,000	0	0
Education	16,228	0	25,000	8,772
Total Expenditures	\$ 1,870,398	\$ 1,521,695	\$ 2,014,607	\$ 144,209
Excess (Deficiency) of Revenues Over Expenditures	\$ (44,144)	\$ (221,695)	\$ (221,695)	\$ 177,551
Net Change in Fund Balance	\$ (44,144)	\$ (221,695)	\$ (221,695)	\$ 177,551
Fund Balance, July 1, 2010	2,457,997	2,457,997	2,457,997	0
Fund Balance, June 30, 2011	\$ 2,413,853	\$ 2,236,302	\$ 2,236,302	\$ 177,551

Exhibit G-9

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Debt Service Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 453,706	\$ 457,441	\$ 457,441	\$ (3,735)
Total Revenues	\$ 453,706	\$ 457,441	\$ 457,441	\$ (3,735)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 310,000	\$ 430,000	\$ 430,000	\$ 120,000
<u>Interest on Debt</u>				
Education	124,625	133,625	133,625	9,000
<u>Other Debt Service</u>				
General Government	0	11,000	0	0
Education	9,569	0	11,000	1,431
Total Expenditures	\$ 444,194	\$ 574,625	\$ 574,625	\$ 130,431
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,512	\$ (117,184)	\$ (117,184)	\$ 126,696
Net Change in Fund Balance	\$ 9,512	\$ (117,184)	\$ (117,184)	\$ 126,696
Fund Balance, July 1, 2010	235,961	235,961	235,961	0
Fund Balance, June 30, 2011	\$ 245,473	\$ 118,777	\$ 118,777	\$ 126,696

Exhibit G-10

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Rural Debt Service Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 381,614	\$ 360,000	\$ 360,000	\$ 21,614
Total Revenues	\$ 381,614	\$ 360,000	\$ 360,000	\$ 21,614
<u>Expenditures</u>				
<u>Other Debt Service</u>				
General Government	\$ 0	\$ 5,000	\$ 0	\$ 0
Education	3,674	0	5,000	1,326
Total Expenditures	\$ 3,674	\$ 5,000	\$ 5,000	\$ 1,326
Excess (Deficiency) of Revenues Over Expenditures	\$ 377,940	\$ 355,000	\$ 355,000	\$ 22,940
Net Change in Fund Balance	\$ 377,940	\$ 355,000	\$ 355,000	\$ 22,940
Fund Balance, July 1, 2010	1,206,822	1,206,822	1,206,822	0
Fund Balance, June 30, 2011	\$ 1,584,762	\$ 1,561,822	\$ 1,561,822	\$ 22,940

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.

City School ADA - Tullahoma Fund – The City School ADA - Tullahoma Fund is used to account for the Tullahoma City School's share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis.

City School ADA - Manchester Fund – The City School ADA - Manchester Fund is used to account for the Manchester City School's share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis.

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

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues held in trust for the benefit of the Fourteenth Judicial District Drug Task Force.

Exhibit H-1

Coffee County, Tennessee
 Combining Statement of Fiduciary Assets and Liabilities
 Fiduciary Funds
 June 30, 2011

	Agency Funds						Total
	Cities - Sales Tax	City School ADA- Tulahoma Fund	City School ADA- Manchester Fund	Constitu- tional Officers - Agency	Judicial District Drug Fund		
ASSETS							
Cash	\$ 0	\$ 0	\$ 0	\$ 1,871,503	\$ 0	\$ 0	\$ 1,871,503
Equity in Pooled Cash and Investments	0	13,443	36,676	0	144,276		194,395
Accounts Receivable	0	0	0	1,311	0		1,311
Due from Other Governments	1,700,876	75	35	0	7,288		1,708,274
Property Taxes Receivable	0	5,594,173	2,569,849	0	0		8,164,022
Allowance for Uncollectible Property Taxes	0	(135,924)	(61,532)	0	0		(197,456)
Total Assets	\$ 1,700,876	\$ 5,471,767	\$ 2,545,028	\$ 1,872,814	\$ 151,564	\$ 11,742,049	
LIABILITIES							
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 741	\$ 741	741
Payroll Deductions Payable	0	0	0	0	883		883
Cash Overdraft	0	16,100	0	0	0		16,100
Due to State of Tennessee	0	0	0	0	103		103
Due to Other Taxing Units	1,700,876	5,455,667	2,545,028	0	0		9,701,571
Due to Litigants, Heirs, and Others	0	0	0	1,872,814	0		1,872,814
Due to Joint Ventures	0	0	0	0	149,837		149,837
Total Liabilities	\$ 1,700,876	\$ 5,471,767	\$ 2,545,028	\$ 1,872,814	\$ 151,564	\$ 11,742,049	

Coffee County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 12,580,879	\$ 12,580,879	\$ 0
Due from Other Governments	2,305,593	1,700,876	2,305,593	1,700,876
Total Assets	\$ 2,305,593	\$ 14,281,755	\$ 14,886,472	\$ 1,700,876
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,305,593	\$ 14,281,755	\$ 14,886,472	\$ 1,700,876
Total Liabilities	\$ 2,305,593	\$ 14,281,755	\$ 14,886,472	\$ 1,700,876
<u>City School ADA-Tullahoma Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 44,622	\$ 5,254,244	\$ 5,285,423	\$ 13,443
Due from Other Governments	259	75	259	75
Property Taxes Receivable	4,662,033	5,594,173	4,662,033	5,594,173
Allowance for Uncollectible Property Taxes	(113,859)	113,859	135,924	(135,924)
Total Assets	\$ 4,593,055	\$ 10,962,351	\$ 10,083,639	\$ 5,471,767
<u>Liabilities</u>				
Cash Overdraft	\$ 0	\$ 16,100	\$ 0	\$ 16,100
Due to Other Taxing Units	4,593,055	10,946,251	10,083,639	5,455,667
Total Liabilities	\$ 4,593,055	\$ 10,962,351	\$ 10,083,639	\$ 5,471,767
<u>City School ADA-Manchester Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 19,888	\$ 2,417,262	\$ 2,400,474	\$ 36,676
Due from Other Governments	116	35	116	35
Property Taxes Receivable	2,320,521	2,569,849	2,320,521	2,569,849
Allowance for Uncollectible Property Taxes	(52,259)	52,259	61,532	(61,532)
Total Assets	\$ 2,288,266	\$ 5,039,405	\$ 4,782,643	\$ 2,545,028
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,288,266	\$ 5,039,405	\$ 4,782,643	\$ 2,545,028
Total Liabilities	\$ 2,288,266	\$ 5,039,405	\$ 4,782,643	\$ 2,545,028
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,978,752	\$ 8,704,307	\$ 8,811,556	\$ 1,871,503
Accounts Receivable	0	1,311	0	1,311
Total Assets	\$ 1,978,752	\$ 8,705,618	\$ 8,811,556	\$ 1,872,814
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,978,752	\$ 8,705,618	\$ 8,811,556	\$ 1,872,814
Total Liabilities	\$ 1,978,752	\$ 8,705,618	\$ 8,811,556	\$ 1,872,814

(Continued)

Coffee County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
Judicial District Drug Fund				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 226,079	\$ 296,662	\$ 378,465	\$ 144,276
Due from Other Governments	7,702	7,288	7,702	7,288
Total Assets	\$ 233,781	\$ 303,950	\$ 386,167	\$ 151,564
<u>Liabilities</u>				
Accounts Payable	\$ 538	\$ 741	\$ 538	\$ 741
Payroll Deductions Payable	1,346	883	1,346	883
Due to State of Tennessee	126	103	126	103
Due to Joint Ventures	231,771	302,223	384,157	149,837
Total Liabilities	\$ 233,781	\$ 303,950	\$ 386,167	\$ 151,564
Totals - All Agency Funds				
<u>Assets</u>				
Cash	\$ 1,978,752	\$ 8,704,307	\$ 8,811,556	\$ 1,871,503
Equity in Pooled Cash and Investments	290,589	20,549,047	20,645,241	194,395
Accounts Receivable	0	1,311	0	1,311
Due from Other Governments	2,313,670	1,708,274	2,313,670	1,708,274
Property Taxes Receivable	6,982,554	8,164,022	6,982,554	8,164,022
Allowance for Uncollectible Property Taxes	(166,118)	166,118	197,456	(197,456)
Total Assets	\$ 11,399,447	\$ 39,293,079	\$ 38,950,477	\$ 11,742,049
<u>Liabilities</u>				
Accounts Payable	\$ 538	\$ 741	\$ 538	\$ 741
Payroll Deductions Payable	1,346	883	1,346	883
Cash Overdraft	0	16,100	0	16,100
Due to State of Tennessee	126	103	126	103
Due to Other Taxing Units	9,186,914	30,267,411	29,752,754	9,701,571
Due to Litigants, Heirs, and Others	1,978,752	8,705,618	8,811,556	1,872,814
Due to Joint Ventures	231,771	302,223	384,157	149,837
Total Liabilities	\$ 11,399,447	\$ 39,293,079	\$ 38,950,477	\$ 11,742,049

Coffee County School Department

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

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

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

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

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

Exhibit I-1

Coffee County, Tennessee
Statement of Activities
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2011

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Total	Governmental	Activities
Governmental Activities:							
Instruction	\$ 22,334,800	\$ 3,071,818	\$ 946,750	\$ 78,983	\$	\$	(18,237,249)
Support Services	11,585,801	0	0	0			(11,585,801)
Operation of Non-Instructional Services	3,510,782	1,703,387	0	827,826			(979,569)
Capital Outlay	386,057	0	0	0			(386,057)
Interest on Long-term Debt	1,108	0	0	0			(1,108)
Other Debt Service	4,509	0	0	0			(4,509)
Total Governmental Activities	\$ 37,823,057	\$ 4,775,205	\$ 946,750	\$ 906,809	\$	\$	(31,194,293)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes						\$	8,209,565
Local Option Sales Taxes							3,562,465
Other Local Taxes							1,854
Grants and Contributions Not Restricted to Specific Programs							19,940,984
Unrestricted Investment Earnings							2,448
Miscellaneous							10,704
Sale of Equipment							5,346
Total General Revenues						\$	31,733,366
Insurance Recovery						\$	13,040
Change in Net Assets						\$	552,113
Net Assets, July 1, 2010							27,319,602
Net Assets, June 30, 2011						\$	27,871,715

Exhibit I-2

Coffee County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Coffee County School Department
June 30, 2011

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 245	\$ 3,695	\$ 3,940
Equity in Pooled Cash and Investments	3,519,228	1,326,100	4,845,328
Accounts Receivable	56,337	738	57,075
Due from Other Governments	1,203,138	109,263	1,312,401
Due from Other Funds	0	1,487	1,487
Property Taxes Receivable	8,701,035	0	8,701,035
Allowance for Uncollectible Property Taxes	(207,063)	0	(207,063)
Total Assets	<u>\$ 13,272,920</u>	<u>\$ 1,441,283</u>	<u>\$ 14,714,203</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 18,998	\$ 5,705	\$ 24,703
Accrued Payroll	2,192,203	225,114	2,417,317
Payroll Deductions Payable	803,276	70,672	873,948
Claims and Judgments Payable	180,590	0	180,590
Due to Other Funds	1,487	0	1,487
Other Current Liabilities	209	0	209
Deferred Revenue - Current Property Taxes	8,202,322	0	8,202,322
Deferred Revenue - Delinquent Property Taxes	260,492	0	260,492
Other Deferred Revenues	316,172	0	316,172
Total Liabilities	<u>\$ 11,975,749</u>	<u>\$ 301,491</u>	<u>\$ 12,277,240</u>
<u>Fund Balances</u>			
Restricted:			
Restricted for Education	\$ 96,011	\$ 724,320	\$ 820,331
Restricted for Capital Projects	0	314,727	314,727
Assigned:			
Assigned for Education	283,710	100,745	384,455
Unassigned	917,450	0	917,450
Total Fund Balances	<u>\$ 1,297,171</u>	<u>\$ 1,139,792</u>	<u>\$ 2,436,963</u>
Total Liabilities and Fund Balances	<u>\$ 13,272,920</u>	<u>\$ 1,441,283</u>	<u>\$ 14,714,203</u>

Exhibit I-3

Coffee County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Coffee County School Department
June 30, 2011

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 2,436,963	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$ 1,438,853		
Add: construction in progress	196,750		
Add: buildings and improvements net of accumulated depreciation	24,877,775		
Add: other capital assets net of accumulated depreciation	<u>1,942,739</u>	28,456,117	
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$ (357,142)		
Less: compensated absences payable	(65,943)		
Less: other postemployment benefits liability	<u>(3,174,944)</u>	(3,598,029)	
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>576,664</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 27,871,715</u>

Exhibit I-4

Coffee County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2011

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 11,727,109	\$ 0	\$ 11,727,109
Licenses and Permits	2,310	0	2,310
Charges for Current Services	158,406	748,403	906,809
Other Local Revenues	88,499	10,876	99,375
State of Tennessee	19,610,690	23,913	19,634,603
Federal Government	341,249	4,665,255	5,006,504
Other Governments and Citizens Groups	196,750	750,000	946,750
Total Revenues	<u>\$ 32,125,013</u>	<u>\$ 6,198,447</u>	<u>\$ 38,323,460</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 19,759,334	\$ 2,372,620	\$ 22,131,954
Support Services	10,742,985	1,004,352	11,747,337
Operation of Non-Instructional Services	1,088,105	2,427,777	3,515,882
Capital Outlay	386,057	0	386,057
Debt Service:			
Principal on Debt	151,970	0	151,970
Interest on Debt	3,324	0	3,324
Other Debt Service	4,509	0	4,509
Capital Projects	0	2,207,694	2,207,694
Total Expenditures	<u>\$ 32,136,284</u>	<u>\$ 8,012,443</u>	<u>\$ 40,148,727</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (11,271)</u>	<u>\$ (1,813,996)</u>	<u>\$ (1,825,267)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 13,040	\$ 0	\$ 13,040
Transfers In	26,661	0	26,661
Transfers Out	0	(26,661)	(26,661)
Total Other Financing Sources (Uses)	<u>\$ 39,701</u>	<u>\$ (26,661)</u>	<u>\$ 13,040</u>
Net Change in Fund Balances	\$ 28,430	\$ (1,840,657)	\$ (1,812,227)
Fund Balance, July 1, 2010	1,268,741	2,980,449	4,249,190
Fund Balance, June 30, 2011	<u>\$ 1,297,171</u>	<u>\$ 1,139,792</u>	<u>\$ 2,436,963</u>

Exhibit I-5

Coffee County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ (1,812,227)
(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	\$ 3,954,262	
Less: current-year depreciation expense	<u>(954,406)</u>	2,999,856
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2011	\$ 576,664	
Less: deferred delinquent property taxes and other deferred June 30, 2010	<u>(517,661)</u>	59,003
(3) The issuance of long-term debt (e.g., bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on notes		151,970
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 2,216	
Change in compensated absences payable	(16,922)	
Change in other postemployment benefits liability	<u>(831,783)</u>	<u>(846,489)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 552,113</u>

Exhibit I-6

Coffee County, Tennessee
 Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Coffee County School Department
 June 30, 2011

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Other Capital Projects	
<u>ASSETS</u>					
Cash	\$ 0	\$ 3,695	\$ 3,695	\$ 0	\$ 3,695
Equity in Pooled Cash and Investments	205,080	806,293	1,011,373	314,727	1,326,100
Accounts Receivable	0	738	738	0	738
Due from Other Governments	108,831	432	109,263	0	109,263
Due from Other Funds	1,487	0	1,487	0	1,487
Total Assets	<u>\$ 315,398</u>	<u>\$ 811,158</u>	<u>\$ 1,126,556</u>	<u>\$ 314,727</u>	<u>\$ 1,441,283</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 5,705	\$ 0	\$ 5,705	\$ 0	\$ 5,705
Accrued Payroll	154,419	70,695	225,114	0	225,114
Payroll Deductions Payable	47,326	23,346	70,672	0	70,672
Total Liabilities	<u>\$ 207,450</u>	<u>\$ 94,041</u>	<u>\$ 301,491</u>	<u>\$ 0</u>	<u>\$ 301,491</u>
<u>Fund Balances</u>					
Restricted:					
Restricted for Education	\$ 7,203	\$ 717,117	\$ 724,320	\$ 0	\$ 724,320
Restricted for Capital Projects	0	0	0	314,727	314,727
Assigned:					
Assigned for Education	100,745	0	100,745	0	100,745
Total Fund Balances	<u>\$ 107,948</u>	<u>\$ 717,117</u>	<u>\$ 825,065</u>	<u>\$ 314,727</u>	<u>\$ 1,139,792</u>
Total Liabilities and Fund Balances	<u>\$ 315,398</u>	<u>\$ 811,158</u>	<u>\$ 1,126,556</u>	<u>\$ 314,727</u>	<u>\$ 1,441,283</u>

Exhibit I-7

Coffee County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2011

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Other</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 748,403	\$ 748,403	\$ 0	\$ 748,403
Other Local Revenues	0	10,876	10,876	0	10,876
State of Tennessee	0	23,913	23,913	0	23,913
Federal Government	3,082,024	1,583,231	4,665,255	0	4,665,255
Other Governments and Citizens Groups	0	0	0	750,000	750,000
Total Revenues	\$ 3,082,024	\$ 2,366,423	\$ 5,448,447	\$ 750,000	\$ 6,198,447
<u>Expenditures</u>					
Current:					
Instruction	\$ 2,192,157	\$ 0	\$ 2,192,157	\$ 180,463	\$ 2,372,620
Support Services	1,001,693	0	1,001,693	2,659	1,004,352
Operation of Non-Instructional Services	0	2,427,777	2,427,777	0	2,427,777
Capital Projects	0	0	0	2,207,694	2,207,694
Total Expenditures	\$ 3,193,850	\$ 2,427,777	\$ 5,621,627	\$ 2,390,816	\$ 8,012,443
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (111,826)	\$ (61,354)	\$ (173,180)	\$ (1,640,816)	\$ (1,813,996)
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (26,661)	\$ 0	\$ (26,661)	\$ 0	\$ (26,661)
Total Other Financing Sources (Uses)	\$ (26,661)	\$ 0	\$ (26,661)	\$ 0	\$ (26,661)
Net Change in Fund Balances					
Fund Balance, July 1, 2010	\$ 246,435	\$ 778,471	\$ 1,024,906	\$ 1,955,543	\$ 2,980,449
Fund Balance, June 30, 2011	\$ 107,948	\$ 717,117	\$ 825,065	\$ 314,727	\$ 1,139,792

Exhibit I-8

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
General Purpose School Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		7/1/2010	Encumbrances 6/30/2011			Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 11,727,109	\$ 0	\$ 0	\$ 0	\$ 11,727,109	\$ 11,822,899	\$ 11,653,899	\$ 73,210
Licenses and Permits	2,310	0	0	0	2,310	2,000	2,000	310
Charges for Current Services	158,406	0	0	0	158,406	204,200	204,200	(45,794)
Other Local Revenues	88,499	0	0	0	88,499	48,700	79,281	9,218
State of Tennessee	19,610,690	0	0	0	19,610,690	19,289,051	19,782,407	(171,717)
Federal Government	341,249	0	0	0	341,249	313,567	380,250	(39,001)
Other Governments and Citizens Groups	196,750	0	0	0	196,750	0	1,530,000	(1,333,250)
Total Revenues	\$ 32,125,013	\$ 0	\$ 0	\$ 0	\$ 32,125,013	\$ 31,680,417	\$ 33,632,037	\$ (1,507,024)
<u>Expenditures</u>								
<u>Instruction</u>								
Regular Instruction Program	\$ 15,607,084	\$ (64,420)	\$ 67,744	\$ 15,610,408	\$ 15,610,408	\$ 15,692,531	\$ 15,672,153	\$ 61,745
Special Education Program	2,820,283	(10,653)	1,954	2,811,584	2,974,342	2,938,342	2,938,342	126,758
Vocational Education Program	1,274,063	(3,497)	20,961	1,291,527	1,336,505	1,326,205	1,326,205	34,678
Student Body Education Program	57,904	0	0	57,904	58,743	60,561	60,561	2,657
<u>Support Services</u>								
Attendance	98,448	0	0	98,448	99,724	99,724	99,724	1,276
Health Services	523,988	(49)	2,763	526,702	489,483	532,803	532,803	6,101
Other Student Support	837,548	(2,843)	0	834,705	904,213	848,711	848,711	14,006
Regular Instruction Program	1,214,567	0	0	1,214,567	1,261,786	1,250,061	1,250,061	35,494
Special Education Program	263,101	(475)	0	262,626	269,703	269,703	269,703	7,077
Vocational Education Program	49,914	0	0	49,914	51,509	51,509	51,509	1,595
Other Programs	216,659	0	0	216,659	0	216,659	216,659	0
Board of Education	1,049,249	(1,190)	0	1,048,059	972,891	1,048,077	1,048,077	18

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	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	\$ 274,299	\$ 0	\$ 15	\$ 274,314	\$ 281,045	\$ 281,045	\$ 6,731
Office of the Principal	1,621,862	0	0	1,621,862	1,605,021	1,630,236	8,374
Fiscal Services	249,444	0	744	250,188	252,510	252,510	2,322
Operation of Plant	1,935,569	(150)	68	1,935,487	1,987,748	1,936,248	761
Maintenance of Plant	545,075	0	0	545,075	545,708	563,931	18,856
Transportation	1,863,262	(2,375)	393	1,861,280	1,897,759	1,936,759	75,479
<u>Operation of Non-Instructional Services</u>							
Community Services	456,046	(21,953)	1,908	436,001	441,068	479,761	43,760
Early Childhood Education	632,059	(37,837)	32,010	626,232	624,895	624,895	(1,337)
<u>Capital Outlay</u>							
Regular Capital Outlay	386,057	0	155,150	541,207	197,741	1,823,741	1,282,534
Principal on Debt	151,970	0	0	151,970	151,970	151,971	1
Education							
Interest on Debt							
Education	3,324	0	0	3,324	6,000	3,325	1
Other Debt Service							
Education	4,509	0	0	4,509	0	4,509	0
Total Expenditures	\$ 32,136,284	\$ (145,442)	\$ 283,710	\$ 32,274,552	\$ 32,102,895	\$ 34,003,439	\$ 1,728,887
Excess (Deficiency) of Revenues Over Expenditures	\$ (11,271)	\$ 145,442	\$ (283,710)	\$ (149,539)	\$ (422,478)	\$ (371,402)	\$ 221,863

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 13,040	\$ 0	\$ 0	\$ 13,040	\$ 0	\$ 15,000	\$ (1,960)
Transfers In	26,661	0	0	26,661	26,000	15,135	11,526
Transfers Out	0	0	0	0	(14,865)	0	0
Total Other Financing Sources (Uses)	\$ 39,701	\$ 0	\$ 0	\$ 39,701	\$ 11,135	\$ 30,135	\$ 9,566
Net Change in Fund Balance	\$ 28,430	\$ 145,442	\$ (283,710)	\$ (109,838)	\$ (411,343)	\$ (341,267)	\$ 231,429
Fund Balance, July 1, 2010	1,268,741	(145,442)	0	1,123,299	886,030	886,030	237,269
Fund Balance, June 30, 2011	\$ 1,297,171	\$ 0	\$ (283,710)	\$ 1,013,461	\$ 474,687	\$ 544,763	\$ 468,698

Exhibit I-9

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
School Federal Projects Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2010	Encumbrances 6/30/2011			Original	Final	
<u>Revenues</u>								
Federal Government	\$ 3,082,024	\$ 0	\$ 0	\$ 0	\$ 3,082,024	\$ 3,424,276	\$ 3,465,676	\$ (383,652)
Total Revenues	\$ 3,082,024	\$ 0	\$ 0	\$ 0	\$ 3,082,024	\$ 3,424,276	\$ 3,465,676	\$ (383,652)
<u>Expenditures</u>								
<u>Instruction</u>								
Regular Instruction Program	\$ 1,094,168	\$ (14,580)	\$ 21,991	\$ 1,101,579	\$ 1,180,851	\$ 1,171,340	\$ 69,761	\$ 229,376
Special Education Program	1,024,135	0	12,358	1,036,493	1,301,166	1,265,869	1,168	8,832
Vocational Education Program	73,854	(5,415)	30,763	99,202	64,350	100,370	73,776	3,671
Support Services								
Other Student Support	75,932	(4,245)	4,836	76,523	79,975	85,355	8,832	8,832
Regular Instruction Program	426,705	(15,672)	16,058	427,091	491,058	500,867	73,776	73,776
Special Education Program	92,779	0	13,905	106,684	78,231	110,355	3,671	3,671
Vocational Education Program	3,750	(947)	834	3,637	3,641	3,641	4	4
Transportation	402,527	(200,354)	0	202,173	200,000	203,173	1,000	1,000
Total Expenditures	\$ 3,193,850	\$ (241,213)	\$ 100,745	\$ 3,053,382	\$ 3,399,272	\$ 3,440,970	\$ 387,588	\$ 387,588
Excess (Deficiency) of Revenues Over Expenditures	\$ (111,826)	\$ 241,213	\$ (100,745)	\$ 28,642	\$ 25,004	\$ 24,706	\$ 3,936	\$ 3,936
<u>Other Financing Sources (Uses)</u>								
Transfers Out	\$ (26,661)	\$ 0	\$ 0	\$ (26,661)	\$ (30,154)	\$ (29,856)	\$ 3,195	\$ 3,195
Total Other Financing Sources (Uses)	\$ (26,661)	\$ 0	\$ 0	\$ (26,661)	\$ (30,154)	\$ (29,856)	\$ 3,195	\$ 3,195
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (138,487)	\$ 241,213	\$ (100,745)	\$ 1,981	\$ (5,150)	\$ (5,150)	\$ 7,131	\$ 7,131
	246,435	(241,213)	0	5,222	5,222	5,222	0	0
Fund Balance, June 30, 2011	\$ 107,948	\$ 0	\$ (100,745)	\$ 7,203	\$ 72	\$ 72	\$ 7,131	\$ 7,131

Exhibit I-10

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 748,403 \$	0 \$	748,403 \$	802,670 \$	802,670 \$	(54,267)
Other Local Revenues	10,876	0	10,876	2,500	8,050	2,826
State of Tennessee	23,913	0	23,913	24,000	24,000	(87)
Federal Government	1,583,231	0	1,583,231	1,399,100	1,561,603	21,628
Total Revenues	\$ 2,366,423 \$	0 \$	2,366,423 \$	2,228,270 \$	2,396,323 \$	(29,900)
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 2,427,777 \$	(29,577) \$	2,398,200 \$	2,262,579 \$	2,468,632 \$	70,432
Total Expenditures	\$ 2,427,777 \$	(29,577) \$	2,398,200 \$	2,262,579 \$	2,468,632 \$	70,432
Excess (Deficiency) of Revenues Over Expenditures	\$ (61,354) \$	29,577 \$	(31,777) \$	(34,309) \$	(72,309) \$	40,532
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (61,354) \$	29,577 \$	(31,777) \$	(34,309) \$	(72,309) \$	40,532
	778,471	(29,577)	748,894	742,635	742,635	6,259
Fund Balance, June 30, 2011	\$ 717,117 \$	0 \$	717,117 \$	708,326 \$	670,326 \$	46,791

MISCELLANEOUS SCHEDULES

Exhibit J-1

Coffee County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
Primary Government and Discretely Presented Coffee County School Department
For the Year Ended June 30, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-11
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES:								
NOTES PAYABLE								
Payable through <u>General Debt Service Fund</u>								
County Improvement Capital Outlay Notes	\$ 654,000	3.4 %	2-16-05	2-15-11	\$ 109,000	\$ 0	\$ 109,000	\$ 0
Total Notes Payable					\$ 109,000	\$ 0	\$ 109,000	\$ 0
OTHER LOANS PAYABLE								
Payable through <u>General Debt Service Fund</u>								
Public Facilities, Industrial Park, Convention Center, and Water/Sewer Projects, Series 2001A	5,800,000	3.75 to 5	1-1-01	6-30-11	\$ 380,000	\$ 0	\$ 380,000	\$ 0
Public Improvement, Series Z-4-A	4,510,000	3.55 to 4	11-2-06	3-1-21	4,410,000	0	25,000	4,385,000
Total Payable through General Debt Service Fund					\$ 4,790,000	\$ 0	\$ 405,000	\$ 4,385,000
Payable through <u>Special Debt Service Fund</u>								
Education Improvement Series Z-6-A	7,600,000	4.75	12-10-08	6-1-26	\$ 7,050,000	\$ 0	\$ 175,000	\$ 6,875,000
Qualified School Construction Loans	3,027,000	0	(2) 10-7-10	7-1-27	0	3,027,000	0	3,027,000
Total Payable through Special Debt Service Fund					\$ 7,050,000	\$ 3,027,000	\$ 175,000	\$ 9,902,000
Total Other Loans Payable					\$ 11,840,000	\$ 3,027,000	\$ 580,000	\$ 14,287,000

(Continued)

Coffee County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
Primary Government and Discretely Presented Coffee County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-11
<u>PRIMARY GOVERNMENT (CONT.)</u>								
<u>GOVERNMENTAL ACTIVITIES (CONT.)</u>								
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Refunding Bonds, Series 2006C	\$ 2,745,000	4	% 11-29-06	2-1-15	\$ 1,365,000	0 \$	435,000 \$	930,000
General Obligation Refunding Bonds, Series 2009	1,500,000	2.56	10-1-09	6-1-17	1,500,000	0	0	1,500,000
Total Payable through General Debt Service Fund					\$ 2,865,000	0 \$	435,000 \$	2,430,000
<u>Payable through Rural Debt Service Fund</u>								
Rural School Refunding, Series 2006B	2,615,000	4	11-29-06	2-1-15	\$ 1,705,000	0 \$	310,000 \$	1,395,000
<u>Payable through Special Debt Service Fund</u>								
Build America Bonds	(1)	4.75	7-15-09	6-1-43	11,616,719	750,000	0	12,366,719
Total Payable through Special Debt Service Fund					\$ 11,616,719	750,000 \$	0 \$	12,366,719
<u>Payable through Education Debt Service Fund</u>								
Senior High School Refunding Bonds, Series 2006A	4,110,000	3.75 to 4	11-29-06	2-1-18	3,200,000	0	310,000	2,890,000
Total Bonds Payable					\$ 19,386,719	750,000 \$	1,055,000 \$	19,081,719
<u>BUSINESS-TYPE ACTIVITIES:</u>								
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through Wayside Acres Sewer Fund</u>								
Sewer Construction	224,000	4.125	10-10-06	10-10-44	\$ 214,435	0 \$	2,857 \$	211,578
Sewer Construction	100,000	4.375	12-20-06	12-20-44	96,153	0	1,206	94,947
Total Other Loans Payable					\$ 310,588	0 \$	4,063 \$	306,525

(Continued)

Exhibit J-1

Coffee County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
Primary Government and Discretely Presented Coffee County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-11
<u>DISCRETELY PRESENTED COFFEE COUNTY SCHOOL DEPARTMENT</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Purpose School Fund</u>								
School Buses	\$ 372,000	4.07	10-24-05	10-24-10	\$ 80,541	\$ 0	\$ 80,541	0
Energy Efficiency Improvements	500,000	0	9-5-07	7-15-15	428,571	0	71,429	357,142
Total Notes Payable					\$ 509,112	\$ 0	\$ 151,970	\$ 357,142

(1) Total amount approved was \$17,125,000, of which \$4,758,281 remains available for draws as of June 30, 2011.

(2) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy, resulting in a net interest rate of zero percent.

Exhibit J-2

Coffee County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Coffee County School Department

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES:

Year Ending June 30	Other Loans		Total
	Principal	Interest (1)	
2012	\$ 642,400	\$ 637,656	\$ 1,280,056
2013	708,880	618,257	1,327,137
2014	753,880	597,457	1,351,337
2015	788,880	574,857	1,363,737
2016	1,038,880	550,857	1,589,737
2017	1,098,880	515,782	1,614,662
2018	1,133,880	479,332	1,613,212
2019	1,203,880	441,284	1,645,164
2020	1,248,880	399,117	1,647,997
2021	1,343,880	354,299	1,698,179
2022	788,880	304,499	1,093,379
2023	753,880	274,499	1,028,379
2024	803,880	246,249	1,050,129
2025	868,880	215,499	1,084,379
2026	883,880	146,749	1,030,629
2027	207,474	146,749	354,223
2028	17,806	73,371	91,177
Total	\$ 14,287,000	\$ 6,576,513	\$ 20,863,513

(Continued)

Exhibit J-2

Coffee County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Coffee County School Department (Cont.)

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES (CONT.)

Year Ending June 30	Bonds		Total
	Principal	Interest	
2012	\$ 1,095,000	\$ 1,474,525	\$ 2,569,525
2013	1,125,000	1,430,725	2,555,725
2014	1,160,000	1,388,725	2,548,725
2015	1,200,000	1,345,325	2,545,325
2016	1,005,000	1,300,325	2,305,325
2017	1,035,000	1,264,888	2,299,888
2018	95,000	1,227,958	1,322,958
2019	0	1,224,300	1,224,300
2020	0	1,224,300	1,224,300
2021	0	1,224,300	1,224,300
2022	0	1,224,300	1,224,300
2023	0	1,224,300	1,224,300
2024	0	1,224,300	1,224,300
2025	0	1,224,300	1,224,300
2026	0	1,224,300	1,224,300
2027	0	1,224,300	1,224,300
2028	0	1,224,300	1,224,300
2029	0	1,224,300	1,224,300
2030	0	1,224,300	1,224,300
2031	0	1,224,300	1,224,300
2032	0	1,224,300	1,224,300
2033	0	1,224,300	1,224,300
2034	0	1,224,300	1,224,300
2035	0	1,224,300	1,224,300
2036	0	1,224,300	1,224,300
2037	0	1,224,300	1,224,300
2038	2,125,000	1,224,300	3,349,300
2039	2,225,000	1,224,300	3,449,300
2040	2,325,000	1,075,550	3,400,550
2041	2,425,000	919,800	3,344,800
2042	2,550,000	752,400	3,302,400
2043	716,719	105,619	822,338
Total	\$ 19,081,719	\$ 37,996,140	\$ 57,077,859

(Continued)

Exhibit J-2

Coffee County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Coffee County School Department (Cont.)

PRIMARY GOVERNMENT

BUSINESS-TYPE ACTIVITIES:

Year Ending June 30	Other Loans		Total
	Principal	Interest	
2012	\$ 4,305	\$ 12,807	\$ 17,112
2013	4,489	12,623	17,112
2014	4,680	12,432	17,112
2015	4,880	12,232	17,112
2016	5,089	12,023	17,112
2017	5,306	11,806	17,112
2018	5,533	11,579	17,112
2019	5,770	11,342	17,112
2020	6,016	11,096	17,112
2021	6,274	10,838	17,112
2022	6,543	10,569	17,112
2023	6,822	10,290	17,112
2024	7,114	9,998	17,112
2025	7,418	9,694	17,112
2026	7,736	9,376	17,112
2027	8,067	9,045	17,112
2028	8,412	8,700	17,112
2029	8,773	8,339	17,112
2030	9,149	7,963	17,112
2031	9,540	7,572	17,112
2032	9,948	7,164	17,112
2033	10,375	6,737	17,112
2034	10,818	6,294	17,112
2035	11,282	5,830	17,112
2036	11,766	5,346	17,112
2037	12,269	4,843	17,112
2038	12,795	4,316	17,111
2039	13,344	3,768	17,112
2040	13,915	3,197	17,112
2041	14,511	2,601	17,112
2042	15,134	1,978	17,112
2043	15,782	1,330	17,112
2044	16,458	615	17,073
2045	6,212	39	6,251
Total	\$ 306,525	\$ 264,382	\$ 570,907

(Continued)

Exhibit J-2

Coffee County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Coffee County School Department (Cont.)

DISCRETELY PRESENTED COFFEE
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Notes		Total
	Principal	Interest	
2012	\$ 71,429	\$ 0	\$ 71,429
2013	71,429	0	71,429
2014	71,428	0	71,428
2015	71,428	0	71,428
2016	71,428	0	71,428
Total	\$ 357,142	\$ 0	\$ 357,142

(1) Includes interest requirements on Qualified School Construction Bonds, Series 2010, before federal interest rate subsidy.

Exhibit J-3

Coffee County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Coffee County School Department
For the Year Ended June 30, 2011

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Public Library	General	To close fund	\$ 397,869
General Capital Projects	Wayside Acres Sewer (enterprise fund)	Operations	13,655
Total Transfers Primary Government			<u>\$ 411,524</u>
<u>DISCRETELY PRESENTED COFFEE</u>			
<u>COFFEE SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 26,661</u>

Coffee County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Coffee County School Department
For the Year Ended June 30, 2011

Official	Authorization for Salary	Salary Paid During Period (1)	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 81,816 (2)	\$ 50,000	Auto-Owners Mutual Insurance Company
Road Superintendent:				
Alvin Harper (7-1-10 through 8-31-10)	Section 8-24-102, TCA	14,493	100,000	State Auto Insurance Company
Steve Parks (9-1-10 through 6-30-11)	Section 8-24-102, TCA	63,428 (3)	100,000	Auto-Owners Mutual Insurance Company
Director of Schools	State Board of Education and Coffee County Board of Education	99,795 (4)	(5)	"
Trustee	Section 8-24-102, TCA	70,838 (6)	1,727,490	"
Assessor of Property	Section 8-24-102, TCA	70,838 (6)	10,000	State Auto Insurance Company
Director of Accounts and Budgets	Coffee County Commission	66,996	20,000	Auto-Owners Mutual Insurance Company
County Clerk	Section 8-24-102, TCA	70,838 (6)	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA, and Coffee County Personnel Policies	70,838 (6) (7)	50,000	"
Clerk and Master Register	Section 8-24-102, TCA	70,838 (6) (8)	50,000	"
Sheriff	Section 8-24-102, TCA, and Coffee County Personnel Policies	70,838 (6)	25,000	"
Employee Blanket Bonds:		77,921 (3) (9)	25,000	"
Public Employee Dishonesty - County Departments (excluding Highway Department)			150,000	Tennessee Risk Management Trust
Public Employee Dishonesty - Highway Department			150,000	Local Government Insurance Pool
Public Employee Dishonesty - School Department			150,000	Tennessee Risk Management Trust

- (1) All Coffee County employees have an option under the county's personnel policies to opt out of the medical insurance plan and receive an incentive payment equal to 67 percent of the cost of single coverage.
- (2) Includes a retroactive payment of \$1,590 for the change in population class due to the 2010 census.
- (3) Includes a retroactive payment of \$1,514 for the change in population class due to the 2010 census.
- (4) Includes a chief executive officer training supplement of \$600.
- (5) The director is covered under the School Department's blanket bond.
- (6) Includes a retroactive payment of \$1,377 for the change in population class due to the 2010 census.
- (7) Does not include a \$2,754 payment in-lieu-of insurance benefits and \$5,400 in special commissioner fees.
- (8) Does not include \$1,080 in special commissioner fees.
- (9) Does not include a \$1,189 payment in-lieu-of insurance benefits and a law enforcement training supplement of \$600.

Coffee County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2011

	Special Revenue Funds							Highway / Public Works
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Constitu- tional Officers - Fees		
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 7,567,037	\$ 755,943	\$ 1,39,184	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	201,180	21,331	1,668	0	0	0	0	0
Trustee's Collections - Bankruptcy	2,580	149	0	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	52,473	13,820	0	0	0	0	0	0
Interest and Penalty	63,207	9,459	400	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	596	141	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	7,907	1,867	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	3,245	824	0	0	0	0	0	0
<u>County Local Option Taxes</u>								
Local Option Sales Tax	288,729	91,588	0	0	0	0	0	0
Litigation Tax - General	212,637	0	0	0	0	0	0	0
Litigation Tax - Special Purpose	85,777	0	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	0
Litigation Tax - Courtroom Security	45,400	0	0	0	0	0	0	0
Business Tax	811,537	0	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0	64,422
<u>Statutory Local Taxes</u>								
Bank Excise Tax	66,711	0	0	0	0	0	0	0
Wholesale Beer Tax	0	244,060	0	0	0	0	0	0
Interstate Telecommunications Tax	1,460	0	0	0	0	0	0	0
Total Local Taxes	\$ 9,410,476	\$ 1,139,182	\$ 141,252	\$ 0	\$ 0	\$ 0	\$ 0	\$ 64,422
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	\$ 120,606	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>								
Beer Permits	0	5,963	0	0	0	0	0	0
Building Permits	46,260	0	0	0	0	0	0	0
Plumbing Permits	3,150	0	0	0	0	0	0	0
Other Permits	14,612	0	0	0	0	0	0	0
Total Licenses and Permits	\$ 184,628	\$ 5,963	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds							Highway / Public Works
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Constitu- tional Officers - Fees		
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 10,303	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	7,085	0	0	0	0	0	0	0
Drug Control Fines	116,814	0	0	104,098	0	0	0	0
District Attorney General Fees	0	0	0	0	11,478	0	0	0
Judicial Commissioner Fees	2,579	0	0	0	0	0	0	0
DUI Treatment Fines	1,878	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	9,411	0	0	0	0	0	0	0
Courtroom Security Fee	194	0	0	0	0	0	0	0
<u>General Sessions Court</u>								
Fines	61,350	0	0	0	0	0	0	0
Officers Costs	74,384	0	0	0	0	0	0	0
Game and Fish Fines	522	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	38,324	0	0	0	0
Jail Fees	19,532	0	0	0	0	0	0	0
Interpreter Fees	2,397	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	25,235	0	0	0
Judicial Commissioner Fees	7,369	0	0	0	0	0	0	0
DUI Treatment Fines	11,203	0	0	0	0	0	0	0
Courtroom Security Fee	2,963	0	0	0	0	0	0	0
<u>Juvenile Court</u>								
Fines	1,643	0	0	0	0	0	0	0
Officers Costs	3,694	0	0	0	0	0	0	0
Judicial Commissioner Fees	572	0	0	0	0	0	0	0
<u>Chancery Court</u>								
Officers Costs	3,817	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	2,965	0	0	0	0	0	0	0
Courtroom Security Fee	4,463	0	0	0	0	0	0	0
<u>Other Courts - In-county</u>								
Drug Control Fines	22,299	0	0	0	0	0	0	0
Drug Court Fees	28,020	0	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 120,406	\$ 0	\$ 0	\$ 0
Total Fines, Forfeitures, and Penalties	\$ 395,457	\$ 0	\$ 0	\$ 262,828	\$ 36,713	\$ 0	\$ 0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Convenience Waste Centers Collection Charge	\$ 0	\$ 12,073	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fees	0	95,621	0	0	0	0	0
Patient Charges	1,155,882	0	0	0	0	0	0
Work Release Charges for Board	13,623	0	0	0	0	0	0
Other General Service Charges	1,865	0	0	0	0	0	0
<u>Fees</u>							
Subdivision Lot Fees	6,800	0	0	0	0	0	0
Recreation Fees	20,312	0	0	0	0	0	0
Copy Fees	5,745	0	0	0	0	0	0
Library Fees	62,961	0	0	0	0	0	0
Archives and Records Management Fee - County Clerk	46	0	0	0	0	0	0
Greenbelt Late Application Fee	100	0	0	0	0	0	0
Telephone Commissions	49,223	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	1,515,973	0
Data Processing Fee - Register	15,916	0	0	0	0	0	0
Probation Fees	319,188	0	0	0	0	0	0
Data Processing Fee - Sheriff	2,244	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	4,500	0	0	0	0	0	0
Data Processing Fee - County Clerk	5,018	0	0	0	0	0	0
<u>Other Charges for Services</u>							
Other Charges for Services	42,500	0	0	0	0	0	0
Total Charges for Current Services	\$ 1,705,923	\$ 107,694	\$ 0	\$ 0	\$ 0	\$ 1,515,973	\$ 0

(Continued)

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

	Special Revenue Funds							Highway / Public Works
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Constitu- tional Officers - Fees		
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	251
Lease/Rentals	15,725	0	0	0	0	0	0	0
Commissary Sales	6,963	0	0	0	0	0	0	0
Sale of Maps	206	0	0	0	0	0	0	0
Sale of Recycled Materials	0	57,674	0	0	0	0	0	2,236
Miscellaneous Refunds	16,423	32	0	12	0	0	0	12
<u>Nonrecurring Items</u>								
Gain on Retirement of Debt	0	0	0	0	0	0	0	0
Sale of Equipment	0	0	0	0	0	0	0	6,480
Sale of Property	564	0	0	0	0	0	0	0
Damages Recovered from Individuals	650	718	0	0	0	0	0	0
Contributions and Gifts	285,308	0	0	250	0	0	0	0
Total Other Local Revenues	\$ 325,839	\$ 58,424	\$ 0	\$ 262	\$ 0	\$ 0	\$ 0	\$ 8,979
<u>Fees Received from County Officials</u>								
<u>Excess Fees</u>								
County Clerk	\$ 239,025	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	249,902	0	0	0	0	0	0	0
Clerk and Master	51,406	0	0	0	0	0	0	0
Register	22,966	0	0	0	0	0	0	0
Trustee	623,000	0	0	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>								
Sheriff	23,582	0	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,209,881	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 14,265	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	29,601	0	0	0	0	0	0
On-Behalf Contributions for OPEB	601	0	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds							Highway / Public Works
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Constitu- tional Officers - Fees		
<u>State of Tennessee (Cont.)</u>								
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	\$ 25,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Public Safety Grants	1,118	0	0	0	0	0	0	0
<u>Health and Welfare Grants</u>								
Other Health and Welfare Grants	2,435	0	0	0	0	0	0	0
<u>Public Works Grants</u>								
State Aid Program	0	0	0	0	0	0	0	322,919
Litter Program	0	30,698	0	0	0	0	0	0
<u>Other State Revenues</u>								
Income Tax	74,640	0	0	0	0	0	0	0
Beer Tax	26,919	0	0	0	0	0	0	0
Alcoholic Beverage Tax	70,649	0	0	0	0	0	0	0
Mixed Drink Tax	2,947	0	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	237,450	0	0	0	0	0	0	0
Contracted Prisoner Boarding	1,016,784	0	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0	1,854,772
Petroleum Special Tax	0	0	0	0	0	0	0	38,560
T.B.I. - Equipment Reimbursement	1,614	0	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0
Other State Grants	598,477	0	0	25,685	0	0	0	0
Other State Revenues	3,725	0	0	0	0	0	0	0
Total State of Tennessee	\$ 2,092,588	\$ 60,299	\$ 0	\$ 25,685	\$ 0	\$ 0	\$ 0	\$ 2,216,251
<u>Federal Government</u>								
<u>Federal Through State</u>								
Community Development	\$ 3,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	45,528	0	0	0	0	0	0	0
Homeland Security Grants	230,003	0	0	0	0	0	0	0
Other Federal through State	16,120	0	0	0	0	0	0	0
<u>Direct Federal Revenue</u>								
Tax Credit Bond Rebate	0	0	0	0	0	0	0	0
Total Federal Government	\$ 295,151	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds							Highway / Public Works
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Constitu- tional Officers - Fees		
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Contributions	\$ 22,045	\$ 0	\$ 0	\$ 0	\$ 2,050	\$ 0	\$ 0	0
Contracted Services	6,130	0	0	0	0	0	0	0
<u>Citizens Groups</u>								
Donations	27,001	0	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 55,176	\$ 0	\$ 0	\$ 0	\$ 2,050	\$ 0	\$ 0	0
Total	\$ 15,675,119	\$ 1,371,562	\$ 141,252	\$ 288,775	\$ 38,763	\$ 1,515,973	\$ 2,289,652	0

(Continued)

Exhibit J-5

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

	Debt Service Funds						Capital Projects Funds				Total
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other		General Capital Projects	Education Capital Projects			
					Rural Debt Service						
<u>Local Taxes</u>											
<u>County Property Taxes</u>											
Current Property Tax	\$ 1,002,113	\$ 4,388	\$ 0	\$ 426,672	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,895,337	
Trustee's Collections - Prior Year	18,271	12,190	0	15,581	0	0	0	0	0	270,221	
Trustee's Collections - Bankruptcy	255	97	0	81	0	0	0	0	0	3,162	
Circuit/Clerk & Master Collections - Prior Years	5,327	6,105	0	5,274	0	0	0	0	0	82,999	
Interest and Penalty	6,524	3,893	0	5,012	0	0	0	0	0	88,495	
Payments in-Lieu-of Taxes - T.V.A.	79	1	0	54	0	0	0	0	0	871	
Payments in-Lieu-of Taxes - Local Utilities	1,047	11	0	717	0	0	0	0	0	11,549	
Payments in-Lieu-of Taxes - Other	365	246	0	315	0	0	0	0	0	4,995	
<u>County Local Option Taxes</u>											
Local Option Sales Tax	0	366,351	1,333,278	0	381,614	274,763	0	2,736,323	0	2,736,323	
Litigation Tax - General	0	0	0	0	0	0	0	212,637	0	212,637	
Litigation Tax - Special Purpose	0	0	0	0	0	0	0	85,777	0	85,777	
Litigation Tax - Jail, Workhouse, or Courthouse	221,755	0	0	0	0	0	0	221,755	0	221,755	
Litigation Tax - Courtroom Security	0	0	0	0	0	0	0	45,400	0	45,400	
Business Tax	0	0	0	0	0	0	0	811,537	0	811,537	
Mineral Severance Tax	0	0	0	0	0	0	0	64,422	0	64,422	
<u>Statutory Local Taxes</u>											
Bank Excise Tax	0	0	0	0	0	0	0	66,711	0	66,711	
Wholesale Beer Tax	0	0	0	0	0	0	0	244,060	0	244,060	
Interstate Telecommunications Tax	0	0	0	0	0	0	0	1,460	0	1,460	
Total Local Taxes	\$ 1,255,736	\$ 393,282	\$ 1,333,278	\$ 453,706	\$ 381,614	\$ 274,763	\$ 0	\$ 14,847,711	\$ 0	\$ 14,847,711	
<u>Licenses and Permits</u>											
<u>Licenses</u>											
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 120,606	\$ 0	\$ 120,606	
<u>Permits</u>											
Beer Permits	0	0	0	0	0	0	0	5,963	0	5,963	
Building Permits	0	0	0	0	0	0	0	46,260	0	46,260	
Plumbing Permits	0	0	0	0	0	0	0	3,150	0	3,150	
Other Permits	0	0	0	0	0	0	0	14,612	0	14,612	
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 190,591	\$ 0	\$ 190,591	

(Continued)

Exhibit J-5

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

	Debt Service Funds				Capital Projects Funds				Total
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other			Education Capital Projects	
					Rural Debt Service	General Capital Projects	Education Capital Projects		
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,303
Officers Costs	0	0	0	0	0	0	0	0	7,085
Drug Control Fines	0	0	0	0	0	0	0	0	220,912
District Attorney General Fees	0	0	0	0	0	0	0	0	11,478
Judicial Commissioner Fees	0	0	0	0	0	0	0	0	2,579
DUI Treatment Fines	0	0	0	0	0	0	0	0	1,878
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	0	9,411
Courtroom Security Fee	0	0	0	0	0	0	0	0	194
<u>General Sessions Court</u>									
Fines	0	0	0	0	0	0	0	0	61,350
Officers Costs	0	0	0	0	0	0	0	0	74,384
Game and Fish Fines	0	0	0	0	0	0	0	0	522
Drug Control Fines	0	0	0	0	0	0	0	0	38,324
Jail Fees	0	0	0	0	0	0	0	0	19,532
Interpreter Fees	0	0	0	0	0	0	0	0	2,397
District Attorney General Fees	0	0	0	0	0	0	0	0	25,235
Judicial Commissioner Fees	0	0	0	0	0	0	0	0	7,369
DUI Treatment Fines	0	0	0	0	0	0	0	0	11,203
Courtroom Security Fee	0	0	0	0	0	0	0	0	2,963
<u>Juvenile Court</u>									
Fines	0	0	0	0	0	0	0	0	1,643
Officers Costs	0	0	0	0	0	0	0	0	3,694
Judicial Commissioner Fees	0	0	0	0	0	0	0	0	572
<u>Chancery Court</u>									
Officers Costs	0	0	0	0	0	0	0	0	3,817
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	0	2,965
Courtroom Security Fee	0	0	0	0	0	0	0	0	4,463
<u>Other Courts - In-county</u>									
Drug Control Fines	0	0	0	0	0	0	0	0	22,299
Drug Court Fees	0	0	0	0	0	0	0	0	28,020

(Continued)

Exhibit J-5

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

	Debt Service Funds				Capital Projects Funds				Total
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other Rural Debt Service	General Capital Projects	Education Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>									
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	120,406
Total Fines, Forfeitures, and Penalties	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	694,998
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Convenience Waste Centers Collection Charge	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	12,073
Solid Waste Disposal Fees	0	0	0	0	0	0	0	0	95,621
Patient Charges	0	0	0	0	0	0	0	0	1,155,882
Work Release Charges for Board	0	0	0	0	0	0	0	0	13,623
Other General Service Charges	0	0	0	0	0	0	0	0	1,865
<u>Fees</u>									
Subdivision Lot Fees	0	0	0	0	0	0	0	0	6,800
Recreation Fees	0	0	0	0	0	0	0	0	20,312
Copy Fees	0	0	0	0	0	0	0	0	5,745
Library Fees	0	0	0	0	0	0	0	0	62,961
Archives and Records Management Fee - County Clerk	0	0	0	0	0	0	0	0	46
Greenbelt Late Application Fee	0	0	0	0	0	0	0	0	100
Telephone Commissions	0	0	0	0	0	0	0	0	49,223
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0	0	1,515,973
Data Processing Fee - Register	0	0	0	0	0	0	0	0	15,916
Probation Fees	0	0	0	0	0	0	0	0	319,188
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	2,244
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	0	4,500
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	0	5,018
<u>Other Charges for Services</u>									
Other Charges for Services	0	0	0	0	0	0	0	0	42,500
Total Charges for Current Services	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	3,329,590

(Continued)

Exhibit J-5

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

	Debt Service Funds					Capital Projects Funds					Total	
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other Rural Debt Service	General Capital Projects	Education Capital Projects					
<u>Other Local Revenues</u>												
<u>Recurring Items</u>												
Investment Income	\$ 166,238	\$ 0	\$ 65	\$ 0	\$ 0	\$ 0	\$ 4,105	\$ 0	\$ 0	\$ 0	\$ 0	\$ 170,659
Lease/Rentals	105,040	0	0	0	0	0	0	0	0	0	0	120,765
Commissary Sales	0	0	0	0	0	0	0	0	0	0	0	6,963
Sale of Maps	0	0	0	0	0	0	0	0	0	0	0	206
Sale of Recycled Materials	0	0	0	0	0	0	0	0	0	0	0	59,910
Miscellaneous Refunds	0	0	0	0	0	0	0	0	0	0	0	16,479
<u>Nonrecurring Items</u>												
Gain on Retirement of Debt	60	0	0	0	0	0	0	0	0	0	0	60
Sale of Equipment	0	0	0	0	0	0	0	0	0	0	0	6,480
Sale of Property	26,250	0	0	0	0	0	0	0	0	0	0	26,814
Damages Recovered from Individuals	0	0	0	0	0	0	0	0	0	0	0	1,368
Contributions and Gifts	0	0	0	0	0	0	0	0	0	0	0	285,558
Total Other Local Revenues	\$ 297,588	\$ 0	\$ 65	\$ 0	\$ 0	\$ 0	\$ 4,105	\$ 0	\$ 0	\$ 0	\$ 0	\$ 695,292
<u>Fees Received from County Officials</u>												
<u>Excess Fees</u>												
County Clerk	0	0	0	0	0	0	0	0	0	0	0	239,025
Circuit Court Clerk	0	0	0	0	0	0	0	0	0	0	0	249,902
Clerk and Master	0	0	0	0	0	0	0	0	0	0	0	51,406
Register	0	0	0	0	0	0	0	0	0	0	0	22,966
Trustee	0	0	0	0	0	0	0	0	0	0	0	623,000
Fees in-Lieu-of Salary												
Sheriff	0	0	0	0	0	0	0	0	0	0	0	23,582
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,209,881
<u>State of Tennessee</u>												
<u>General Government Grants</u>												
Juvenile Services Program	0	0	0	0	0	0	0	0	0	0	0	14,265
Solid Waste Grants	0	0	0	0	0	0	0	0	0	0	0	29,601
On-Behalf Contributions for OPEB	0	0	0	0	0	0	0	0	0	0	0	601

(Continued)

Exhibit J-5

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

	Debt Service Funds				Capital Projects Funds				Total
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other Rural Debt Service	General Capital Projects	Education Capital Projects		
<u>State of Tennessee (Cont.)</u>									
<u>Public Safety Grants</u>									
Law Enforcement Training Programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,800
Other Public Safety Grants	0	0	0	0	0	0	0	0	1,118
<u>Health and Welfare Grants</u>									
Other Health and Welfare Grants	0	0	0	0	0	0	0	0	2,435
<u>Public Works Grants</u>									
State Aid Program	0	0	0	0	0	0	0	0	322,919
Litter Program	0	0	0	0	0	0	0	0	30,698
<u>Other State Revenues</u>									
Income Tax	0	0	0	0	0	0	0	0	74,640
Beer Tax	0	0	0	0	0	0	0	0	26,919
Alcoholic Beverage Tax	0	0	0	0	0	0	0	0	70,649
Mixed Drink Tax	0	0	0	0	0	0	0	0	2,947
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0	0	237,450
Contracted Prisoner Boarding	0	0	0	0	0	0	0	0	1,016,784
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0	0	1,854,772
Petroleum Special Tax	0	0	0	0	0	0	0	0	38,560
T.B.I. - Equipment Reimbursement	0	0	0	0	0	0	0	0	1,614
Registrar's Salary Supplement	0	0	0	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	0	0	0	624,162
Other State Revenues	0	0	0	0	0	0	0	0	3,725
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,394,823
<u>Federal Government</u>									
<u>Federal Through State</u>									
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,500
Civil Defense Reimbursement	0	0	0	0	0	0	0	0	45,528
Homeland Security Grants	0	0	0	0	0	0	0	0	230,003
Other Federal through State	0	0	0	0	0	0	0	0	16,120
<u>Direct Federal Revenue</u>									
Tax Credit Bond Rebate	0	0	492,911	0	0	0	0	0	492,911
Total Federal Government	\$ 0	\$ 0	\$ 492,911	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 788,062

(Continued)

Exhibit J-5

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

	Debt Service Funds				Capital Projects Funds				Total
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other Rural Debt Service	General Capital Projects	Education Capital Projects		
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24,095
Contracted Services	0	0	0	0	0	0	0	0	6,130
<u>Citizens Groups</u>									
Donations	0	0	0	0	0	0	0	0	27,001
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 57,226
Total	\$ 1,553,324	\$ 393,282	\$ 1,826,254	\$ 453,706	\$ 381,614	\$ 274,763	\$ 4,105	\$ 26,208,144	

Exhibit J-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2011

	General Purpose School	School Federal Projects	Central Cafeteria	Other Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 7,791,045	\$ 0	\$ 0	\$ 0	\$ 7,791,045
Trustee's Collections - Prior Year	250,984	0	0	0	250,984
Trustee's Collections - Bankruptcy	2,349	0	0	0	2,349
Circuit/Clerk & Master Collections - Prior Years	50,356	0	0	0	50,356
Interest and Penalty	62,739	0	0	0	62,739
Payments in-Lieu-of Taxes - T.V.A.	616	0	0	0	616
Payments in-Lieu-of Taxes - Local Utilities	8,175	0	0	0	8,175
Payments in-Lieu-of Taxes - Other	3,437	0	0	0	3,437
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,555,554	0	0	0	3,555,554
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	1,854	0	0	0	1,854
Total Local Taxes	\$ 11,727,109	\$ 0	\$ 0	\$ 0	\$ 11,727,109
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,310	\$ 0	\$ 0	\$ 0	\$ 2,310
Total Licenses and Permits	\$ 2,310	\$ 0	\$ 0	\$ 0	\$ 2,310
<u>Charges for Current Services</u>					
<u>Fees</u>					
Recreation Fees	\$ 876	\$ 0	\$ 0	\$ 0	\$ 876
<u>Education Charges</u>					
Tuition - Summer School	12,550	0	0	0	12,550
Lunch Payments - Children	0	0	474,458	0	474,458
Lunch Payments - Adults	0	0	58,282	0	58,282
Income from Breakfast	0	0	48,299	0	48,299
A la carte Sales	0	0	167,324	0	167,324
Receipts from Individual Schools	66,433	0	0	0	66,433
Community Service Fees - Children	78,527	0	0	0	78,527
<u>Other Charges for Services</u>					
Other Charges for Services	20	0	40	0	60
Total Charges for Current Services	\$ 158,406	\$ 0	\$ 748,403	\$ 0	\$ 906,809
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 2,448	\$ 0	\$ 2,448
Sale of Materials and Supplies	1,154	0	0	0	1,154
Refund of Telecommunication & Internet Fees (E-Rate)	23,421	0	0	0	23,421
Miscellaneous Refunds	4,734	0	603	0	5,337
<u>Nonrecurring Items</u>					
Sale of Equipment	24,494	0	1,185	0	25,679
Damages Recovered from Individuals	4,213	0	0	0	4,213
Contributions and Gifts	5,630	0	0	0	5,630
<u>Other Local Revenues</u>					
Other Local Revenues	24,853	0	6,640	0	31,493
Total Other Local Revenues	\$ 88,499	\$ 0	\$ 10,876	\$ 0	\$ 99,375

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Other Capital Projects	Total
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 216,659	\$ 0	\$ 0	\$ 0	\$ 216,659
<u>State Education Funds</u>					
Basic Education Program	15,813,798	0	0	0	15,813,798
Basic Education Program - ARRA	1,712,201	0	0	0	1,712,201
Early Childhood Education	624,894	0	0	0	624,894
School Food Service	0	0	23,913	0	23,913
Energy Efficient School Initiative	96,243	0	0	0	96,243
Driver Education	16,201	0	0	0	16,201
Other State Education Funds	2,385	0	0	0	2,385
Coordinated School Health - ARRA	85,000	0	0	0	85,000
Internet Connectivity - ARRA	12,998	0	0	0	12,998
Family Resource Centers - ARRA	66,600	0	0	0	66,600
Statewide Student Management System (SSMS) - ARRA	10,969	0	0	0	10,969
Career Ladder Program	189,546	0	0	0	189,546
Career Ladder - Extended Contract - ARRA	66,267	0	0	0	66,267
<u>Other State Revenues</u>					
Alcoholic Beverage Tax	3,889	0	0	0	3,889
State Revenue Sharing - T.V.A.	671,240	0	0	0	671,240
Safe Schools - ARRA	21,800	0	0	0	21,800
Total State of Tennessee	\$ 19,610,690	\$ 0	\$ 23,913	\$ 0	\$ 19,634,603
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,022,354	\$ 0	\$ 1,022,354
USDA - Commodities	0	0	162,503	0	162,503
Breakfast	0	0	393,520	0	393,520
USDA - Other	0	0	4,854	0	4,854
Vocational Education - Basic Grants to States	0	89,544	0	0	89,544
Other Vocational	0	41,400	0	0	41,400
Title I Grants to Local Education Agencies	0	1,039,880	0	0	1,039,880
Special Education - Grants to States	0	1,362,498	0	0	1,362,498
Special Education Preschool Grants	0	27,525	0	0	27,525
English Language Acquisition Grants	0	30,936	0	0	30,936
Safe and Drug-free Schools - State Grants	0	2,192	0	0	2,192
Education for Homeless Children and Youth	0	2,376	0	0	2,376
Eisenhower Professional Development State Grants	0	192,663	0	0	192,663
Race-to-the-Top - ARRA	0	202,102	0	0	202,102
Other Federal through State	289,923	90,908	0	0	380,831
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	51,326	0	0	0	51,326
Total Federal Government	\$ 341,249	\$ 3,082,024	\$ 1,583,231	\$ 0	\$ 5,006,504
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 196,750	\$ 0	\$ 0	\$ 750,000	\$ 946,750
Total Other Governments and Citizens Groups	\$ 196,750	\$ 0	\$ 0	\$ 750,000	\$ 946,750
Total	\$ 32,125,013	\$ 3,082,024	\$ 2,366,423	\$ 750,000	\$ 38,323,460

Exhibit J-7

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2011

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	16,300	
Social Security		1,247	
Audit Services		14,404	
Dues and Memberships		1,700	
Maintenance Agreements		750	
Travel		5,589	
Total County Commission			\$ 39,990

Board of Equalization

Board and Committee Members Fees	\$	1,360	
Social Security		104	
Total Board of Equalization			1,464

Other Boards and Committees

Board and Committee Members Fees	\$	22,169	
Social Security		1,691	
Travel		502	
Total Other Boards and Committees			24,362

County Mayor/Executive

County Official/Administrative Officer	\$	81,816	
Secretary(ies)		31,047	
Clerical Personnel		30,344	
Part-time Personnel		3,879	
Social Security		11,096	
State Retirement		12,717	
Medical Insurance		11,120	
Dental Insurance		774	
Unemployment Compensation		108	
Communication		6,625	
Dues and Memberships		8,954	
Legal Notices, Recording, and Court Costs		1,900	
Maintenance Agreements		2,320	
Printing, Stationery, and Forms		115	
Travel		492	
Office Supplies		2,100	
Other Charges		5,895	
Total County Mayor/Executive			211,302

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	4,800	
Legal Services		41,015	
Total County Attorney			\$ 45,815

Election Commission

County Official/Administrative Officer	\$	63,754	
Deputy(ies)		87,497	
Clerical Personnel		9,106	
Overtime Pay		3,274	
Election Commission		8,956	
Election Workers		58,395	
Social Security		14,372	
State Retirement		13,431	
Medical Insurance		22,459	
Dental Insurance		1,032	
Unemployment Compensation		436	
Communication		2,725	
Operating Lease Payments		1,580	
Legal Notices, Recording, and Court Costs		42,022	
Maintenance Agreements		20,923	
Maintenance and Repair Services - Equipment		5,612	
Travel		2,518	
Other Contracted Services		2,540	
Office Supplies		3,633	
Utilities		336	
In Service/Staff Development		600	
Voting Machines		8,920	
Total Election Commission			374,121

Register of Deeds

Social Security	\$	13,250	
State Retirement		12,278	
Medical Insurance		20,706	
Dental Insurance		1,032	
Unemployment Compensation		162	
Communication		1,835	
Operating Lease Payments		14,246	
Maintenance Agreements		2,954	
Data Processing Supplies		2,535	
Office Supplies		3,156	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Office Equipment	\$ 2,745	
Total Register of Deeds		\$ 74,899

Codes Compliance

Supervisor/Director	\$ 37,567	
Investigator(s)	24,343	
Social Security	4,822	
State Retirement	4,237	
Medical Insurance	7,781	
Dental Insurance	258	
Unemployment Compensation	162	
Communication	1,219	
Consultants	269	
Contracts with Private Agencies	12,786	
Dues and Memberships	175	
Operating Lease Payments	7,162	
Legal Notices, Recording, and Court Costs	394	
Maintenance and Repair Services - Office Equipment	452	
Maintenance and Repair Services - Vehicles	993	
Printing, Stationery, and Forms	532	
Gasoline	1,760	
Office Supplies	2,203	
In Service/Staff Development	622	
Data Processing Equipment	531	
Office Equipment	1,081	
Total Codes Compliance		109,349

County Buildings

Supervisor/Director	\$ 46,203
Custodial Personnel	71,493
Maintenance Personnel	77,239
Part-time Personnel	8,048
Overtime Pay	11,166
Social Security	16,263
State Retirement	18,301
Medical Insurance	31,045
Dental Insurance	1,547
Unemployment Compensation	478
Communication	29,854
Contracts with Private Agencies	2,656

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Maintenance Agreements	\$	83,533	
Maintenance and Repair Services - Buildings		70,867	
Maintenance and Repair Services - Equipment		5,332	
Maintenance and Repair Services - Vehicles		385	
Pest Control		3,990	
Disposal Fees		166	
Other Contracted Services		34,505	
Custodial Supplies		15,794	
Data Processing Supplies		7,692	
Electricity		116,689	
Gasoline		6,187	
Natural Gas		32,844	
Office Supplies		881	
Water and Sewer		6,000	
Other Supplies and Materials		350	
Building Improvements		52,879	
Maintenance Equipment		4,249	
Total County Buildings			\$ 756,636

Other General Administration

On-Behalf Payments to OPEB	\$	601	
Communication		4,640	
Data Processing Services		19,243	
Maintenance Agreements		24,537	
Postal Charges		51,429	
Total Other General Administration			100,450

Preservation of Records

Other Supplies and Materials	\$	104	
Total Preservation of Records			104

Finance

Accounting and Budgeting

Supervisor/Director	\$	66,996	
Accountants/Bookkeepers		116,869	
Social Security		13,843	
State Retirement		15,417	
Medical Insurance		19,646	
Dental Insurance		1,182	
Unemployment Compensation		269	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Communication	\$	1,515	
Dues and Memberships		530	
Legal Notices, Recording, and Court Costs		3,761	
Maintenance Agreements		9,868	
Maintenance and Repair Services - Vehicles		99	
Other Contracted Services		170	
Office Supplies		6,022	
In Service/Staff Development		2,240	
Total Accounting and Budgeting			\$ 258,427

Property Assessor's Office

County Official/Administrative Officer	\$	70,838	
Clerical Personnel		171,059	
Social Security		18,858	
State Retirement		21,481	
Medical Insurance		29,663	
Dental Insurance		1,805	
Unemployment Compensation		324	
Audit Services		23,790	
Communication		1,883	
Data Processing Services		25,082	
Dues and Memberships		1,343	
Maintenance Agreements		96	
Maintenance and Repair Services - Vehicles		1,322	
Printing, Stationery, and Forms		311	
Gasoline		3,273	
Office Supplies		647	
Total Property Assessor's Office			371,775

Reappraisal Program

Data Processing Supplies	\$	376	
Other Charges		4,572	
Total Reappraisal Program			4,948

County Trustee's Office

Social Security	\$	13,712	
State Retirement		16,795	
Medical Insurance		27,434	
Dental Insurance		1,289	
Unemployment Compensation		216	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Communication	\$	1,253	
Maintenance Agreements		9,352	
Maintenance and Repair Services - Office Equipment		125	
Postal Charges		6,434	
Office Supplies		2,202	
Office Equipment		2,309	
Total County Trustee's Office			\$ 81,121

County Clerk's Office

Social Security	\$	18,152	
State Retirement		19,559	
Medical Insurance		29,807	
Dental Insurance		1,805	
Unemployment Compensation		416	
Communication		2,113	
Maintenance Agreements		24,761	
Maintenance and Repair Services - Office Equipment		484	
Printing, Stationery, and Forms		787	
Office Supplies		3,438	
Other Charges		5,976	
Total County Clerk's Office			107,298

Administration of Justice

Circuit Court

Jury and Witness Expense	\$	9,104	
Social Security		55,184	
State Retirement		51,854	
Medical Insurance		104,825	
Dental Insurance		5,267	
Unemployment Compensation		1,402	
Communication		3,481	
Maintenance Agreements		15,198	
Printing, Stationery, and Forms		5,500	
Duplicating Supplies		4,500	
Office Supplies		5,511	
Other Charges		9,411	
Office Equipment		2,391	
Total Circuit Court			273,628

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Maintenance Agreements	\$	4,399	
Maintenance and Repair Services - Office Equipment		238	
Printing, Stationery, and Forms		5,951	
Duplicating Supplies		835	
Office Supplies		4,925	
Office Equipment		1,098	
Total General Sessions Court			\$ 17,446

General Sessions Judge

Judge(s)	\$	296,002	
Social Security		18,182	
State Retirement		13,142	
Medical Insurance		11,162	
Dental Insurance		516	
Communication		1,096	
Dues and Memberships		315	
Evaluation and Testing		800	
Legal Services		7,104	
Travel		1,392	
Office Supplies		89	
Periodicals		6,036	
Total General Sessions Judge			355,836

Drug Court

Drug Treatment	\$	202,410	
Total Drug Court			202,410

Chancery Court

Clerical Personnel	\$	53,261	
Social Security		14,236	
State Retirement		16,622	
Medical Insurance		22,885	
Dental Insurance		1,268	
Unemployment Compensation		270	
Communication		2,125	
Maintenance Agreements		9,919	
Printing, Stationery, and Forms		2,791	
Office Supplies		3,490	
Periodicals		883	
Other Supplies and Materials		913	
Total Chancery Court			128,663

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners

County Official/Administrative Officer	\$	78,724	
Temporary Personnel		12,646	
Overtime Pay		612	
Social Security		6,847	
State Retirement		6,927	
Medical Insurance		15,334	
Dental Insurance		774	
Unemployment Compensation		231	
Communication		1,646	
Maintenance Agreements		227	
Office Supplies		459	
In Service/Staff Development		913	
Office Equipment		800	
Total Judicial Commissioners			\$ 126,140

Probation Services

Supervisor/Director	\$	37,567	
Probation Officer(s)		80,011	
Clerical Personnel		19,535	
Part-time Personnel		22,063	
Overtime Pay		168	
Social Security		12,288	
State Retirement		9,757	
Medical Insurance		16,215	
Dental Insurance		516	
Unemployment Compensation		448	
Communication		3,410	
Maintenance Agreements		1,855	
Maintenance and Repair Services - Vehicles		184	
Printing, Stationery, and Forms		504	
Travel		32	
Gasoline		147	
Office Supplies		3,184	
Other Supplies and Materials		773	
In Service/Staff Development		54	
Communication Equipment		300	
Office Equipment		1,958	
Total Probation Services			210,969

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	77,921	
Deputy(ies)		1,226,442	
Salary Supplements		25,800	
Secretary(ies)		40,121	
Clerical Personnel		54,899	
Overtime Pay		76,760	
Other Salaries and Wages		78,157	
Social Security		123,798	
State Retirement		126,803	
Medical Insurance		197,875	
Dental Insurance		9,963	
Unemployment Compensation		2,446	
Communication		28,274	
Dues and Memberships		2,100	
Evaluation and Testing		600	
Maintenance Agreements		5,596	
Maintenance and Repair Services - Equipment		576	
Maintenance and Repair Services - Vehicles		59,512	
Printing, Stationery, and Forms		441	
Travel		5,450	
Gasoline		186,058	
Instructional Supplies and Materials		3,497	
Law Enforcement Supplies		3,492	
Office Supplies		6,846	
Uniforms		5,793	
Communication Equipment		4,944	
Data Processing Equipment		7,181	
Motor Vehicles		862	
Total Sheriff's Department			\$ 2,362,207

Traffic Control

Contracts with Other Public Agencies	\$	10,400	
Road Signs		3,497	
Total Traffic Control			13,897

Administration of the Sexual Offender Registry

Law Enforcement Supplies	\$	1,600	
Total Administration of the Sexual Offender Registry			1,600

(Continued)

Exhibit J-7

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

General Fund (Cont.)
Public Safety (Cont.)

Jail

Deputy(ies)	\$	218,651	
Medical Personnel		98,888	
Guards		566,419	
Clerical Personnel		46,279	
Attendants		20,881	
Cafeteria Personnel		25,659	
Overtime Pay		61,500	
Other Salaries and Wages		48,939	
Social Security		82,253	
State Retirement		70,681	
Medical Insurance		172,357	
Dental Insurance		9,157	
Unemployment Compensation		2,935	
Communication		14,716	
Contracts with Private Agencies		57,000	
Evaluation and Testing		2,050	
Maintenance Agreements		8,153	
Maintenance and Repair Services - Buildings		3,216	
Maintenance and Repair Services - Equipment		540	
Medical and Dental Services		542,361	
Printing, Stationery, and Forms		2,842	
Transportation - Other than Students		5,336	
Travel		2,643	
Custodial Supplies		45,656	
Electricity		96,600	
Food Supplies		267,829	
Law Enforcement Supplies		1,040	
Natural Gas		30,328	
Office Supplies		3,073	
Periodicals		1,046	
Prisoners Clothing		8,530	
Uniforms		3,945	
Water and Sewer		47,000	
Communication Equipment		4,548	
Data Processing Equipment		7,739	
Furniture and Fixtures		13,940	
Law Enforcement Equipment		922	
Total Jail			\$ 2,595,652

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services

Supervisor/Director	\$	39,855	
Youth Service Officer(s)		120,385	
Salary Supplements		9,000	
Secretary(ies)		8,941	
Part-time Personnel		14,409	
Other Salaries and Wages		7,800	
Social Security		14,862	
State Retirement		16,515	
Medical Insurance		26,313	
Dental Insurance		1,397	
Unemployment Compensation		314	
Communication		2,543	
Contracts with Government Agencies		43,050	
Maintenance Agreements		1,465	
Travel		4,168	
Other Contracted Services		2,593	
Office Supplies		1,832	
Total Juvenile Services			\$ 315,442

Rural Fire Protection

Contributions	\$	282,000	
Total Rural Fire Protection			282,000

Civil Defense

Supervisor/Director	\$	38,695	
Deputy(ies)		37,109	
Other Salaries and Wages		29,383	
Social Security		7,339	
State Retirement		6,314	
Medical Insurance		14,292	
Dental Insurance		774	
Unemployment Compensation		162	
Communication		4,588	
Dues and Memberships		165	
Maintenance and Repair Services - Buildings		1,050	
Maintenance and Repair Services - Vehicles		2,365	
Travel		550	
Food Supplies		1,384	
Gasoline		5,560	
Office Supplies		3,364	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Uniforms	\$	1,147	
Other Supplies and Materials		1,400	
In Service/Staff Development		494	
Other Charges		51,573	
Communication Equipment		43,981	
Motor Vehicles		6,500	
Total Civil Defense			\$ 258,189

Rescue Squad

Contributions	\$	17,000	
Total Rescue Squad			17,000

County Coroner/Medical Examiner

Medical and Dental Services	\$	45,130	
Total County Coroner/Medical Examiner			45,130

Other Public Safety

Supervisor/Director	\$	42,559	
Salary Supplements		32,082	
Dispatchers/Radio Operators		450,085	
Educational Assistants		37,072	
Overtime Pay		14,946	
Other Salaries and Wages		21,164	
Social Security		43,569	
State Retirement		51,940	
Medical Insurance		95,698	
Dental Insurance		5,103	
Unemployment Compensation		1,031	
Total Other Public Safety			795,249

Public Health and Welfare

Local Health Center

Medical Personnel	\$	186,899	
Clerical Personnel		146,461	
Educational Assistants		103,484	
Social Security		34,048	
State Retirement		31,859	
Medical Insurance		52,044	
Dental Insurance		2,557	
Unemployment Compensation		1,119	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Communication	\$	8,294	
Contributions		35,360	
Maintenance and Repair Services - Buildings		7,541	
Travel		19,651	
Drugs and Medical Supplies		117	
Office Supplies		1,387	
Utilities		10,417	
Other Supplies and Materials		18,820	
Liability Insurance		491	
In Service/Staff Development		130	
Total Local Health Center			\$ 660,679

Rabies and Animal Control

Supervisor/Director	\$	30,143	
Deputy(ies)		20,943	
Overtime Pay		3,359	
Social Security		4,124	
State Retirement		4,301	
Medical Insurance		8,762	
Dental Insurance		516	
Unemployment Compensation		125	
Communication		2,576	
Dues and Memberships		125	
Maintenance and Repair Services - Buildings		175	
Maintenance and Repair Services - Vehicles		2,887	
Veterinary Services		4,112	
Custodial Supplies		438	
Drugs and Medical Supplies		840	
Gasoline		4,925	
Office Supplies		1,130	
Uniforms		750	
Utilities		1,200	
In Service/Staff Development		525	
Total Rabies and Animal Control			91,956

Ambulance/Emergency Medical Services

Assistant(s)	\$	16,731	
Supervisor/Director		52,696	
Accountants/Bookkeepers		50,949	
Medical Personnel		809,600	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Overtime Pay	\$ 473,875	
In-Service Training	6,987	
Social Security	105,408	
State Retirement	102,978	
Medical Insurance	163,933	
Dental Insurance	7,438	
Unemployment Compensation	2,934	
Communication	11,777	
Consultants	3,000	
Data Processing Services	900	
Dues and Memberships	645	
Operating Lease Payments	3,454	
Licenses	3,272	
Maintenance and Repair Services - Buildings	8,266	
Maintenance and Repair Services - Equipment	17,087	
Maintenance and Repair Services - Vehicles	34,981	
Medical and Dental Services	934	
Travel	1,652	
Custodial Supplies	2,383	
Drugs and Medical Supplies	52,030	
Gasoline	48,327	
Office Supplies	4,418	
Tires and Tubes	1,889	
Uniforms	10,742	
Utilities	28,793	
Other Supplies and Materials	7,850	
Liability Insurance	29,099	
Vehicle and Equipment Insurance	16,378	
Other Charges	9,738	
Communication Equipment	5,232	
Furniture and Fixtures	7,528	
Motor Vehicles	8,305	
Health Equipment	150,161	
Other Equipment	7,357	
Total Ambulance/Emergency Medical Services		\$ 2,269,727

Alcohol and Drug Programs

Other Supplies and Materials	\$ 2,000	
Total Alcohol and Drug Programs		2,000

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Appropriation to State

Contributions	\$ 85,461	
Total Appropriation to State		\$ 85,461

General Welfare Assistance

Contributions	\$ 31,580	
Total General Welfare Assistance		31,580

Other Waste Disposal

Disposal Fees	\$ 61,461	
Total Other Waste Disposal		61,461

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 66,087	
Tax Relief Program	128,881	
Total Senior Citizens Assistance		194,968

Libraries

Librarians	\$ 486,731
Social Security	36,278
State Retirement	33,603
Medical Insurance	67,460
Dental Insurance	3,095
Unemployment Compensation	1,337
Communication	6,791
Dues and Memberships	355
Janitorial Services	12,289
Maintenance Agreements	22,751
Maintenance and Repair Services - Buildings	237
Maintenance and Repair Services - Equipment	904
Printing, Stationery, and Forms	776
Travel	1,822
Other Contracted Services	15,406
Riprap	21,095
Library Books/Media	60,234
Office Supplies	16,286
Periodicals	3,596
Utilities	46,025
Other Supplies and Materials	10,327
Data Processing Equipment	2,168

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Office Equipment	\$ 8,604	
Total Libraries		\$ 858,170

Other Social, Cultural, and Recreational

Other Contracted Services	\$ 5,325	
Library Books/Media	1,402	
Other Supplies and Materials	1,664	
Office Equipment	14,720	
Total Other Social, Cultural, and Recreational		23,111

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$ 74,368	
Secretary(ies)	48,618	
Social Security	766	
State Retirement	889	
Unemployment Compensation	58	
Other Fringe Benefits	39,270	
Communication	670	
Contracts with Private Agencies	27,756	
Maintenance and Repair Services - Office Equipment	863	
Travel	3,943	
Data Processing Supplies	2,425	
Utilities	2,300	
Other Charges	2,435	
Total Agriculture Extension Service		204,361

Soil Conservation

Secretary(ies)	\$ 26,994	
Other Salaries and Wages	26,540	
Social Security	4,062	
State Retirement	3,616	
Medical Insurance	8,562	
Dental Insurance	473	
Unemployment Compensation	134	
Contributions	2,000	
Total Soil Conservation		72,381

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations

Industrial Development

Contributions	\$ 251,761	
Total Industrial Development		\$ 251,761

Veterans' Services

Clerical Personnel	\$ 10,680	
Social Security	808	
Unemployment Compensation	62	
Communication	660	
Dues and Memberships	25	
Travel	500	
Electricity	1,016	
Natural Gas	557	
Office Supplies	152	
Water and Sewer	402	
Total Veterans' Services		14,862

Other Charges

Judgments	\$ 250,000	
Liability Insurance	153,532	
Premiums on Corporate Surety Bonds	12,916	
Trustee's Commission	193,491	
Workers' Compensation Insurance	142,160	
Liability Claims	4,705	
Loss from Joint Ventures	86,804	
Other Charges	19,153	
Total Other Charges		862,761

Contributions to Other Agencies

Contributions	\$ 39,000	
Total Contributions to Other Agencies		39,000

Payments to Cities

Contributions	\$ 28,500	
Total Payments to Cities		28,500

Miscellaneous

Other Charges	\$ 3,500	
Total Miscellaneous		3,500

Total General Fund		\$ 16,319,758
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(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	46,203	
Secretary(ies)		31,979	
Overtime Pay		2,171	
In-Service Training		831	
Social Security		6,134	
State Retirement		7,148	
Medical Insurance		11,099	
Dental Insurance		516	
Unemployment Compensation		86	
Communication		2,328	
Maintenance and Repair Services - Buildings		2,498	
Postal Charges		1,038	
Travel		814	
Custodial Supplies		374	
Utilities		8,620	
Other Supplies and Materials		5,361	
Trustee's Commission		19,927	
Other Charges		9,208	
Total Sanitation Management			\$ 156,335

Waste Pickup

Truck Drivers	\$	138,167
Guards		23,211
Overtime Pay		21,025
Social Security		13,514
State Retirement		8,992
Medical Insurance		31,681
Dental Insurance		1,228
Unemployment Compensation		365
Contracts with Government Agencies		20,497
Contracts with Private Agencies		265,773
Maintenance and Repair Services - Equipment		478
Maintenance and Repair Services - Vehicles		14,677
Medical and Dental Services		342
Diesel Fuel		55,888
Garage Supplies		3,153
Gasoline		7,725
Tires and Tubes		8,293
Uniforms		2,063
Other Supplies and Materials		2,933

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Vehicle and Equipment Insurance	\$ 8,875	
Total Waste Pickup		\$ 628,880

Convenience Centers

Attendants	\$ 149,454	
Overtime Pay	3,437	
Other Salaries and Wages	14,407	
Social Security	13,080	
State Retirement	8,211	
Medical Insurance	44,524	
Dental Insurance	2,192	
Unemployment Compensation	709	
Communication	6,561	
Maintenance and Repair Services - Buildings	3,099	
Maintenance and Repair Services - Equipment	19,042	
Rentals	6,780	
Electricity	8,422	
Solid Waste Equipment	3,436	
Other Equipment	15,659	
Total Convenience Centers		299,013

Other Waste Collection

Supervisor/Director	\$ 13,593	
Secretary(ies)	8,156	
Overtime Pay	734	
Social Security	1,665	
State Retirement	1,960	
Unemployment Compensation	22	
Contracts with Government Agencies	1,682	
Contracts with Private Agencies	47,656	
Contracts with Vehicle Owners	4,081	
Crushed Stone	4,738	
Other Equipment	13,828	
Total Other Waste Collection		98,115

Other Operations

Other Charges

Workers' Compensation Insurance	\$ 25,687	
Total Other Charges		25,687

Total Solid Waste/Sanitation Fund \$ 1,208,030

(Continued)

Exhibit J-7

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

<u>Local Purpose Tax Fund</u>			
<u>Other Operations</u>			
<u>Industrial Development</u>			
Contracts with Government Agencies	\$	75,000	
Trustee's Commission		2,825	
Total Industrial Development		<u>77,825</u>	\$ 77,825
Total Local Purpose Tax Fund			\$ 77,825
 <u>Drug Control Fund</u>			
<u>Public Safety</u>			
<u>Drug Enforcement</u>			
Contributions	\$	207	
Confidential Drug Enforcement Payments		15,000	
Maintenance and Repair Services - Equipment		3,281	
Travel		15,779	
Instructional Supplies and Materials		3,556	
Law Enforcement Supplies		5,411	
Trustee's Commission		1,309	
Data Processing Equipment		1,842	
Law Enforcement Equipment		82,732	
Motor Vehicles		14,570	
Total Drug Enforcement		<u>143,687</u>	\$ 143,687
Total Drug Control Fund			143,687
 <u>District Attorney General Fund</u>			
<u>Administration of Justice</u>			
<u>District Attorney General</u>			
Communication	\$	7,488	
Dues and Memberships		95	
Janitorial Services		6,500	
Travel		2,838	
Office Supplies		7,306	
Other Supplies and Materials		2,351	
Other Charges		12,801	
Total District Attorney General		<u>39,379</u>	\$ 39,379
Total District Attorney General Fund			39,379

(Continued)

Exhibit J-7

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

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 180,163	
Total Register of Deeds		\$ 180,163

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 192,352	
Total County Trustee's Office		192,352

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 242,718	
Total County Clerk's Office		242,718

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$ 755,995	
Total Circuit Court		755,995

General Sessions Court Clerk

Constitutional Officers' Operating Expenses	\$ 7,801	
Total General Sessions Court Clerk		7,801

Chancery Court

Constitutional Officers' Operating Expenses	\$ 139,132	
Total Chancery Court		<u>139,132</u>

Total Constitutional Officers - Fees Fund		\$ 1,518,161
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 77,921
Assistant(s)	46,279
Secretary(ies)	30,990
Board and Committee Members Fees	6,300
Social Security	12,335
State Retirement	10,450
Medical Insurance	25,447
Dental Insurance	855
Unemployment Compensation	996
Accounting Services	12,000

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Dues and Memberships	\$	3,248	
Evaluation and Testing		532	
Legal Services		725	
Legal Notices, Recording, and Court Costs		497	
Maintenance and Repair Services - Office Equipment		957	
Travel		622	
Other Contracted Services		662	
Office Supplies		2,733	
Other Charges		5,470	
Total Administration			\$ 239,019

Highway and Bridge Maintenance

Equipment Operators	\$	375,794	
Truck Drivers		10,891	
Social Security		29,525	
State Retirement		24,650	
Medical Insurance		118,460	
Dental Insurance		3,143	
Unemployment Compensation		4,340	
Other Contracted Services		1,316,995	
Asphalt - Cold Mix		8,996	
Asphalt - Hot Mix		1,279	
Asphalt - Liquid		326,998	
Crushed Stone		111,358	
Road Signs		7,646	
Salt		16,218	
Other Supplies and Materials		11,964	
Total Highway and Bridge Maintenance			2,368,257

Operation and Maintenance of Equipment

Mechanic(s)	\$	77,978	
Social Security		5,958	
State Retirement		3,096	
Medical Insurance		18,974	
Dental Insurance		455	
Unemployment Compensation		1,007	
Laundry Service		5,295	
Maintenance and Repair Services - Equipment		2,099	
Tow-in Services		450	
Diesel Fuel		64,749	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Equipment and Machinery Parts	\$ 128,051	
Garage Supplies	2,111	
Gasoline	26,405	
Lubricants	7,940	
Small Tools	805	
Tires and Tubes	16,961	
Other Supplies and Materials	3,967	
Total Operation and Maintenance of Equipment		\$ 366,301

Other Charges

Communication	\$ 10,389	
Electricity	7,896	
Natural Gas	4,512	
Water and Sewer	751	
Liability Insurance	40,979	
Trustee's Commission	19,761	
Workers' Compensation Insurance	65,568	
Other Charges	1,685	
Total Other Charges		<u>151,541</u>

Total Highway/Public Works Fund \$ 3,125,118

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 435,000	
Principal on Notes	109,000	
Principal on Other Loans	405,000	
Total General Government		\$ 949,000

Interest on Debt

General Government

Interest on Bonds	\$ 99,600	
Interest on Notes	2,784	
Interest on Other Loans	189,680	
Total General Government		292,064

Other Debt Service

General Government

Fiscal Agent Charges	\$ 3,392	
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(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Other Debt Service (Cont.)

General Government (Cont.)

Trustee's Commission	\$ 23,342	
Other Debt Service	11,112	
Total General Government	<u>34,454</u>	\$ 37,846

Total General Debt Service Fund \$ 1,278,910

Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 310,000	
Total Education		\$ 310,000

Interest on Debt

Education

Interest on Bonds	\$ 68,200	
Total Education		68,200

Other Debt Service

Education

Trustee's Commission	\$ 4,044	
Other Debt Service	536	
Total Education	<u>4,580</u>	4,580

Total Rural Debt Service Fund 382,780

Special Debt Service Fund

Principal on Debt

Education

Principal on Other Loans	\$ 175,000	
Total Education		\$ 175,000

Interest on Debt

Education

Interest on Bonds	\$ 1,353,335	
Interest on Other Loans	325,835	
Total Education	<u>1,679,170</u>	1,679,170

Other Debt Service

Education

Fiscal Agent Charges	\$ 2,000	
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(Continued)

Exhibit J-7

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

Special Debt Service Fund (Cont.)

Other Debt Service (Cont.)

Education (Cont.)

Trustee's Commission	\$ 13,219	
Other Debt Service	<u>1,009</u>	
Total Education		<u>\$ 16,228</u>

Total Special Debt Service Fund \$ 1,870,398

Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 310,000	
Total Education		\$ 310,000

Interest on Debt

Education

Interest on Bonds	\$ 124,625	
Total Education		124,625

Other Debt Service

Education

Fiscal Agent Charges	\$ 535	
Trustee's Commission	<u>9,034</u>	
Total Education		<u>9,569</u>

Total Education Debt Service Fund 444,194

Other Rural Debt Service Fund

Other Debt Service

Education

Trustee's Commission	\$ 3,674	
Total Education		<u>\$ 3,674</u>

Total Other Rural Debt Service Fund 3,674

General Capital Projects Fund

Capital Projects

General Administration Projects

Trustee's Commission	\$ 2,646	
Total General Administration Projects		\$ 2,646

(Continued)

Exhibit J-7

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

<u>General Capital Projects Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Public Safety Projects</u>		
Architects	\$ 19,113	
Contracts with Private Agencies	4,500	
Legal Services	<u>9,756</u>	
Total Public Safety Projects		\$ 33,369
<u>Social, Cultural, and Recreation Projects</u>		
Building Improvements	\$ 6,162	
Total Social, Cultural, and Recreation Projects		6,162
<u>Agriculture and Natural Resource Projects</u>		
Contracts with Private Agencies	\$ 18,620	
Total Agriculture and Natural Resource Projects		18,620
<u>Public Utility Projects</u>		
Other Capital Outlay	\$ 12,833	
Total Public Utility Projects		<u>12,833</u>
Total General Capital Projects Fund		\$ 73,630
<u>Education Capital Projects Fund</u>		
<u>Other Debt Service</u>		
<u>Education</u>		
Underwriter's Discount	\$ 13,610	
Other Debt Issuance Charges	<u>13,344</u>	
Total Education		\$ 26,954
<u>Capital Projects - Donated</u>		
<u>Capital Projects Donated to School Department</u>		
Contributions	\$ 946,750	
Total Capital Projects Donated to School Department		<u>946,750</u>
Total Education Capital Projects Fund		<u>973,704</u>
Total Governmental Funds - Primary Government		<u>\$ 27,459,248</u>

Exhibit J-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2011

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 10,406,797	
Career Ladder Program	112,947	
Career Ladder Extended Contracts	49,800	
Homebound Teachers	15,508	
Instructional Computer Personnel	57,240	
Educational Assistants	240,501	
Other Salaries and Wages	12,699	
Certified Substitute Teachers	28,839	
Non-certified Substitute Teachers	143,502	
Social Security	640,836	
State Retirement	964,004	
Life Insurance	51,003	
Medical Insurance	1,807,550	
Dental Insurance	80,382	
Employer Medicare	152,377	
Communication	71,220	
Maintenance and Repair Services - Equipment	37,375	
Other Contracted Services	8,840	
Instructional Supplies and Materials	177,002	
Textbooks	290,182	
Other Supplies and Materials	80,983	
Other Charges	41,076	
Regular Instruction Equipment	136,421	
Total Regular Instruction Program		\$ 15,607,084

Special Education Program

Teachers	\$ 1,523,261
Career Ladder Program	19,542
Homebound Teachers	4,996
Educational Assistants	151,307
Speech Pathologist	134,646
Other Salaries and Wages	123,517
Certified Substitute Teachers	2,010
Non-certified Substitute Teachers	12,662
Social Security	111,921
State Retirement	170,619
Life Insurance	7,552
Medical Insurance	380,504
Dental Insurance	19,546

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	26,531	
Maintenance and Repair Services - Equipment		1,200	
Other Contracted Services		99,838	
Instructional Supplies and Materials		19,000	
Other Supplies and Materials		10,014	
Other Charges		1,617	
Total Special Education Program			\$ 2,820,283

Vocational Education Program

Teachers	\$	901,762	
Career Ladder Program		5,500	
Educational Assistants		13,113	
Certified Substitute Teachers		1,220	
Non-certified Substitute Teachers		13,300	
Social Security		55,169	
State Retirement		82,138	
Life Insurance		3,750	
Medical Insurance		147,308	
Dental Insurance		5,431	
Employer Medicare		12,904	
Instructional Supplies and Materials		32,468	
Total Vocational Education Program			1,274,063

Student Body Education Program

Other Salaries and Wages	\$	41,061	
Social Security		2,392	
State Retirement		3,580	
Employer Medicare		560	
Other Charges		10,311	
Total Student Body Education Program			57,904

Support Services

Attendance

Supervisor/Director	\$	61,032	
Career Ladder Program		1,000	
Social Security		3,478	
State Retirement		5,614	
Life Insurance		180	
Medical Insurance		8,484	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Dental Insurance	\$	272	
Employer Medicare		813	
Travel		1,788	
Other Contracted Services		10,969	
Other Supplies and Materials		1,611	
Attendance Equipment		3,207	
Total Attendance			\$ 98,448

Health Services

Medical Personnel	\$	319,667	
Secretary(ies)		19,712	
Other Salaries and Wages		44,407	
Social Security		22,331	
State Retirement		30,564	
Life Insurance		1,278	
Medical Insurance		59,045	
Dental Insurance		2,172	
Employer Medicare		5,223	
Travel		7,423	
Other Contracted Services		2,185	
Other Supplies and Materials		7,461	
Other Charges		1,911	
Other Equipment		609	
Total Health Services			523,988

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		485,353	
Psychological Personnel		21,245	
Secretary(ies)		65,272	
Other Salaries and Wages		18,875	
Social Security		34,922	
State Retirement		53,218	
Life Insurance		2,498	
Medical Insurance		84,881	
Dental Insurance		4,617	
Employer Medicare		8,176	
Evaluation and Testing		52,946	
Travel		1,737	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Contracted Services	\$ 808	
Total Other Student Support		\$ 837,548

Regular Instruction Program

Supervisor/Director	\$ 294,223	
Career Ladder Program	8,000	
Career Ladder Extended Contracts	6,000	
Librarians	377,845	
Secretary(ies)	87,559	
Other Salaries and Wages	69,936	
Social Security	45,562	
State Retirement	69,452	
Life Insurance	3,206	
Medical Insurance	143,751	
Dental Insurance	6,246	
Employer Medicare	11,368	
Travel	20,288	
Library Books/Media	24,846	
In Service/Staff Development	38,936	
Other Charges	5,842	
Other Equipment	1,507	
Total Regular Instruction Program		1,214,567

Special Education Program

Supervisor/Director	\$ 59,800	
Career Ladder Program	1,000	
Psychological Personnel	108,542	
Secretary(ies)	18,096	
Other Salaries and Wages	2,112	
Social Security	10,537	
State Retirement	17,120	
Life Insurance	632	
Medical Insurance	28,767	
Dental Insurance	1,086	
Employer Medicare	2,464	
Maintenance and Repair Services - Equipment	2,731	
Travel	7,918	
Other Supplies and Materials	1,555	
Other Charges	741	
Total Special Education Program		263,101

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Supervisor/Director	\$	37,016	
Career Ladder Program		1,500	
Social Security		2,328	
State Retirement		3,486	
Life Insurance		192	
Medical Insurance		2,874	
Dental Insurance		272	
Employer Medicare		545	
Communication		800	
Travel		901	
Total Vocational Education Program			\$ 49,914

Other Programs

On-Behalf Payments to OPEB	\$	216,659	
Total Other Programs			216,659

Board of Education

Secretary to Board	\$	729	
Board and Committee Members Fees		12,390	
Social Security		660	
State Retirement		65	
Life Insurance		8,331	
Medical Insurance		158,352	
Dental Insurance		22,442	
Unemployment Compensation		33,993	
Employer Medicare		189	
Audit Services		7,020	
Bank Charges		1,019	
Dues and Memberships		5,915	
Legal Services		8,871	
Travel		3,882	
Liability Insurance		243,750	
Trustee's Commission		248,254	
Workers' Compensation Insurance		216,186	
In Service/Staff Development		14,240	
Criminal Investigation of Applicants - TBI		4,200	
Other Charges		58,761	
Total Board of Education			1,049,249

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools

County Official/Administrative Officer	\$	98,795	
Career Ladder Program		1,000	
Secretary(ies)		32,160	
Clerical Personnel		26,765	
Other Salaries and Wages		1,516	
Social Security		9,730	
State Retirement		14,399	
Life Insurance		541	
Medical Insurance		21,345	
Dental Insurance		815	
Employer Medicare		2,276	
Communication		8,399	
Dues and Memberships		1,931	
Maintenance and Repair Services - Equipment		15,608	
Postal Charges		1,222	
Travel		3,795	
Office Supplies		8,139	
Utilities		23,463	
In Service/Staff Development		2,400	
Total Director of Schools			\$ 274,299

Office of the Principal

Principals	\$	583,183	
Career Ladder Program		9,000	
Accountants/Bookkeepers		52,769	
Assistant Principals		271,867	
Secretary(ies)		272,072	
Social Security		69,145	
State Retirement		105,829	
Life Insurance		4,842	
Medical Insurance		193,439	
Dental Insurance		7,875	
Employer Medicare		16,174	
Communication		27,663	
Travel		3,031	
Office Supplies		4,973	
Total Office of the Principal			1,621,862

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Supervisor/Director	\$	41,856	
Accountants/Bookkeepers		130,401	
Social Security		10,311	
State Retirement		15,296	
Life Insurance		902	
Medical Insurance		30,533	
Dental Insurance		1,358	
Employer Medicare		2,411	
Travel		460	
Other Contracted Services		13,264	
Other Supplies and Materials		1,652	
In Service/Staff Development		1,000	
Total Fiscal Services			\$ 249,444

Operation of Plant

Custodial Personnel	\$	531,865	
Social Security		30,085	
State Retirement		41,731	
Life Insurance		3,873	
Medical Insurance		149,097	
Dental Insurance		6,110	
Employer Medicare		7,218	
Laundry Service		5,474	
Electricity		921,371	
Natural Gas		85,565	
Propane Gas		12,793	
Water and Sewer		68,974	
Other Supplies and Materials		71,413	
Total Operation of Plant			1,935,569

Maintenance of Plant

Supervisor/Director	\$	57,674	
Maintenance Personnel		208,553	
Other Salaries and Wages		9,115	
Social Security		16,131	
State Retirement		23,641	
Life Insurance		1,488	
Medical Insurance		56,224	
Employer Medicare		3,772	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Communication	\$	5,486	
Maintenance and Repair Services - Buildings		2,000	
Maintenance and Repair Services - Equipment		9,212	
Other Supplies and Materials		133,401	
In Service/Staff Development		1,164	
Maintenance Equipment		17,214	
Total Maintenance of Plant	\$		545,075

Transportation

Supervisor/Director	\$	55,138	
Mechanic(s)		138,771	
Bus Drivers		566,933	
Clerical Personnel		39,793	
Other Salaries and Wages		120,705	
Social Security		53,119	
State Retirement		74,730	
Life Insurance		9,155	
Medical Insurance		346,611	
Dental Insurance		15,207	
Employer Medicare		12,423	
Communication		2,106	
Laundry Service		3,681	
Maintenance and Repair Services - Equipment		193	
Travel		2,083	
Diesel Fuel		213,462	
Gasoline		22,348	
Office Supplies		1,000	
Tires and Tubes		29,935	
Utilities		15,488	
Vehicle Parts		130,394	
In Service/Staff Development		682	
Other Charges		5,406	
Administration Equipment		3,899	
Total Transportation			1,863,262

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	57,069	
Other Salaries and Wages		150,939	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Social Security	\$	12,700	
State Retirement		7,325	
Dental Insurance		3,802	
Employer Medicare		2,961	
Communication		3,765	
Dues and Memberships		300	
Travel		7,001	
Other Contracted Services		34,566	
Food Supplies		5,705	
Other Supplies and Materials		123,658	
In Service/Staff Development		26,701	
Other Charges		18,368	
Other Equipment		1,186	
Total Community Services			\$ 456,046

Early Childhood Education

Teachers	\$	279,279	
Educational Assistants		78,538	
Other Salaries and Wages		31,283	
Certified Substitute Teachers		450	
Non-certified Substitute Teachers		6,164	
Social Security		20,991	
State Retirement		32,248	
Life Insurance		2,616	
Medical Insurance		101,386	
Employer Medicare		5,264	
Communication		2,989	
Travel		598	
Other Contracted Services		4,995	
Instructional Supplies and Materials		13,940	
Other Supplies and Materials		8,186	
Other Charges		2,619	
Other Equipment		40,513	
Total Early Childhood Education			632,059

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	196,750	
Other Capital Outlay		189,307	
Total Regular Capital Outlay			386,057

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Principal on Debt

Education

Principal on Notes	\$ 151,970	
Total Education		\$ 151,970

Interest on Debt

Education

Interest on Notes	\$ 3,324	
Total Education		3,324

Other Debt Service

Education

Other Debt Service	\$ 4,509	
Total Education		<u>4,509</u>

Total General Purpose School Fund		\$ 32,136,284
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School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 458,166	
Educational Assistants	85,135	
Other Salaries and Wages	119,001	
Certified Substitute Teachers	4,488	
Non-certified Substitute Teachers	16,052	
Social Security	38,798	
State Retirement	56,660	
Life Insurance	3,116	
Medical Insurance	124,222	
Employer Medicare	9,408	
Other Contracted Services	3,138	
Instructional Supplies and Materials	138,750	
Other Supplies and Materials	10,241	
Other Charges	2,142	
Regular Instruction Equipment	<u>24,851</u>	
Total Regular Instruction Program		\$ 1,094,168

Special Education Program

Teachers	\$ 79,501	
Educational Assistants	398,177	
Other Salaries and Wages	17,234	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Certified Substitute Teachers	\$	840	
Non-certified Substitute Teachers		23,852	
Social Security		29,699	
State Retirement		40,214	
Life Insurance		5,796	
Medical Insurance		203,867	
Employer Medicare		6,950	
Maintenance and Repair Services - Equipment		578	
Other Contracted Services		131,373	
Instructional Supplies and Materials		5,364	
Textbooks		35,744	
Other Supplies and Materials		20,597	
Other Charges		2,644	
Special Education Equipment		21,705	
Total Special Education Program			\$ 1,024,135

Vocational Education Program

Instructional Supplies and Materials	\$	9,901	
In Service/Staff Development		1,558	
Vocational Instruction Equipment		62,395	
Total Vocational Education Program			73,854

Support Services

Other Student Support

Psychological Personnel	\$	21,245	
Other Salaries and Wages		975	
Social Security		1,378	
State Retirement		1,931	
Life Insurance		35	
Medical Insurance		3,013	
Employer Medicare		322	
Evaluation and Testing		2,899	
Travel		17,374	
Other Supplies and Materials		8,647	
In Service/Staff Development		9,846	
Other Charges		8,267	
Total Other Student Support			75,932

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	31,506	
Secretary(ies)		25,334	
Other Salaries and Wages		137,550	
Social Security		11,695	
State Retirement		17,549	
Life Insurance		786	
Medical Insurance		29,424	
Employer Medicare		2,735	
Travel		8,063	
Other Contracted Services		735	
Instructional Supplies and Materials		17,420	
Other Supplies and Materials		17,482	
In Service/Staff Development		112,167	
Other Charges		201	
Other Equipment		14,058	
Total Regular Instruction Program			\$ 426,705

Special Education Program

Psychological Personnel	\$	3,712	
Secretary(ies)		18,096	
Social Security		1,353	
State Retirement		1,943	
Life Insurance		90	
Medical Insurance		4,037	
Employer Medicare		316	
Travel		56	
Other Supplies and Materials		2,689	
In Service/Staff Development		58,371	
Other Charges		1,098	
Other Equipment		1,018	
Total Special Education Program			92,779

Vocational Education Program

Travel	\$	2,498	
Other Supplies and Materials		599	
In Service/Staff Development		653	
Total Vocational Education Program			3,750

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation

Transportation Equipment	\$ 402,527	
Total Transportation		<u>\$ 402,527</u>

Total School Federal Projects Fund \$ 3,193,850

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 56,213	
Accountants/Bookkeepers	32,966	
Cafeteria Personnel	636,436	
Other Salaries and Wages	19,883	
Social Security	43,198	
State Retirement	55,374	
Life Insurance	7,380	
Medical Insurance	257,352	
Dental Insurance	10,998	
Employer Medicare	10,103	
Accounting Services	613	
Communication	2,859	
Maintenance and Repair Services - Equipment	7,705	
Travel	16,752	
Other Contracted Services	16,298	
Food Preparation Supplies	83,160	
Food Supplies	887,703	
Office Supplies	5,828	
USDA - Commodities	162,503	
Other Supplies and Materials	336	
Liability Insurance	343	
In Service/Staff Development	9,490	
Other Charges	12,055	
Food Service Equipment	92,229	
Total Food Service		<u>\$ 2,427,777</u>

Total Central Cafeteria Fund 2,427,777

(Continued)

Exhibit J-8

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

Other Capital Projects Fund

Instruction

Regular Instruction Program

Instructional Supplies and Materials	\$ 180,463	
Total Regular Instruction Program		\$ 180,463

Support Services

Office of the Principal

Office Supplies	\$ 2,659	
Total Office of the Principal		2,659

Capital Projects

Education Capital Projects

Other Charges	\$ 1,172	
Building Construction	1,748,067	
Building Improvements	48,124	
Communication Equipment	1,866	
Data Processing Equipment	2,076	
Furniture and Fixtures	199,395	
Plant Operation Equipment	8,295	
Site Development	89,665	
Solid Waste Equipment	22,447	
Health Equipment	3,607	
Other Equipment	82,330	
Other Construction	300	
Other Capital Outlay	350	
Total Education Capital Projects	<u>2,207,694</u>	

Total Other Capital Projects Fund		<u>\$ 2,390,816</u>
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Total Governmental Funds - Coffee County School Department		<u><u>\$ 40,148,727</u></u>
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Exhibit J-9

Coffee County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2011

	Enterprise Fund
	Wayside Acres Sewer Fund
<hr/>	
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Water Treatment Charges	\$ 12,053
Other General Service Charges	18,475
Total Operating Revenues	<u>\$ 30,528</u>
Total Revenues	<u>\$ 30,528</u>
 <u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Public Health and Welfare</u>	
Communication	\$ 691
Engineering Services	6,383
Other Contracted Services	9,886
Electricity	2,499
Water and Sewer	84
Other Supplies and Materials	2,936
Liability Insurance	650
Depreciation	35,475
Total Operating Expenses	<u>\$ 58,604</u>
<u>Nonoperating Expenses</u>	
Interest on Other Loans	\$ 13,049
Total Nonoperating Expenses	<u>\$ 13,049</u>
Total Expenses	<u>\$ 71,653</u>

Exhibit J-10

Coffee County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2011

	Cities - Sales Tax Fund	City School ADA- Tulahoma Fund	City School ADA- Manchester Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 4,999,753	\$ 2,300,084	\$ 7,299,837
Trustee's Collections - Prior Years	0	160,698	73,927	234,625
Trustee's Collections - Bankruptcy	0	1,521	691	2,212
Circuit/Clerk and Master Collections - Prior Years	0	35,985	16,626	52,611
Interest and Penalty	0	43,206	19,890	63,096
Payments in-Lieu-of Taxes - TVA	0	395	182	577
Payments in-Lieu-of Taxes - Local Utilities	0	5,245	2,413	7,658
Payments in-Lieu-of Taxes - Other	0	2,205	1,015	3,220
Interstate Telecommunications Tax	0	1,283	590	1,873
Local Option Sales Tax	12,580,879	0	0	12,580,879
Marriage Licenses	0	1,458	696	2,154
Alcoholic Beverage Tax	0	2,495	1,148	3,643
Total Cash Receipts	\$ 12,580,879	\$ 5,254,244	\$ 2,417,262	\$ 20,252,385
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 12,455,070	\$ 5,196,830	\$ 2,352,312	\$ 20,004,212
Trustee's Commission	125,809	104,693	48,162	278,664
Total Cash Disbursements	\$ 12,580,879	\$ 5,301,523	\$ 2,400,474	\$ 20,282,876
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ (47,279)	\$ 16,788	\$ (30,491)
Cash Balance, July 1, 2010	0	44,622	19,888	64,510
Cash Balance, June 30, 2011	\$ 0	\$ (2,657)	\$ 36,676	\$ 34,019

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***

February 17, 2012

Coffee County Mayor and
Board of County Commissioners
Coffee 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 Coffee County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Coffee County's basic financial statements and have issued our report thereon dated February 17, 2012. Our report was modified to include a reference to other auditors. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the Industrial Board of Coffee County, 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. Other auditors audited the financial statements of the Coffee County Emergency Communications District and the Coffee County Public Building Authority as described in our report on Coffee County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Coffee 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 Coffee County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Coffee 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: 11.02, 11.06, 11.08, and 11.09. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coffee County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 11.01, 11.03, 11.04, 11.05, and 11.07.

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

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

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

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu



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

REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

February 17, 2012

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Coffee County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. Coffee 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 Coffee County's management. Our responsibility is to express an opinion on Coffee 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 Coffee 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 Coffee County's compliance with those requirements.

In our opinion, Coffee County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of Coffee 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 Coffee 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 Coffee 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 Coffee County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Coffee County's basic financial statements and have issued our reports thereon dated February 17, 2012. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Industrial Board of Coffee County, 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 a portion of Coffee 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.

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

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

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Coffee County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2011

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	\$ 393,520
National School Lunch Program	10.555	N/A	1,027,208 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	162,503 (3)
Total U.S. Department of Agriculture			<u>\$ 1,583,231</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Home Investment Partnership Program	14.239	HM-10-10	<u>\$ 3,500</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	<u>\$ 5,265</u>
U.S. Department of Labor:			
Passed-through State Department of Education:			
Incentive Grants - WIA Section 503	17.267	(2)	<u>\$ 1,000</u>
U.S. Department of Transportation:			
Passed-through Governor's Highway Safety Office:			
State and Community Highway Safety	20.600	Z-11-GHS307-00	<u>\$ 26,803</u>
Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	N/A	<u>\$ 7,200</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I, Part A Cluster:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 852,591
Title 1 Grants to Local Educational Agencies, Recovery Act	84.389	N/A	180,191
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	886,431
Special Education - Preschool Grants	84.173	N/A	23,101
Special Education - Grants to States, Recovery Act	84.391	N/A	652,072
Special Education - Preschool Grants, Recovery Act	84.392	N/A	1,272
Career and Technical Education - Basic Grants to States	84.048	N/A	104,009
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	2,192
Education Technology Cluster:			
Education Technology State Grants	84.318	(2)	194,169
Education Technology State Grants, Recovery Act	84.386	N/A	1,065
English Language Acquisition Grants	84.365	N/A	25,143
Improving Teacher Quality State Grants	84.367	N/A	5,436
Education for Homeless Children and Youth, Recovery Act	84.387	N/A	2,376
State Fiscal Stabilization Cluster:			
State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	N/A	1,712,201
State Fiscal Stabilization Fund - Government Services Recovery Act	84.397	(4)	263,634
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	211,377
Education Jobs Fund	84.410	N/A	88,361
Total U.S. Department of Education			<u>\$ 5,205,621</u>
U.S. Election Assistance Commission:			
Passed-through State Division of Elections:			
Help American Vote Act Requirements Payments	90.401	(2)	<u>\$ 8,920</u>

(Continued)

Coffee 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 Health and Human Services:			
Passed-through State Department of Mental Health:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	GG-1133055	\$ 99,498
Drug-free Communities Support Program Grants	93.276	(2)	88,674
Temporary Assistance for Needy Families	93.558	(2)	35,933 (5)
Block Grant for Prevention and Treatment of Substance Abuse	93.959	GG-1133056	38,421
Passed-through State Department of Childrens Services:			
Temporary Assistance for Needy Families	93.558	(2)	15,122 (5)
Total U.S. Department of Health and Human Services			<u>\$ 277,648</u>
U.S. Department of Homeland Security:			
Direct Program:			
Assistance to Firefighters Grant	97.044	EMW-2010-FO-04293	\$ 120,000
Passed-through State Department of Military:			
Interoperable Emergency Communications	97.055	GG-10-29494-00	45,528
Homeland Security Grant Program	97.067	(2)	110,003
Passed-through United Way of America:			
Emergency Food and Shelter National Board Program (ARRA)	97.114	(2)	2,000
Total U.S. Department of Homeland Security			<u>\$ 277,531</u>
Total Expenditures of Federal Awards			<u>\$ 7,396,719</u>

State Grants		Contract Number	
ConnecTenn - State Department of Education	N/A	(2)	\$ 2,385
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(2)	624,894
Energy Efficient Schools Initiative - State Energy Efficient Schools Initiative	N/A	(2)	96,243
Juvenile Services Program - State Commission on Children and Youth	N/A	(2)	9,000
Tennessee Agriculture Enhancement Program Grant - State Department of Agriculture	N/A	(2)	2,435
Rural Local Health Services - State Department of Health	N/A	GG-11-31870-00	578,477
Rural Dispatcher Grant - State Emergency Communications Board	N/A	(2)	20,000
Litter Program - State Department of Transportation	N/A	(2)	30,698
Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-212942-00	29,601
Total State Grants			<u>\$ 1,393,733</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$1,189,711.
- (4) Coordinated School Health: \$85,000; Internet Connectivity: \$12,998; Statewide Student Management System: \$10,969; Career Ladder - Extended Contract: \$66,267; Safe Schools: \$21,800; Family Resource Center: \$66,600;
- (5) Total for CFDA No. 93.558 is \$51,055.

Coffee County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2011

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 Coffee County, Tennessee, for the year ended June 30, 2010, which have not been corrected.

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.01	201	Compensation was paid in-lieu-of insurance benefits for some employees

OFFICES OF DIRECTOR OF SCHOOLS, TRUSTEE, COUNTY CLERK, CLERK AND MASTER, REGISTER, AND SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.06	204	Duties were not segregated adequately

COFFEE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

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 Coffee 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 were material to the financial statements.
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 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); the Title I Part A Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – 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 Cluster: State Fiscal Stabilization Fund – Education State Grants, Recovery Act and State Fiscal Stabilization Fund – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Coffee 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 written responses of the county mayor, director of schools, and sheriff are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICES OF COUNTY MAYOR AND SHERIFF

FINDING 11.01 **A CASH SHORTAGE OF AT LEAST \$4,768.06 EXISTED AT MARCH 15, 2011. IN ADDITION, QUESTIONABLE PAYROLL DISBURSEMENTS TOTALING \$4,121.52 WERE MADE BETWEEN MARCH 16, 2011, AND JUNE 22, 2011**
(Noncompliance Under *Government Auditing Standards*)

In October 2010, a court officer employed by the Sheriff's Department became physically unable to work due to illness. We were unable to determine the last day the employee worked; however, this employee was paid, based on an average of 80 regular hours every two weeks, from accumulated sick and annual leave through December 21, 2010, when all leave balances were exhausted.

Based on our interviews with Sheriff's Department and other county personnel, we discovered that this employee did not return to work until after March 15, 2011, and was only able to come to the office for short periods of time due to illness. We were unable to verify the time this employee was actually on the job after March 15, 2011. We examined this employee's payroll records from December 22, 2010, through June 22, 2011. Effective June 23, 2011, the department began using employee sign-in sheets reconciled with their payroll.

Our examination of the payroll records from December 22, 2010, through June 22, 2011 revealed the following deficiencies:

- A. The Sheriff's Department did not follow its personnel policies related to time reporting. These personnel policies provide that timesheets reflect actual hours worked and leave taken for each employee, and the timesheets are to be signed by the employee and reviewed by a department head or supervisor for accuracy. Timesheets for all court officers are routinely signed by the employee, the court officer's supervisor, and the sheriff. During the period December 22, 2010, through June 22, 2011, the timesheets for this employee were only signed by the sheriff.
- B. Although all leave balances had been exhausted and the employee was absent from work, the county continued to pay the employee from December 22, 2010, through March 15, 2011. During this period, we noted five timesheets for this employee that were prepared and signed by other Sheriff's Department personnel at the direction of the sheriff. These timesheets were approved by the sheriff and reflected that the court officer worked 80 regular hours every two weeks and received a total of \$4,499.96.

In addition, this employee was also paid for leave that he would have earned during the period totaling \$268.10. Therefore, this employee was paid a total of \$4,768.06 for work he did not perform and leave he did not earn.

- C. Based on our interviews with Sheriff's Department and other county personnel, we were advised that this employee was only able to come to the office for short periods of time after March 15, 2011. We were unable to verify the time this employee was actually on the job from March 16, 2011, through June 22, 2011. Therefore, payroll disbursements of \$4,121.52 based upon the employee working 40 regular hours every two weeks for the period March 16, 2011, through June 22, 2011, are questionable.

RECOMMENDATION

The county should take steps to liquidate the cash shortage of \$4,768.06. The Sheriff's Department should follow its personnel policies related to time reporting, documentation, and review. Employees should only be paid for actual time worked and accumulated leave earned in accordance with the personnel policies. Payroll disbursements should be made on the basis of accurate timesheets signed by the employee and reviewed and approved by a supervisor and the sheriff.

MANAGEMENT'S RESPONSE – SHERIFF

The Sheriff's Department has always stayed within the Coffee County Commission approved budgeted monies for employee pay. Therefore, there was not a cash shortage. There was a question as to whether the court officer was paid salary that he did not work and whether Sheriff's Department employees followed personnel policies related to time reporting. All employees of Coffee County, including the Sheriff's Department, keep up with their own hours of work. Since the employees are spread out, there is no way that anyone in the Coffee County government can be sure that all hours logged were in fact worked, or for that matter, that additional hours were worked and not logged. Many Sheriff's Department employees work extra hours and do not expect to be paid for them so they do not log them, as was the case of the employee in question prior to him becoming ill at work. I do believe that the county as a whole should go to an electronic time-keeping system. Unfortunately, employees who currently work on department payroll spreadsheets have many other duties and cannot verify every hour that an employee claims, and since payroll is due on the last day covered in the scheduled payroll, if a supervisor misses signing a timesheet, I signed the timesheet for them. Even at this time, employee kept records and county Budget Office kept records do not always match in relationship to sick, vacation, and comp time. It was not uncommon during this questionable period for employees to fill out timesheets for another employee to get the timesheet in on time. A time clock for each department might possibly help solve some of these issues. The Sheriff's Department has very little communication with the Budget Office and rarely, if ever, is able to talk with the budget director. This needs to be improved to keep potential issues/problems under control. I have implemented each employee completing their own timesheet, and each timesheet is signed by that specific department's captain who works with and knows if an employee is out to help alleviate the issues addressed in the finding. I still feel that to insure that all county employees are paid properly that the county should

install time clocks in each office, and that the Budget Office should receive hourly records to pay employees.

AUDITOR'S COMMENT

The sheriff authorized pay for an employee for time not worked. It is the responsibility of the Sheriff's Department to accurately account for the time its employees work. Employees should accurately record all hours worked, and employees should be compensated for all hour worked. Employees should not fill out timesheets for other employees. The Sheriff's Department and Budget Office should work together to resolve any timekeeping issues.

FINDING 11.02 THE FULL-TIME EMPLOYMENT STATUS OF TWO SHERIFF DEPARTMENT EMPLOYEES IS QUESTIONABLE
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

During a review of court officers' timesheets, it was noted that at least two employees (including the employee noted in Finding 11.01) were routinely working less than the required 30 hours per week, but were still receiving benefits awarded to full-time employees. The department's personnel policy classifies a part-time employee as "any person employed with the county that is regularly assigned to work less than 30 hours per week." The policy also states that all benefits are intended to apply only to full-time employees. Neither of these employees worked the required 30 regular weekly hours to be considered full-time since March 2011. We were unable to determine from interviews with Sheriff's Department personnel the exact day in March these employees stopped working full-time. According to the Human Resource Office, these Sheriff's Department employees are still considered full-time and are therefore receiving county provided benefits including earning leave and participating in county provided health benefits. The county's estimated cost of benefits for these two employees, including paid leave, health insurance, and retirement totaled \$9,232.38 from April 2011 through August 2011.

RECOMMENDATION

The Sheriff's Department and the Finance Department should determine the employment status of the two employees based on the provisions in the personnel policy. The department should only provide benefits authorized in the department's personnel policy.

MANAGEMENT'S RESPONSE – SHERIFF

One employee in question has worked for the Sheriff's Department since 1982 and hopes to return to the department as soon as he is able. The other employee, in hind sight, should have turned in a workman's compensation claim after becoming sick at work due to stress related to his job. Their status was not changed by my department. We communicated to the employees our hope for them to work 40 hours per week once they were well. The Budget Office did change their status to part-time, resulting in loss of health insurance. I am confident that these employees only receive pay and benefits for hours worked at this time.

AUDITOR'S COMMENTS

Officials should ensure that employees are properly classified as full-time or part-time and, therefore, receive only the appropriate benefits provided by the county's personnel policies. According to the Human Resource Office, these Sheriff's Department employees are still considered full-time and are therefore receiving county-provided benefits, which includes earning leave and participating in county-provided health benefits.

OFFICE OF COUNTY MAYOR

FINDING 11.03 **COMPENSATION WAS PAID IN-LIEU-OF INSURANCE BENEFITS TO SOME EMPLOYEES** (Noncompliance Under *Government Auditing Standards*)

It is the policy of the Coffee County Commission to provide single health insurance coverage for its employees. If employees desire family coverage, it is their responsibility to pay the additional cost above single coverage. In prior years, the County Commission approved paying additional compensation to employees who chose not to be covered under the county's plan and could show proof of coverage under another plan, such as a spouse's health insurance plan. The compensation paid to these employees is equal to 67 percent of the cost of single coverage provided to other county employees. The state attorney general has opined (Opinion 04-162) that "Counties do not have the authority to make a cash payment to an official or employee who elects not to participate in the county insurance plan." This deficiency exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The county should not pay employees additional compensation to cover their insurance costs under another health plan.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

At the November 8, 2011, meeting of the Coffee County Commission, the optional benefit insurance payment program for Coffee County employees was rescinded, effective June 30, 2012.

FINDING 11.04 **THE AMBULANCE SERVICE SOFTWARE DID NOT ALWAYS ASSIGN COMPUTER GENERATED RECEIPTS IN SEQUENTIAL ORDER** (Noncompliance Under *Government Auditing Standards*)

In-lieu-of using prenumbered receipt stock, the office generated receipts on plain paper. Although the billing software assigned receipt numbers to collections, sometime there were gaps in the receipt number sequence. This is a violation of Section 9-2-104, *Tennessee Code*

Annotated, which provides for receipts to be prenumbered consecutively. In-lieu-of prenumbered receipts, computer-generated receipts may be printed on plain paper only if the receipt number generated by the software cannot be manipulated. Sound business practices dictate that proper application controls be implemented. Since the software did not have the proper controls, inappropriate system activity could occur if prenumbered receipt stock is not used. This deficiency was corrected when it was brought to management's attention in June 2011, and they began using prenumbered receipt stock.

RECOMMENDATION

Management should ensure that the receipting application issues receipts that are prenumbered consecutively.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 11.05 **THE EXTENDED SCHOOL PROGRAM DID NOT DEPOSIT SOME COLLECTIONS WITHIN THREE DAYS OF RECEIPT**
(Noncompliance Under *Government Auditing Standards*)

In some instances, collections of the Extended School Program were not deposited with the county trustee within three days of receipt. Section 5-8-207, *Tennessee Code Annotated*, requires county officials to deposit public funds within three days of receiving the funds. This deficiency is the result of a lack of management oversight. The failure to make timely deposits increases the risks of fraud and abuse.

RECOMMENDATION

Extended School Program funds should be deposited with the county trustee within three days of collection as required by state statute.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

The Extended School Program director will address this issue with site directors at each school.

FINDING 11.06 **INSURANCE PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED MONTHLY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

General ledger payroll liability accounts for employee insurance deductions in the General Purpose School and School Federal Projects funds were not reconciled monthly with insurance invoices and payments. Sound business practices dictate that these reconciliations be performed monthly. The failure to regularly reconcile employee

insurance payroll liability accounts with insurance payments and invoices allows errors to remain undiscovered and uncorrected.

RECOMMENDATION

Employee insurance payroll liability accounts should be reconciled monthly with insurance invoices and payments, and any errors discovered should be corrected promptly.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Liability accounts will be reconciled monthly with deduction registers and invoices.

OFFICE OF CLERK AND MASTER

FINDING 11.07 **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**

(Noncompliance Under *Government Auditing Standards*)

The office began using a new software package in October 2010. Prior to this, the office had rotated backups of its data to an off-site location on a weekly basis. Because of a misunderstanding regarding the backup process for the new software, the office discontinued storing backups off-site on a weekly basis. Section 10-7-121, *Tennessee Code Annotated*, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system be copied to storage media daily, and media more than one week old be stored at an off-site location. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process. When the backup process was clarified in June 2011, the office began rotating backups to an off-site location.

RECOMMENDATION

Management should ensure backups are rotated off-site on a routine basis.

OFFICE OF REGISTER

FINDING 11.08 **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Multiple employees operated from the same cash drawer in the Office of Register. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of

the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the register would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision by the register resulting in a loss of control over assets.

RECOMMENDATION

The register should assign each employee their own cash drawer.

OFFICES OF DIRECTOR OF SCHOOLS, TRUSTEE, COUNTY CLERK, CLERK AND MASTER, REGISTER, AND SHERIFF

FINDING 11.09 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the officials and employees in the Offices of Director of Schools, Trustee, County Clerk, Clerk and Master, Register, and Sheriff. 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 finding exists because management failed 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 – DIRECTOR OF SCHOOLS

Duties are segregated to the extent possible due to limited financial resources and personnel.

BEST PRACTICE

COFFEE COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING AND BUDGETING

Coffee County does not have a central system of accounting and budgeting. Sound business practices dictate that establishing a central system would significantly improve internal

controls over the accounting and budgeting processes. The absence of a central system of accounting and budgeting has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of County Audit strongly believes that the adoption of a central system of accounting and budgeting is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Coffee County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

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

There were no findings and questioned costs for federal awards.

**COFFEE COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2011**

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